

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

A.I.C NYAYO GIRLS SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD ENDED
30 JUNE, 2021**

MACHAKOS COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE JUN 27/21	
DAY WEDNESDAY	
TABLED BY:	DEPUTY CHIEF WHIP (Hon. NAOMI WAQO-MIP)
CLERK-AT THE-TABLE:	J. LEMERIE



A.I.C NYAYO GIRLS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2021

**Prepared in accordance with the Cash Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**

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ACRONYMS AND GLOSSARY OF TERMS

Provide a list of all applicable acronyms and glossary of terms

BOM	Board of management
CEB	County Education Board
IPSAS	Internal public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary School

AIC NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements
For six months period ended 30th June, 2021

KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Machakos County, Kalama Sub-County

The school was registered in 24/05/2005 under registration number GP/A3302/2005 and is currently categorized as an Extra-County public school established, owned or operated by the Government.

The school is a boarding school and had 550 number of students as at 30th June 2021. It has ten streams and 23 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation/Category	Date of appointment
1	Mr. Festus Ndambuki	Chairman/Sponsor	28-05-2019
2	Mrs. Jean Waweru	Secretary - Principal	28-05-2019 - 06-8-2021
3	Lilian Mwema	Secretary Principal	06-8-2021-Reported
4	Mrs. Hellen Kioko	Member - Parent	28-05-2019
5	Rev. Reuben M. Mwanzia	Member - Parent	28-05-2019
6	Mr. Joel Mutisya	Member - Parent	28-05-2019
7	Mr. Joseph Ndata	Member -Community	28-05-2019
8	Mrs. Damaris Muli	Member -Community	28-05-2019
9	Mrs. Judith Katunge	Member -Community	28-05-2019
10	Ms. Irene Muteti	Member - CEB Rep	28-05-2019
11	Ms. Jemimah Mbithi	Member – Teacher Rep	28-05-2019
12	Dr. Cyrus Matheka	Member -Sponsor	28-05-2019
13	Ms. Caroline Kamende	Member -Sponsor	28-05-2019
14	Mr. Steve Mutevu	Member - Special intrest	28-05-2019
15	Mr. James Nyamai Peter	Member Special Needs	28-05-2019
16	Miss Irene Murungi	Students Rep	28-05-2019

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		Mr. James Nyamai Mrs. Jean Waweru	Member Member	
6	Discipline and welfare Committee	Ms. Irene Muteti Rev. Rheuben Mbiku Mrs Judith Katunge Ms Jemimmah Mbithi Mrs. Festus Ndambuki	Chairperson Member Member Member Member	2
7	School Infrastructure Committee (SIC)	Mr. Steve Mutevu. Mrs. Lucia Masyuki(Deputy) Mr. Festus Ndambuki (BOM Chairman) CDE Rep Ms Joel Mutisya Mrs. Jackson Mbaluku Mrs. Jean Waweru	Chairperson Secretary Member Member PA Chair BOM Member Principal	3

Adhoc Committees (Procurement Committees)

1	Tender opening committee	Juliana Francis Emmaculate Ndeti Thomas Kaeke Anne Karubiu Jemimmah Mbithi	Chairperson Secretary Member Member Member	1
2	Tender evaluation/ recommendation	Patrick Mwathe Emmaculate Ndeti Serah Munywoki Rachel Mbinda Damaris Guto	Chairperson Secretary Member Member Member	1
3	Inspection and Acceptance Committee	Damaris Guto Samuel Ndangili Cynthia Kimuyu Elizabeth Mutinda	Chairperson Secretary Member Member	4
4	Disposal Committee	Catherine Mutinda Samuel Mulandi Emmaculate Ndeti Martha Nyakundi	Chairperson Secretary Member Member	1

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mrs. Jean Waweru	323416
2	Deputy Principal	Mrs. Juliana Francis	364159
3	School Bursar	Ms Immaculate Ndeti	NGS/03/2004

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Festus Ndambuki Jean Waweru Reuben Mwanzia Irene Muteti Joseph Ndata	Chairperson Secretary-Principal Member Member Member	3
2	Audit Committee	Mr. Jackson Mbaluku Dr. Cyrus Matheka Ms Caroline kamende Ms Irene Muteti Mr. Feastus Ndambuki	Chairperson Member Member Member Member	3
3	Finance, procurement and general purposes Committee	Mr. Joseph Ndata Mr. Joel Mutisya Ms Damaris Mutisya Mrs. Festus Ndambuki Rev. Rheuben Mbiku	Chairperson Member Member Member Member	2
4	Academic Committee	Caroline Kamende Dr. Cyrus Matheka Mss. Stellamaries Ndinda Mrs. Hellen Kioko Ms. Jemimah Mbithi Mr. Festus Ndambuki	Chairperson Member Member Member Member	3
5	Development Committee	Mr. Steve Mutevu Mr. Joel Mutisya Mrs. Damaris Muli	Chairperson Member Member	2

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 2067-90100, Machakos
Telephone: 0734221242
E-mail: aicnyayogirls@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

The following school operated four number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: BOARDING ACC
Branch: MACHAKOS
Account Number: 1106377281
2. Name of Bank: TUITION ACC
Branch: MACHAKOS
Account Number: 1107110785
3. Name of Bank: OPERATIONS ACC
Branch: MACHAKOS
Account Number: 1106399285
4. Name of Bank: INFRASTRUCTURE ACC
Branch: MACHAKOS
Account Number: 12605105851
5. MPESA Pay Bill No. 33853k attached to 1106377281 boarding account

(g) Independent Auditors

Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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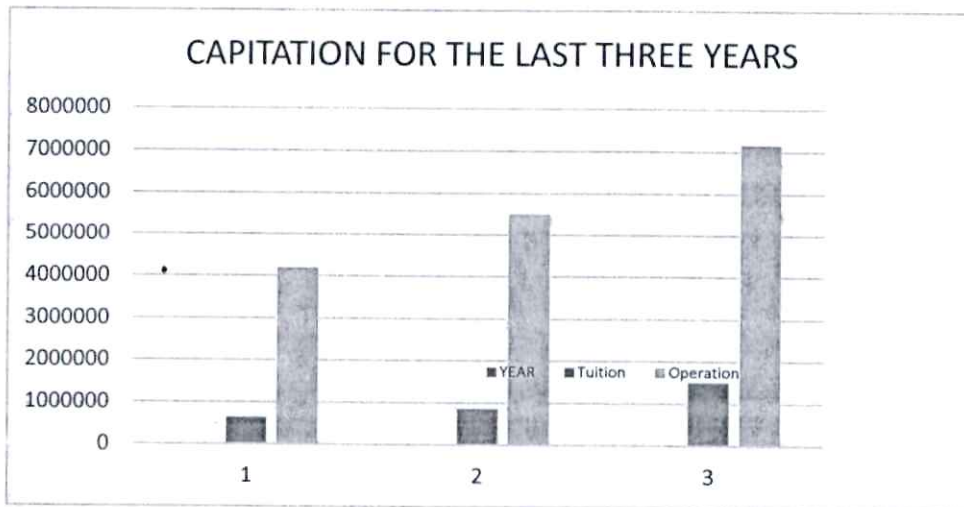
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

CAPITATION FOR THE LAST THREE YEARS

YEAR	2021	2020	2019
Tuition	640,507	862,586	1,514,515
Operation	4,192,627	5,507,125	7,161,609



RATIO OF CAPITATION GRANT PER STUDENT

YEAR	2021	2020	2019
Tuition	640,507	862,586	1,514,515
Operation	4,192,627	5,507,125	7,161,609
Total	4,833,135	6,369,711	8,676,124

Student population

545

490

464

RATIO

8,868

12,999

18,698

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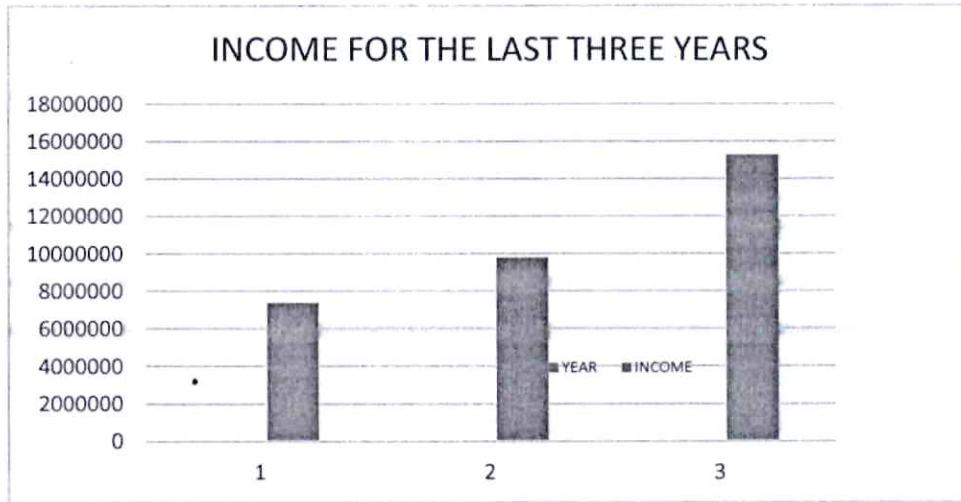
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A.I.C NYAYO GIRLS SECONDARY SCHOOL
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For six months period ended 30th June, 2021

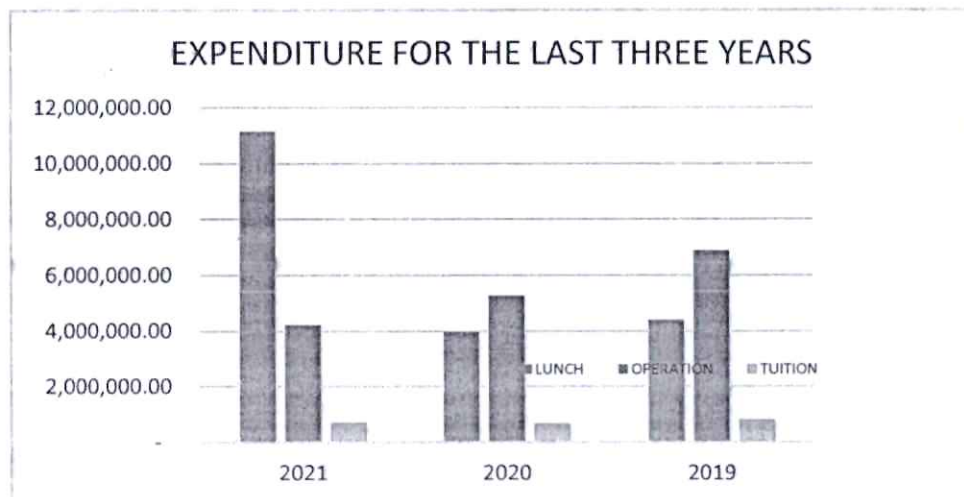
THREE YEAR OF GROWTH OF OTHER INCOMES
SCHOOL FUND A/C

YEAR	INCOME
2021	7,383,267
2020	9,802,851
2019	15,297,863



THREE YEAR OVERVIEW OF EXPENDITURE FOR THE LAST THREE YEARS
EXPENDITURE

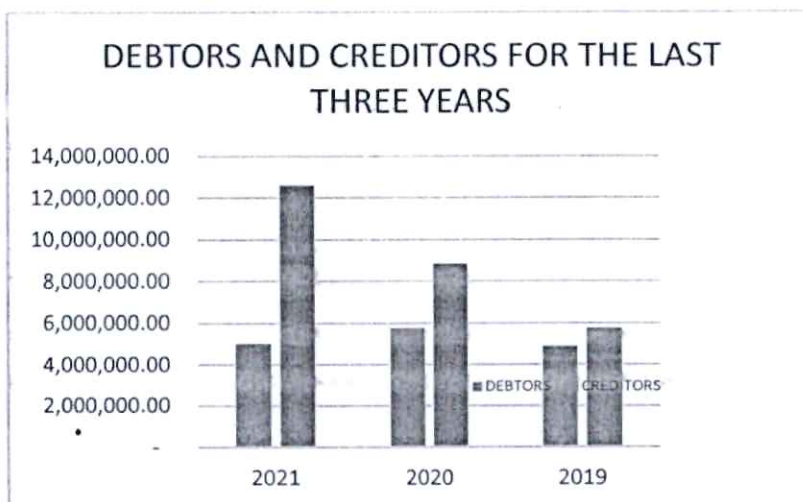
	2021	2020	2019
LUNCH	11,149,635	3,991,831	4,402,319
OPERATION	4,244,399	5,278,693	6,889,051
TUITION	707,696	694,498	802,962



A.I.C NYAYO GIRLS SECONDARY SCHOOL
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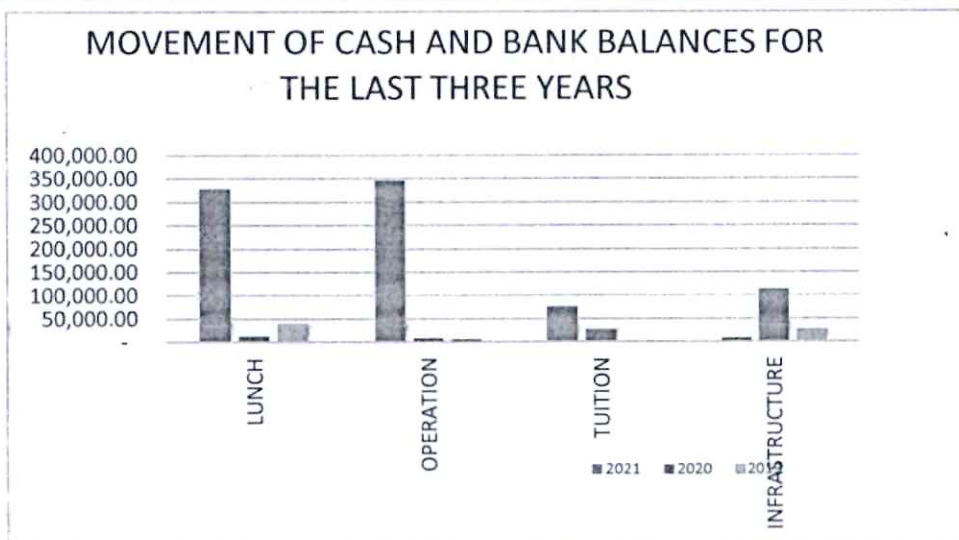
THREE OVERVIEW OF MOVEMENT OF DEBTORS AND CREDITORS

	DEBTORS/CREDITORS		
	2021	2020	2019
DEBTORS	5,016,559	5,747,958	4,873,645
CREDITORS	12,582,044	8,830,772	5,753,037



MOVEMENT OF CASH AND BANK BALANCES FOR THE LAST THREE YEARS

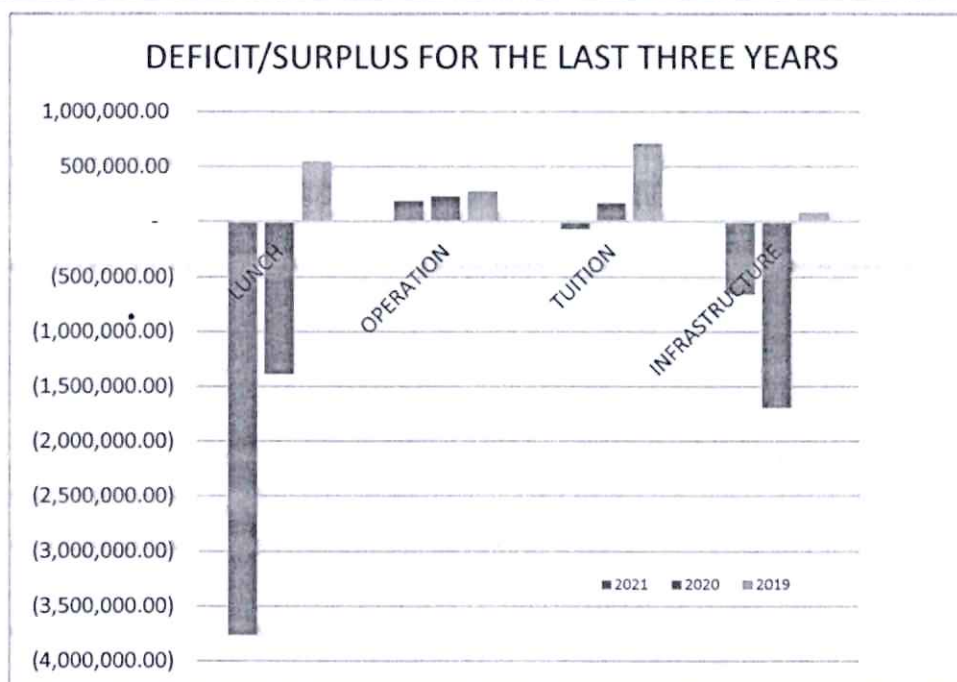
	2021	2020	2019
LUNCH	328,891	13,002	39,770
OPERATION	346,925	8,424	5,836
TUITION	76,311	27,634	2,906
INFRASTRUCTURE	8,383	114,108	26,850



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DEFICIT/SURPLUS FOR THE LAST THREE YEARS

	2021	2020	2019
LUNCH	(3,766,367)	(1,384,953)	544,8850
OPERATION	185,995	228,432	272,858
TUITION	(67,188)	168,088	711,553
INFRASTRUCTURE	(657,768)	(1,695,624)	80,120



b) Teacher Student ratio:

Teacher student ratio : 1:24

Recruitment within the year: 0

Transferred teachers :0

Retired teachers : 0

TSC employed teachers within the year : 0

BOM teachers employed within the year : 0

c) Mean score in the KCSE:

Year	Mean Score	Students who proceeded to higher education	Comment on improvement
2018	3.58	4	Improvement
2019	5.43	10	Positive Deviation

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2020	5.98	19	Positive Deviation
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d) Number of Candidates in KCSE:

Year	Number of Candidates
2018	106
2019	72
2020	61

e) Capacity of the school:

CLASSROOMS	9
DORMS	6
MULTIPURPOSE HALL	1
TOILETS	26
KITCHEN	1
LABORATORIES	2

f) Development projects carried out by the school:

Project	Source of funds	Status
I. Classrooms	SIF	Incomplete
II. Visitors toilets	SIF	Complete

Sign



PRINCIPAL
AIC NYAYO GIRLS SEC. SCHOOL
P. O. Box 2067, MACHAKOS
Date: 3/10 Sign: [Signature]

School Principal

STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of AIC Nyayo Girls Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Festus Ndambuki
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 30/10/2024

Name: Liliam Mwema
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 30th October 2024

PRINCIPAL
AIC NYAYO GIRLS SEC SCHOOL
P. O. Box 2067, MACHAKOS
Date: 30/10 Sign: [Signature]

Name: Emmaculate Ndeti
Designation: Bursar/ Finance Officer
Sign: [Signature]
Date: 30/10/2024

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON A.I.C. NYAYO GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – MACHAKOS COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of A.I.C Nyayo Girls Secondary School – Machakos County set out on pages 1 to 18, which comprise of the statement of

Report of the Auditor-General on A.I.C. Nyayo Girls Secondary School for the Six (6) months' period ended 30 June, 2021 – Machakos County

financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months' period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of A.I.C Nyayo Girls Secondary School – Machakos County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,016,599 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.4,501,902 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,016,599 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.4,501,902 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and completeness and full recoverability of the receivables balance of Kshs.4,501,902 could not be confirmed.

3. Unsupported Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.7,785,124 as disclosed in Note 12 to the financial statements. However, the balances were not supported with LSO/LPOS and invoices and the original amounts and date contracted.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.7,785,124 could not be confirmed.

4. Inaccuracies of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.640,508 and Kshs.4,192,628 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.4,833,136 whereas the NEMIS capitation reflects an amount of Kshs.5,693,858 resulting to an unexplained variance of Kshs.860,722.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.640,508 and Kshs.4,192,628 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the A.I.C Nyayo Girls Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 19 September, 2023 instead of the statutory deadline of

30 September, 2021. This was contrary to the Ministry of Education circular Ref.No.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

In the circumstances, Management was in breach of the law.

2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.7,089,871 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.32,200 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.32,200 could not be confirmed.

3. Payments Without Electronic Tax Register Receipts

The statement of receipts and payments reflects total payments amounting to Kshs.12,334,900. Included in the amount is Kshs.706,830 paid to different suppliers but were not supported with Electronic Tax register (ETRs) receipts. This is contrary to Value Added Tax Regulations under the VAT Act, 2013 (repealed) which states that a valid tax invoice should have to the minimum electronic signature generated by an Electronic Signature Device (ESD) or an Electronic Tax Register (ETR) receipt attached to the commercial invoice.

In the circumstances, Management was in breach of the law.

4. Irregular Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects total payment amount of Kshs.12,334,900. Included in the amount is Kshs.1,756,740 that was used for cash purchase of goods and services that did not meet the procurement regulation thresholds. This is contrary to Regulation 92 of the Public Procurement and Asset Disposal Regulations, 2020 that provides that a procuring entity may use low value procurement method where the estimated cost of the goods, works or services being procured per item per financial year is as per the threshold matrix in the Second Schedule. The threshold matrix in the Second Schedule of the Regulations provides that the maximum level of

expenditure under the low value procurement method is Kshs.50,000, Kshs.100,000 and Kshs.50,000 per item per financial year for goods, works and services respectively.

In the circumstances, Management was in breach of the law.

5. Lack of Procurement Plan

The statement of receipts and payments reflects total receipts and payments of Kshs.11,516,811 and Kshs.12,334,900 respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstances, Management was in breach of the law.

6. Long Outstanding Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.7,785,124 as disclosed in Note 12 to the financial statements. However, included in the balance are payables balance of Kshs.3,360,146 which had been outstanding from the previous year. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

7. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of the law.

8. Underfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition of kshs.640,508 and capitation for operations of Kshs.4,192,628 as disclosed in Notes 1

and 2 to the financial statements. Review of the records revealed that the expected capitation per student was Kshs.22,244 which translates to a total of Kshs.5,472,024 for 1 January, to 30 June, 2021 based on the student enrollment. However, the School received a total of Kshs.4,833,136 and was, therefore, underfunded by Kshs.638,888.

The underfunding affected the Schools planned activities and may have affected service delivery to the public.

9. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The statement of receipts and payments and the statement of cash flows do not reflect the prior year (2020) amounts yet the statement of financial assets and liabilities reflects balances for the prior year.
- ii. The statement of budgeted versus actual amounts does not reflect final budget and actual on comparable basis total income and total expenditures amounts and total budgeted utilization differences.
- iii. Annex 2 to the financial statements does not include the historical costs balances brought forward, additions/disposals and balances carried forward of the fixed assets.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

The audit was conducted in accordance with the ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Information and Technology Infrastructure

During the year under review, scrutiny of the School's record keeping revealed that it has been using manual system in the general operations of the School and in preparation of financial statement despite the growing number of students. The School needs to automate its systems for effective and safe recording keeping.

In the circumstances, lack of an IT infrastructure may lead to inadequate storage of large amount of data and reduces the efficiency of the School's information processing.

2. Inadequate Assets Management

Annex 2 to the financial statements reflects a summary of fixed assets register with Nil historical cost for property, plant and equipment. However, the assets register provided for audit was lacked mandatory information for both existing and acquired assets including dates of acquisition, persons responsible, assets' location, assets' values net of depreciation and amortization and current market values rendering the register incomplete and un-updated.

In addition, physical examination of assets reviewed the School had not tagged most of the assets with unique identifiers, contrary to the guidelines on asset and liability management part IV(i) C section 77(7) of the National Treasury Guidelines on Asset and Liability Management in the Public Sector, 2020 which provides that all assets purchased shall be identified or tagged upon receipt from suppliers and, before they are issued out to user departments and the tag number of each asset to be included in the asset register.

In the circumstances, the safe custody and ownership of the School fixed assets could not be confirmed.

3. Lack of Internal Audit Function and Audit Committee

During the period under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulation, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

4. Lack of Instructional Needs Assessment Guidelines

During the year under review, it was noted that there were no supporting documents provided for instructional need assessment that provided basis for determining the number and subject of instructional material and textbooks needed by the school. In addition, there was no supporting documents that were provided as prove of setting up of SIMSC committee and SIMSC Minute Book Minutes highlighting the needs.

In the circumstances, lack of the needs assessment guide to determine instructional materials required is likely to lead to under supply of materials issued to schools.

5. Lack of Ownership Documents

5.1 Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with Nil balances in respect of fixed assets which includes land and motor vehicles. Review of the School inspection for registration report dated 29 September, 1996 showed that the School had been allocated 22.51 acres by a company. However, land ownership documents were not provided for audit.

Additionally, review of school records showed that the School has another parcel of land with approximate area 1.70 Ha. However, the School provided a title deed issued to the former owner on 9 May, 2024. No ownership documents or transfer documents were provided for audit review.

In the circumstances, the ownership and custody of school land cannot be confirmed.

5.2 Lack of Motor Vehicles Records

Annex 2 to the financial statements reflects summary of fixed assets register with Nil balances in respect of fixed assets which includes land and motor vehicles. Review of records provided for audit showed that the School has two (2) grounded motor vehicles, a bus and a lorry. Although, the vehicles are grounded and unserviceable, no documents were provided for ownership.

Additionally, Management reported that the School premises were broken into in August, 2023 and the school safe was stolen which had the original log book for a school bus. Although, the incidence was reported and a police abstract was issued, no evidence was provided for replacement of the logbook.

In the circumstances, the ownership and safe custody of the School motor vehicles could not be confirmed.

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


4 November, 2024

AIC NYAYO GIRLS SECONDARY SCHOOL
Reports and Financial Statements
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STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	Jan 2021 - June 2021	Year 2020
			Kshs
RECEIPTS			
Capitation grants for tuition	1	640,508	-
Capitation grants for operations	2	4,192,628	-
School Fund Income- Parents' Contributions	3	6,683,675	-
School Fund Income- Other receipts	4	0	-
Proceeds from borrowings			
TOTAL RECEIPTS		11,516,811	-
PAYMENTS			
Payments for Tuition	5	707,696	-
Payments for operations	6	4,537,333	-
Boarding and school fund payments	7	7,089,871	-
TOTAL PAYMENTS		12,334,900	-
SURPLUS/DEFICIT		(-818,089)	-

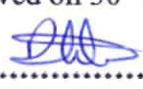
The school financial statements were approved on 30th June, 2024 and signed by:

Sign: 

Name: Festus Ndambuki (Mr)
(Mrs)

Chair BOM

Date: 30/10/2024

Sign: 

Name: Lilian Mwema (Mrs)

School Principal/
Secretary to BOM

Date: 30/10/2024

Sign: 

Name: Emmaculate Ndeti

Bursar/
Finance Officer

Date: 30/10/2024

PRINCIPAL
AIC NYAYO GIRLS SEC. SCHOOL
P. O. Box 2067, MACHAKOS
Date: 30/10/2024 Sign: 

AIC NYAYO GIRLS SECONDARY SCHOOL
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STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	Jan 2021 - June 2021	Year 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	758,104	155,680
Cash Balances	9	2,407	7,488
Short term Investment	10	0	0
Total Cash and Cash Equivalents		760,511	163,168
Account's receivables	11	5,016,599	5,747,958
TOTAL FINANCIAL ASSETS		5,777,110	5,911,126
FINANCIAL LIABILITIES			
Accounts Payable	12	7,785,124	7,101,050
NET FINANCIAL SSETS		(2,008,014)	(1,189,924)
REPRESENTED BY			
Fund balance b/fwd 1st Jan 2021	13	(1,189,924)	(1,189,924)
Surplus/Defict for the year		(818,090)	-
NET FINANCIAL POSITION		(2,008,014)	(1,189,924)

The School's financial statements were approved on 30th June., 2024 and signed by:

Sign:.....
 Name: Festus Ndambuki (Mr.)
 Chair BOM

Date: 30/10/2024

Sign:.....
 Name: Lilian Mwema (Mrs.)
 School Principal/
 Secretary to BOM

Date: 30/10/2024

Sign:.....
 Name: Emmaculate Ndeti
 Bursar/
 Finance Officer

Date: 30/10/24

PRINCIPAL
 AIC NYAYO GIRLS SEC SCHOOL
 P.O. BOX 2067, MACHAKOS
 Date: 30/10/24 Sign:.....

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		Jan 2021 - June 2021	Year 2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	640,508	
Capitation grants for operations	2	4,192,628	
School fund income- Parents contributions/ fees	3	8,114,654	
School fund income- other receipts	4	0	
Total receipts		12,947,790	
Payments			
Payments for Tuition	5	591,831	
Payments for operations	6	3,959,851	
Boarding and school fund payments	7	7,798,764	
		12,350,446	
Net cash flow from operating activities		597,344	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	
Acquisition of Assets		0	
Proceeds from investments		0	
Net cash flows from Investing Activities		0	
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities		0	
NET INCREASE IN CASH AND CASH EQUIVALENT		597,344	
Cash and cash equivalent at BEGINNING of the year		163,168	
Cash and cash equivalent at END of the year		760,512	163,168

AIC NYAYO GIRLS SECONDARY SCHOOL
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STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expense s Item	Original Budget	Adjustment s	Final Budget	Actual on Comparabl e Basis	Budget Utilizatio n Differenc e	% of Utilizatio n
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	0	0	0	0	0	0
Exercise books	0	0	0	0	0	0
Laboratory equipment	0	0	0	0	0	0
Internal exams	0	0	0	0	0	0
Teaching / learning materials	1,207,440	0	1,207,440	640,508	566,932	53
Chalks	0	0	0	0	0	0
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
TOTALS	1,207,440	0	1,207,440	640,508	566,932	53
(2) CAPITA TION GRANT ON OPERATIONS						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance		0				
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Other Voteheads	7,108,000	0	7,108,000	4,192,628	2,915,322	59

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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Activity	0	0	0	0	0	0
Gratuity	0	0	0	0	0	0
SMASSE	0	0	0	0	0	0
TOTALS	7,108,000	0	7,108,000	4,192,628	2,915,322	59
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	0	0	0		0	0
Repairs and maintenance		0				
Lunch programme	10,799,100	0	10,799,100	6,683,675	4,115,425	62
Electricity and water	0	0	0	0	0	0
Other Voteheads		0		0	0	0
Administration costs	0	0	0	0	0	0
Activity		0		0	0	0
SMASSE	0	0	0	0	0	0
OTHER INCOME	0	0	0	0	0	0
Rent income	0	0	0	0	0	0
Fee for hire of ground and equipment	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
Income from any other investment	0	0	0	0	0	0
TOTAL INCOME	10,799,100	0	10,799,100	6,683,675	4,115,425	62
(1) EXPENDITURE FOR TUITION						
T/L materials	1,207,440	0	1,207,440	707,696	499,744	142
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
TOTALS	1,207,440	0	1,207,440	707,696	499,744	142
(2) EXPENDITURE FOR						

10

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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For six months period ended 30th June, 2021

OPERATIONS						
Personnel emoluments	0	0	0	0	0	0
Repairs, maintenance & improvements		0		0	0	0
Local transport / travelling	0	0	0	0	0	0
Electricity, water and conservancy	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Other Voteheads	3,744,000	0	3,744,000	4,537,333	-500,400	121
Activity Expenses						
Bank Charges	0	0	0			0
SMASSE	0	0	0	0	0	0
TOTALS	3,744,000	0	3,744,000	4,537,333	-500,400	121
(3) EXPENDITURE FOR SCHOOL FUND						
Receipt/expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs, maintenance and improvements	0	0		0	0	0
Local transport / travelling	0	0	0	0	0	0
Electricity, water and conservancy	0	0	0	0	0	0
Other voteheads	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Activity		0		0	0	0
Gratuity	0	0	0	0	0	0
Lunch programme	10,799,100	0	10,799,100	7,089,871	-350,535	65
Boarding Equipment and	0	0	0	0	0	0

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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Stores						
Personal emoluments	0	0	0	0	0	0
Bank Charges	0	0	0			0
TOTALS	10,799,100	0	10,799,100	7,089,871	-350,535	65

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

Variations in the budgeted amounts and the actual arose due to the following reasons: the expected fees collection from the parents was not achieved and the school did not get the expected amounts from the government.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the school and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school.

3. In-kind contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the school includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

The comparative figures are not comparable since the current accounting period is for 6 months from January 2021 to June 2021 and the comparative period was the year from January 2020 to December 2020 since the financial statements for 2020 had been audited by the Ministry of education auditors.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

A.I.C NYAYO GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For six months period ended 30th June, 2021

I. NOTES TO THE FINANCIAL STATEMENTS

1	CAPITATION GRANT FOR TUITION			jan- june2021	Year2020
				Kshs	Kshs
					0
	Textbooks and reference materials			0	
	Exercise books				
	Laboratory equipment				
	Internal exams				
	Teaching / learning materials			640,508	
	Chalks				
	Exams and assessment				
	Libray and reference				
	Total			640,508	

2	CAPITATION GRANT FOR OPERATIONS			Jan-June 2021	Year 2020
				Kshs	Kshs
	Other vote heads			2,473,127	
	Repairs and maintenance			1,719,501	
	Local transport / travelling				
	Electricity and water				
	cdf grant ablution block				
	Infrastruture savings				
	Insurance				
	Medical				
	Administration costs				
	House rent				
	Interest				
	Activity			0	
	Total			4,192,628	

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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3	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT					
					Jan-June 2021	Year 2020
					Kshs	Kshs
	Other voteheads		1,527,335			
	Boarding equipments and stores		4,964,676			
	Repairs and maintenance		189,394			
	Local transport / travelling					
	Electricity and water					
	Administration costs					
	Development					
	Activity		2,270			
	Total as per receipts and payments		6,683,675			
	Less receivables 2021		520,130			
	Add prepaid fees		699,620			
	Add receivables received during the year		1,251,489			
	Total as per cash flow		8,114,654			

4	OTHER RECEIPTS – SCHOOL FUND ACCOUNT					
					Jan- june2021	Year 2020
					Kshs	Kshs
	Rent			0		
	Farm			0		
	Bursary			0		
	PTA			0		
	Uniform			0		
	Medical			0		
	bank c		0	0		
	Total		0	0		

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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5	PAYMENTS FOR TUITION				
				jan-june2021	year 2020
				Kshs	Kshs
	Textbooks and reference materials			0	
	Exercise books			0	
	Laboratory equipment				
	Internal exams				
	Teaching / learning materials			706,830	
	Chalks				
	Exams and assessment				
	Reference/Library				
	Administration Costs				
	Bank Charges			866	
	Total as per receipts and payments			707,696	
	Less payables 2021			226,865	
	Add Paid payables during the year			111,000	
	Total as per statement of cash flow			591,831	

6	PAYMENTS FOR OPERATIONS				
				jan-june2021	year-2020
				Kshs	Kshs
	Personnel emoluments				
	Other voteheads			2,157,492	
	Administration Cost				
	Repairs and maintenance & improvements				
	Local transport / travelling				
	Electricity and water				
	Medical				
	Activity Expenses				
	Savings				
	classroom				
	Insurance				
	borehole				
	Bank Charges			2,572	
	Acquisition of Assets			2,377,269	

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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For six months period ended 30th June, 2021

	Total as per statement of receipts and payments	4,537,333	
	Less accounts payables for 2021	1,580,929	
	Add account payables paid during the year 2021	1,003,447	
	Total as per statement of cash flow	3,959,851	

7	BOARDING AND SCHOOL FUND PAYMENTS	jan-june 2021	year 2020
		Kshs	Kshs
	Other voteheads	3,118,017	
	Boarding equipment and stores	3,690,497	
	Repairs and maintenance	269,700	
	Local transport / travelling		
	Electricity and water		
	Administration costs		
	Activity		
	Bank charges	11,657	
	Uniform		
	Medical		
	Bursary		
	Caution money		
	Farm		
	Interest income		
	PTA		
	transfer to infrastructure	0	
	Total as per statement of receipts and payments	7,089,871	
	Add account payables during the year	2,626,457	
	Less account payables of 2021	1,917,564	
	Total as statement of cash flow	7,798,764	

	<i>Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.</i>		
8	BANK ACCOUNTS		

A.I.C NYAYO GIRLS SECONDARY SCHOOL
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	Name of Bank, Account No. & currency	Bank Account Number	Jan-June 2021	Year 2020
			Kshs	Kshs
	Tuition Account	1107110785	76,311	27,634
	Operations Account	1106399285	346,868	6,737
	School Fund Account/Boarding	1106377281	326,542	7,201
	Savings Account			
	Savings Account:			
	Income generating activities Account			
	Infrastructural Account	1260510581	8,383	114,108
	Total		758,104	155,680
9	CASH IN HAND			
	Description		jan-june 2021	year 2020
			Kshs	Kshs
	Tuition account			
	Operation Account		57	1,687
	School Fund account		2,350	5,801
	Total		2,407	7,488

10	SHORT TERM INVESTMENTS			
	Description		2020-2021	2019-2020
			Kshs	Kshs
	Cooperative shares		0	0
	Treasury Bills		0	0
	Fixed deposit		0	0
	Equity stock		0	0
	Other investments		0	0
	Total		0	0

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11	ACCOUNTS RECEIVABLE		
	Description	jan-june 2021	year-2020
		Kshs	Kshs
	Fees arrears	5,016,599	5,747,958
	Other non-fees receivables	0	0
	Salary advances		0
	Imprest	0	0
	Total	5,016,599	5,747,958

[Include an ageing of the fees / non fees arrears below]

	Description	jan-june 2021	year-2020
		Kshs	Kshs
	Fees arrears for current year	520,130	1,246,056
	Fees arrears for the previous year	-5,433	4,501,902
	Fees arrears for prior periods (over two years)	4,501,902	
	Total	5,016,599	5,747,958

12	ACCOUNTS PAYABLE		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Trade creditors (See ageing below and appendix 1)	7,085,504	7,101,050
	Prepaid fees	699,620	
	Retention monies	0	0
	Total	7,785,124	7,101,050

[Include an ageing of the creditor's arrears below]

	Description	2020-2021	2019-2020
		Kshs	Kshs
	Trade creditors for current year	3,725,358	7,101,050
	Trade creditors for the previous year	3,360,146	
	Trade creditors for prior periods (over two years)		
	Total	7,085,504	7,101,050

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13	FUND BALANCE BROUGHT FORWARD			
	Description		Jan-june 2021	2019-2020
			Kshs	Kshs
	Bank balances		758,104	155,680
	Cash balances		2,407	7,488
	Short Term Investments			0
	Receivables		5,016,599	5,747,958
	Payables		-7,785,124	-7,101,050
	Total		-2,008,014	-1,189,924

Other important disclosure notes

14	Non-current Liabilities Summary			
	Description		2020-2021	2019-2020
			Kshs	Kshs
	Bank loan(s)		0	0
	Outstanding Leases		0	0
	Hire purchase		0	0
	Gratuity and leave provision		0	0
	Total		0	0

15	Biological assets			
	Description	Numbers	2020-2021	2019-2020
			Kshs	Kshs
	Cattle		0	0
	Goats		0	0
	Trees		0	0
	Coffee or tea plantation		0	0
	Poultry		0	0
	Total		0	0

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16	Borrowings			
	Description		2020-2021	2019-2020
			KShs	KShs
	a) Borrowings			
	Borrowing at beginning of the year		0	0
	Borrowings during the year		0	0
	Repayments of during the year		0	0
	Balance at end of the year		0	0

17	1 Stock/ Inventory			
	Description		2020-2021	2019-2020
			KShs	KShs
	Stock/Inventory			
	Stock/ inventory at beginning of the year		0	0
	Stock/ inventory purchased during the year		0	0
	Stock/ inventory issued during the year		0	0
	Balance at end of the year		0	0

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.


Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Sundry Creditors: <ul style="list-style-type: none"> Pay trade and general creditors Prepaid fees - be receipted as revenue in the ensuing financial year 	<ul style="list-style-type: none"> Promised to pay Prepaid fees receipted as advised 	Ongoing	31 st December, 2021
2	Sundry debtors <ul style="list-style-type: none"> Recovery of huge fees debtors 	<ul style="list-style-type: none"> Mode of fees recovery has been put in place such as bursaries and fees 	Ongoing	31 st June, 2022

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		payment by kind.		
3	Income and expenditure account <ul style="list-style-type: none"> Adherence to government circular on FDSE and budgetary allocation. 	<ul style="list-style-type: none"> School management ready to adhere to government circular on FDSE 	Resolved	31 st December, 2021

Sign: 
 Date: 30th October, 2024
 Lilian Mwema (Mrs.)
 Principal/BOM Secretary

PRINCIPAL
 AIC NYAYO GIRLS SEC. SCHOOL
 P. O. Box 2067, MACHAKOS
 Date: 31/10/24 Sign: 

AIC NYAYO GIRLS SECONDARY SCHOOL
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. DANIEL NZOMO KIETI				708,240	708,240	
5. PETER MULEI				649,590	649,590	
6. DPL FESTIVE LTD				539,926	539,926	
7. RACHAEL DAVID				160,720	160,720	
8. ONESMUS MUSYOKI				245,560	245,560	
9. PATRICIA MATANO				92,310	92,310	
10. MONICAH MUINDI				126,600	126,600	
11. NICHOLAS KYALO NTHIANI				80,720	80,720	
12. JAMES MWOLOLO				74,260	74,260	
13. MARGARET MUTWOTA				120,645	120,645	
14. RURAL TECH				271,000	271,000	
15. DASAR VENTURE				774,419.99	774,419	
16. DAMUKA ENTERPRISES				63,870	63,870	
17. LUMU CLEANERS				187,000	187,000	
18. KALUYO SPORTS				13,310	13,310	
19. SENTIMENTE TRIO				120,000	120,000	
20. BENARD MUTETI				90,000	90,000	
21. ESTHER WAYUA				84,560	84,560	
22. STEPHEN MUEMA				29,400	29,400	
23. VINCENT MUTUKU				12,160	12,160	
24. WILFRED KIOKO				23,520	23,520	
25. UNIVERSAL AUTO				540,500	540,500	
26. M.K MOBILE TECH				269,400	269,400	
27. KHANA SUPPLIES				226,865	226,865	
28. MUTEVA ENTERPRISES				870,130	870,130	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
29. JOSTON HARDWARE				474,799	474,799	
30. DAVID MBAI				236,000	236,000	
Sub-Total				7,085,504	7,085,504	
Supply of services						
31.						
32.						
33.						
Sub-Total						
Grand Total						

AIC NYAYO GIRLS SECONDARY SCHOOL
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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- software						
Total						

(The School should ensure that a detailed fixed assets register is maintained).

AIC NYAYO GIRLS SEC. SCHOOL
P.O BOX 2067
MACHAKOS.

BANK RECONCILLIATION STMT. AS AT 30TH JUNE 2021 INFRACTURE ACCOUNT.

Balance as per cash book	8,131.00
Add Bank Charges	<u>252.00</u>
Balance as per bank statement	<u><u>8,383.00</u></u>


Prepared by



Immaculate Ndeti
Accounts clerk

Certified by



PRINCIPAL
A.I.C. NYAYO GIRLS SEC. SCHOOL
P.O. Box 2067, MACHAKOS
Date 30/6/21 Sign. 

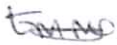
Mrs Jean N. Murigu Waweru,
PRINCIPAL.

AIC NYAYO GIRLS SEC SCHOOL
P.O BOX 2067
MACHAKOS.

BANK RECONCILIATION STATEMENT AS 30TH JUNE 2021 OPERATIONAL ACCOUNT.

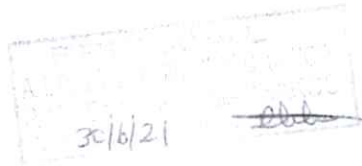
Balance as per cash book		346,868.40
Add unpaid cheques Cheque No.	000860	150,000.00
	000863	50,000.00
	000866	<u>50,000.00</u>
Balance as per Bank statement		<u><u>1,502,482.40</u></u>

Prepared by



Emmaculate Ndeti
Accounts clerk

Certified by




Mrs. Jean N. Murigu Waweru,
Principal.

■ AIC NYAYO GIRLS SEC. SCHOOL
P.O BOX 2067
MACHAKOS.

BANK RECONCILLIATION STMT. AS AT 30TH JUNE 2021 TUITION ACCOUNT.

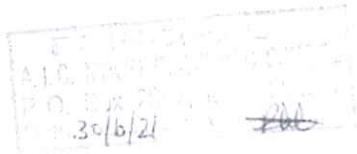
Balance as per cash book	<u>76,311.10</u>
Balance as per bank statement	<u><u>76,311.10</u></u>

Prepared by



Immaculate Ndeti
Accounts clerk

Certified by




Mrs Jean N. Murigu Waweru,
PRINCIPAL.

AIC NYAYO GIRLS SEC. SCHOOL,
P.O BOX 2067,
MACHAKOS.

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2021 BOARDING ACCOUNT.

Balance as per cash book	336,575.59
Less undeposited cheques	<u>10,034.00</u>
Balance as per Bank statement	<u>326,341.59</u>

Prepared by

Immaculate Ndeti
A/C Clerk

certified by



Mrs. Jean N. Murigu Waweru
Principal.