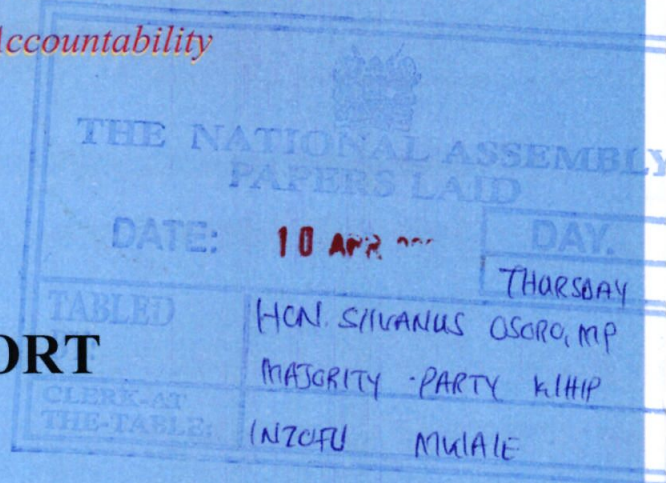


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

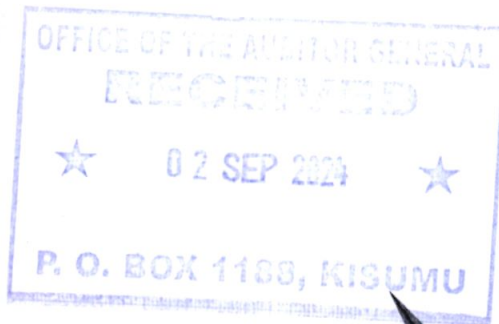
**THE AUDITOR-GENERAL**

**ON**

**KISUMU GIRLS HIGH SCHOOL**

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

**KISUMU COUNTY**



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**KISUMU GIRLS HIGH SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021**

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

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

**I. 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 Kisumu County, Kisumu Central Sub-County

The school was reregistered on 20/04/2023 under registration number 42/S/3000/1637 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had one thousand six hundred and twenty-four numbers of students as at 30th June 2021. It has nine streams and sixty nine teachers of which sixteen 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	Date of appointment
1.	MRS GRACE JOWI JOBITA	Chairman	2019
2.	MRS MARGARET MECHUMO	Secretary- Principal	2018
3.	MRS JANE IKUTWA	Member	2019
4.	MRS VIOLET ANGUTWA	Member	2019
5.	DR JOSEPH NYAKINDA	Member	2019
6.	DR CENAN OJUNGA	Member	2019
7.	MR AUSTINE KAPERRE	Member	2019
8.	DR BRENDA BARASA MAKOKHA	Member	2019
9.	MRS NGOME PRISCA	Member Rep Teachers	2019
10.	MR GEORGE OYENGO	3 Members - Sponsor	2019
11.	MS ANJELICA OUYA	Member - Community	2019
12.	MR ANTONY EKAJUL	Member Special Needs	2019
13.	PRO BITOK JACOB	Member	2019
14.	MR GEORGE KOPALLA	Member	2019
15.	MRS RUTH MISAVA	Member	2019
16.	MRS JANE MUINDI	Member	2019

**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**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mrs Jobita Chairman Mr Ojunga, Mr Oyengo Mr Kapere, Dr Nyakinda Mrs Mechumo		three
2	Audit Committee	Mrs Jobita , Mr Ojunga, Mr Kopala Mrs Angutwa, Dr Barasa Mrs Mechumo	Chairman	one
3	Finance, procurement and general purposes Committee	Mrs Jobita Mr Ekajul, Mr Ojunga, Mr Oyengo Pro. Bitok, Mr Kapere Mrs Mechumo	Chairman	one
4	Academic Committee	Dr Nyakinda Mrs Jobita, Mr Ekajul Mrs Misava Ms A Ouya, Pro Bitok Mrs Mechumo	Chairman	one
5	School Infrastructure /Development Committee	Mr Kapere Mrs Jobita, Mr Ekajul Mrs Misava Ms A Ouya, Pro Bitok Mrs Mechumo	Chairman	five
6	Discipline and welfare Committee	Mrs Jane Ikutwa Mrs Jobita, Mr Kapere Ms A Ouya, Mr Ojunga Mrs Mechumo	Chairman	three

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

7	<b>Adhoc Committee (Disposal,inspec and accept comm)</b>	Mrs Odhiambo,Mrs Atamba, Mrs Salome Ouma ,Mrs Agunda	<b>one</b>
---	--	--	------------

**(d) School operation Management**

For the financial six months' periods ended 30<sup>th</sup> June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	MRS MARGARET MECHUMO	313212
2	Deputy Principal	MRS JEMIMAH ABOK	315782
3	Deputy Principal	MRS DORCAS T. ONDITI	349130
4	School Bursar	SHEM ONYANGO	ID 10265952

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 811-40100 KISUMU  
 Telephone: 0716-520288  
 E-mail: kisumug@yahoo.com  
 Face book: None  
 Twitter: None

**(f) School Bankers**

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

1. Name of Bank: NATIONAL BANK OF KENYA  
 Branch: KISUMU  
 Account Numbers: 01021023534100 , - SCHOOL FUND  
 01025025783700 , - OPERATION  
 01025025600900 - TUITION AND  
 01242024889100 - INCOME GENERATING
  
2. Name of Bank: KENYA COMMERCIAL BANK  
 Branch: KISUMU  
 Account Number: 1107740649 - GRATUITY SAVINGS  
 1107931673 , - SAVINGS AND  
 1259382214 - MAINTEN AND IMPROVEMENT
  
3. Name of Bank: COOPERATIVE BANK OF KENYA  
 Branch: KISUMU  
 Account Number: 01100613056200 - SAVINGS

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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4	Name of Bank	EQUITY BANK LIMITED
	Branch	KISUMU - OGINGA ODINGA
	Account Number	0290293043077 - C D FUND

**(g) Independent Auditors**

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

**II. 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:**

Under this section, the following information should be given:

**Capitation grant from the ministry of education over the last three years**

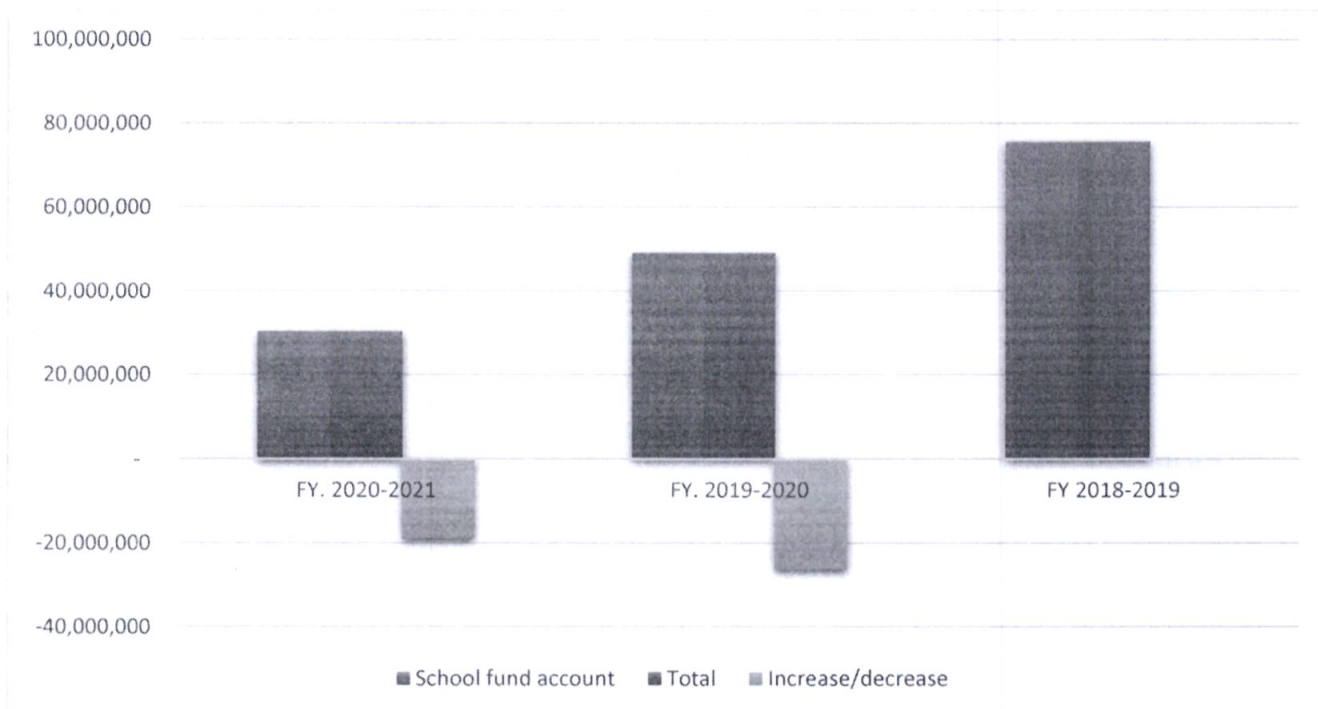
Note	Detail	FY2020-2021	FY 2019-2020	FY 2018-2019
1	Tuition account	1,358,525	2,334,908	2,600,185
2	Operation account	8,621,575	14,817,975	16,501,499
	<b>Total</b>	<b>9,980,099</b>	<b>17,152,883</b>	<b>19,101,684</b>
	<b>Increase/decrease</b>	<b>- 7,172,784</b>	<b>1,948,801</b>	<b>-</b>



**Overview of growth of other sources of income**

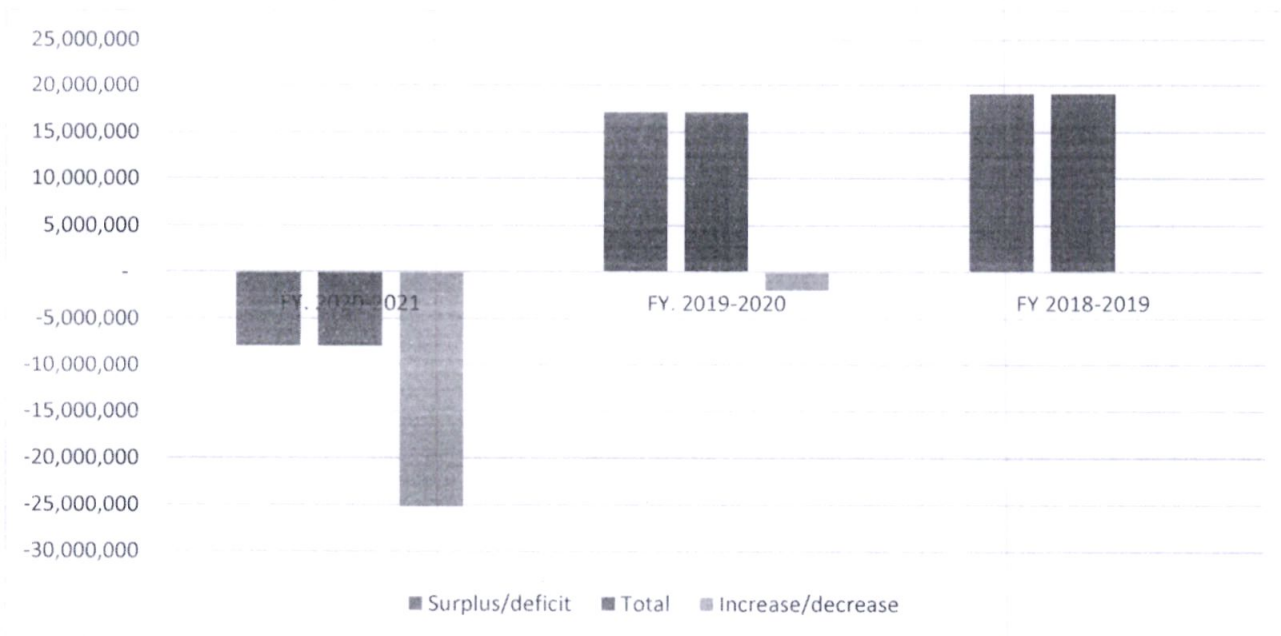
Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
1	School fund account	30,310,047	49,221,943	75,581,591
	<b>Total</b>	<b>30,310,047</b>	<b>49,221,943</b>	<b>75,581,591</b>
	<b>Increase/decrease</b>	<b>- 18,911,896</b>	<b>- 26,359,648</b>	

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**



**Surplus/ deficit comparison for the last three years**

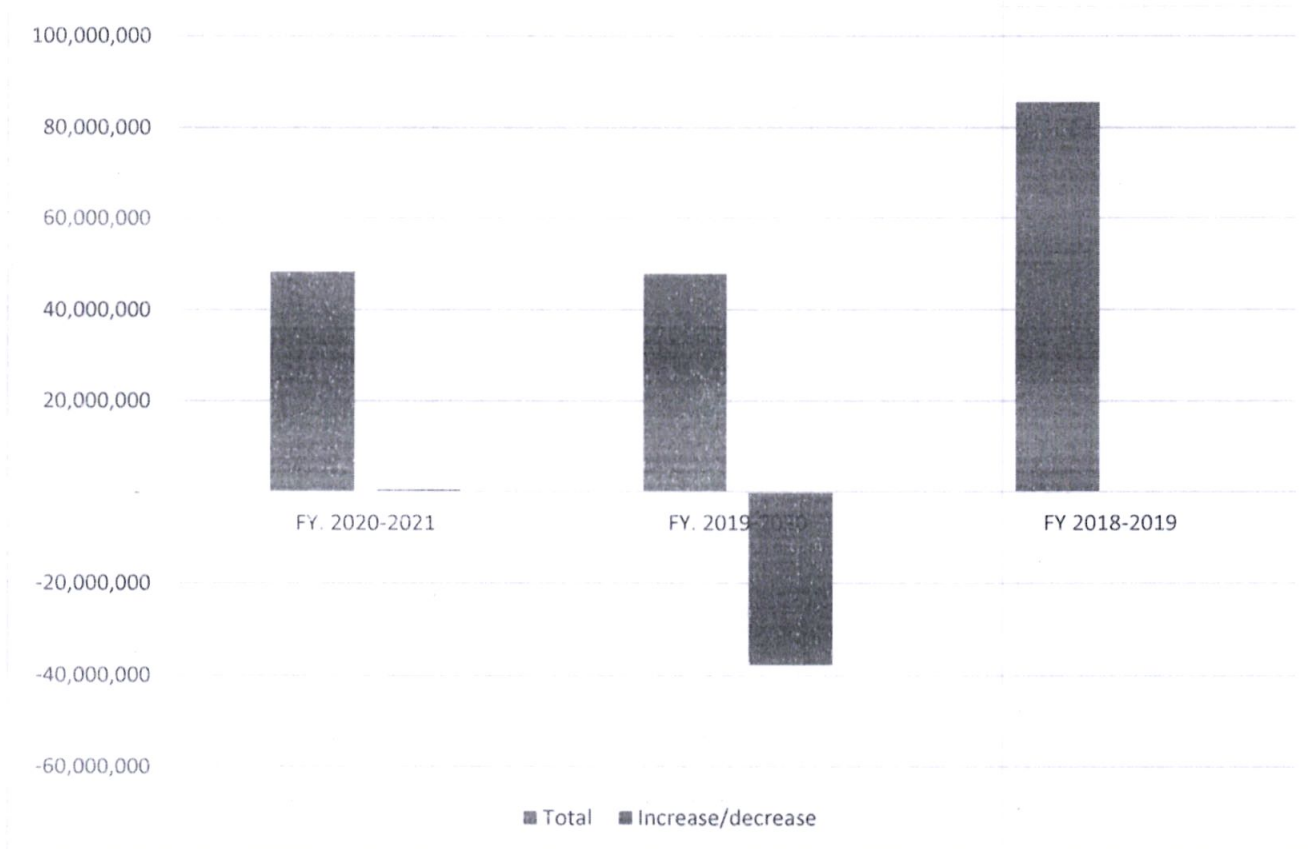
Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
1	Surplus/deficit	- 8,015,065	17,152,883	19,101,684
	<b>Total</b>	<b>- 8,015,065</b>	<b>17,152,883</b>	<b>19,101,684</b>
	<b>Increase/decrease</b>	<b>- 25,167,948</b>	<b>- 1,948,801</b>	<b>-</b>



**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

**Overview of expenditure growth**

Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
5	Tuition account	2,531,236	-	-
6	Operation account	8,827,060	-	-
7	School fund account	36,946,915	-	-
	<b>Total</b>	<b>48,305,211</b>	<b>47,856,123</b>	<b>85,570,634</b>
	<b>Increase/decrease</b>	<b>449,088</b>	<b>-</b>	<b>37,714,511</b>



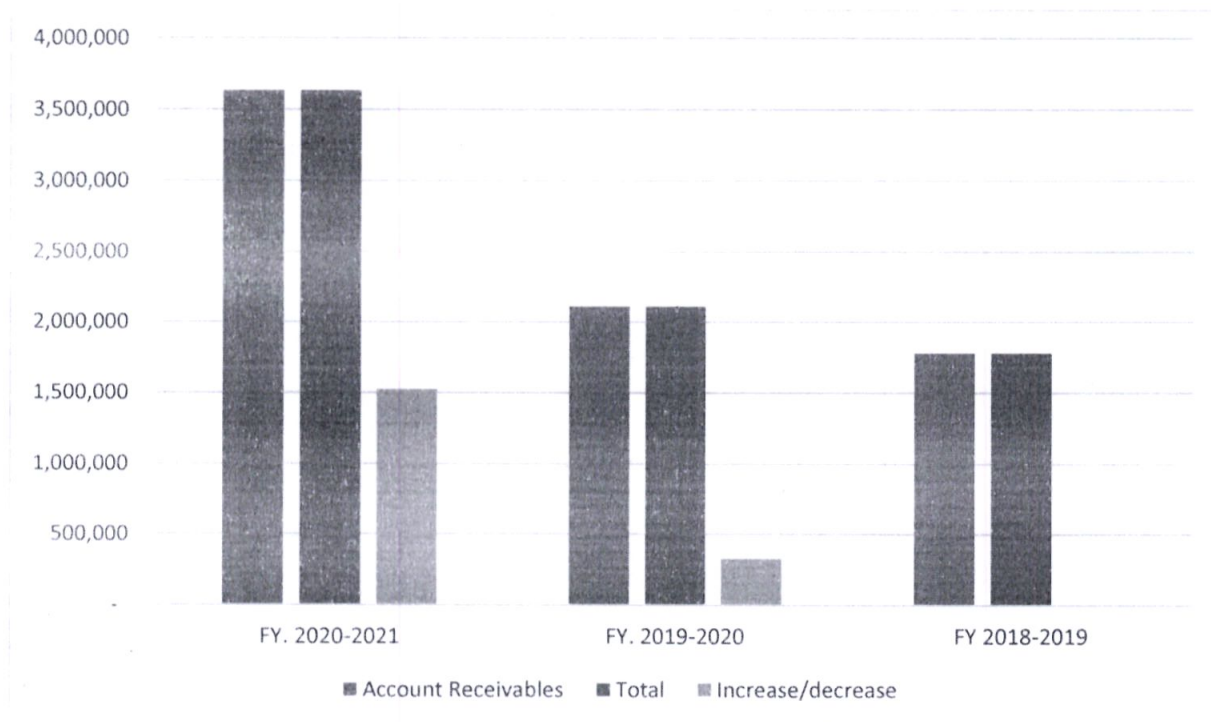
**Capitation grant ratio from the ministry of education over the last three years**

Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
	No of students	1,365	-	-
	Ratio per student	7,311	#DIV/0!	#DIV/0!
1	Tuition account	1,358,525	2,334,908	2,600,185
2	Operation account	8,621,575	14,817,975	16,501,499
	<b>Total</b>	<b>9,980,099</b>	<b>17,152,883</b>	<b>19,101,684</b>
	<b>Increase/decrease</b>	<b>1,365</b>	<b>-</b>	<b>-</b>

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

**Debtors' movement over the last three years**

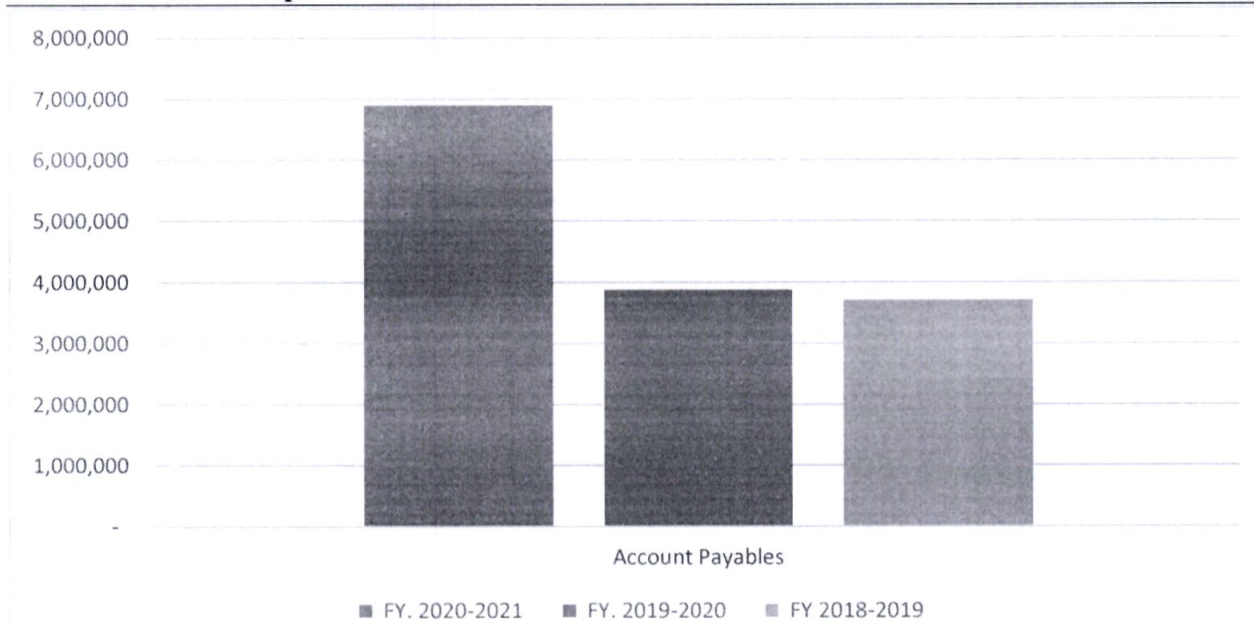
Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
1	Account Receivables	3,634,347	2,109,747	1,779,173
	<b>Total</b>	<b>3,634,347</b>	<b>2,109,747</b>	<b>1,779,173</b>
	<b>Increase/decrease</b>	<b>1,524,600</b>	<b>330,574</b>	<b>-</b>



**Creditors movement over the last three years**

Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
1	Account Payables	6,894,660	3,882,556	3,721,086
	<b>Total</b>	<b>6,894,660</b>	<b>3,882,556</b>	<b>3,721,086</b>
	<b>Increase/decrease</b>	<b>3,012,104</b>	<b>161,470</b>	<b>-</b>

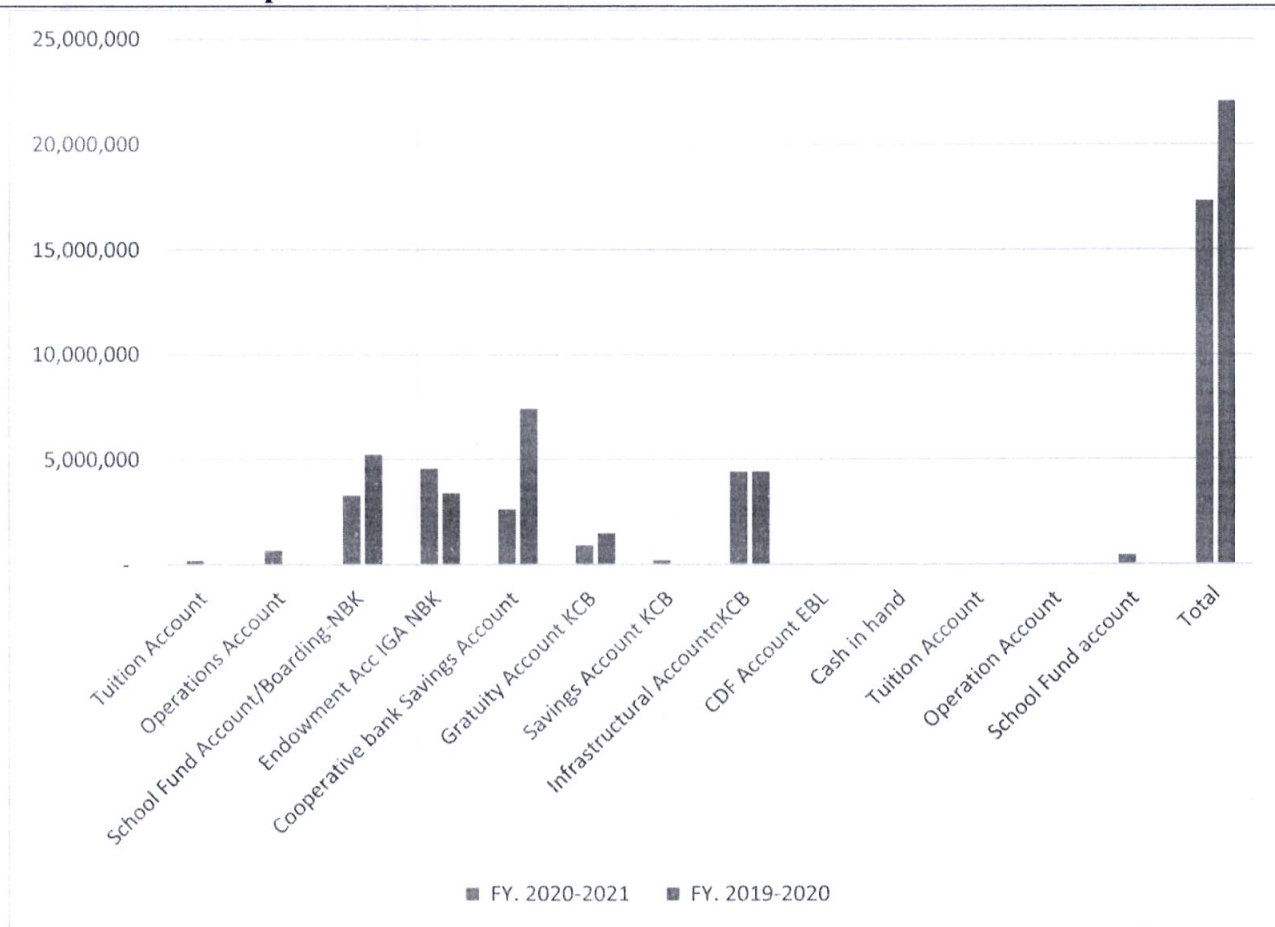
**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**



**Cash and bank movement over the last three years**

Note	Detail	FY. 2020-2021	FY. 2019-2020	FY 2018-2019
	Bank Account			
	Tuition Account	188,441	18,432	-
	Operations Account	668,435	48,698	-
	School Fund Account/Boarding-NBK	3,286,096	5,249,672	-
	Endowment Acc IGA NBK	4,564,965	3,397,599	-
	Cooperative bank Savings Account	2,621,029	7,411,271	-
	Gratuity Account KCB	915,093	1,479,597	-
	Savings Account KCB	199,019	41,769	-
	Infrastructural AccountnKCB	4,414,864	4,414,864	
	CDF Account EBL	3,700	3,700	
	<b>Cash in hand</b>	-		
	Tuition Account	718		
	Operation Account	240		
	School Fund account	448,250		
	<b>Total</b>	<b>17,310,850</b>	<b>22,065,602</b>	-
	<b>Increase/decrease</b>	<b>4,754,752</b>	<b>22,065,602</b>	

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**



**b) Teacher Student ratio:**

TSC TEACHERS	BOM TEACHERS	TOTAL	NO. OF STUDENTS	TEAC/STUD RATIO	TRANSFERS	RETIRED
54	06	60	1365	1: 23	03	02

**c) Mean score in the 2019-2021 KCSE:**

YEAR	NO OF CANDIDATES	MEAN SCORE	VARIANCE	CANDIDATES TO COLLEGES	REMARKS
2019	341	7.89	+0.404	324	IMPROVED
2020	303	8.081	+0.191	295	IMPROVED
2021	392	8.105	+0.024	371	IMPROVED

**d) Number of Candidates in the 2019-2021 KCSE:**

Year	Ent
2017	291

**KISUMU GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

<b>2018</b>	300
<b>2019</b>	580
<b>2020</b>	392
<b>2021</b>	459

**e) Capacity of the school:**

<i>NO OF STUDENTS</i>	1,387
<i>DORMITORIES</i>	<i>Not enough we require 1,000 capacity hostel</i>
<i>LABORATORIES</i>	<i>Labs are small sized . Practical subjects are done in shifts.</i>
<i>DINING HALL</i>	<i>The hall has a capacity of 1200 students .</i>
<i>TOILETS</i>	<i>The number is not enough we need another 40.</i>

**f) Development projects carried out by the school:**

*Development projects carried out in the year and on going projects including a disclosure of project fund sources in a tabular format*

<i>YEAR</i>	<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>	<i>COST</i>	<i>STATUS</i>
2020	6 Door Classroom	M o E / B o M	9.800	100% done
2021/22	750 Capacity Hostel	M o E / B o M	9.81	To start



Sign.....

**School Principal**


**III. 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 (PSASB) 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 Kisumu Girls High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial 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 for six months ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

  
.....  
**Name:** GRACE JOWI-JOBITA  
**Designation:** Chairman, School Board of Management  
**Date:** 1/7/24

  
.....  
**Name:** EVA ODHIAMBO  
**Designation:** School Principal & Secretary to Board of Management  
**Date:**

  
.....  
**Name:** Shem Ouyang  
**Designation:** Bursar/Finance Officer  
**Date:** 1-7-24



# REPUBLIC OF KENYA



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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON KISUMU GIRLS HIGH SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – KISUMU COUNTY**

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### 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, gazette 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 Kisumu Girls High School - Kisumu County set out on pages 15 to 32, which comprise of the statement of financial assets and financial liabilities for the six (6) months period ended 30 June, 2021 and the statement of receipts and payments, statement of cash flows and summary statement budgeted versus actual amounts for the period then ended, and a summary of significant

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*Report of the Auditor-General on Kisumu Girls High School for the six (6) months period ended 30 June, 2021 – Kisumu County*

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 Kisumu Girls High School - Kisumu County for the six (6) months period ended 30 June, 2021, and of its financial performance and its cash flows for the 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. Inaccuracies in the Presentation and Disclosure in the Annual Report and Financial Statements**

Review of the annual report and financial statements revealed that Management did not disclose the opening amounts and balances in respect of the previous period. In addition, Note 17 to the financial statements does not reflect any stock/inventory balance while there were stock/inventory in the school stores. Further, the disclosure at Annex 2 on summary of fixed assets register has no details on the assets owned, historical cost at the beginning and end of the period and additions and disposals during the period.

In the circumstances, the accuracy and completeness of the presentation and disclosure in the annual report and the financial statements could not be confirmed.

#### **2. Unsupported and Long Outstanding Accounts Receivables Balance**

The statement of financial assets and financial liabilities reflects a balance of Kshs.3,634,347 in respect to accounts receivables as disclosed in Note 11 to the financial statements. However, the detailed analysis/schedules indicating student name, admission number, amount owed and period covered was not provided for audit. Included in the balance is Kshs.3,287,762 in respect of fees arrears for the previous year and prior periods which has been outstanding for more than two years.

In the circumstances, the accuracy and recoverability of the account receivables balance of Kshs.3,634,347 could not be confirmed.

#### **3. Unsupported and Long Outstanding Accounts Payables Balance**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.6,894,660 in respect of prepaid fees as disclosed in Note 12 to the financial statements. Included in the balance is Kshs.609,455 in respect of outstanding accounts payables for the previous year and prior periods which has been outstanding for over two (2) years. However, the aging analysis describe the outstanding payables as trade creditors while the supporting schedules indicating the creditor/student name,

invoice/admission number, fees payable or paid and amount overpaid in respect of each student was not provided for audit review.

In the circumstances, the accuracy, completeness and presentation and disclosure of the account's payables balance of Kshs.6,894,660 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisumu Girls High 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects a budgeted income amount of Kshs.43,788,525 while the actual income received was Kshs.40,290,146 resulting to a shortfall of Kshs.3,498,379 or 8 % of the budget. Similarly, Management Kshs.48,305,211 against actual receipts of Kshs.40,290,146 resulting to excess expenditure of Kshs.8,015,065 or 20% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **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 are 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, based on the procedures performed, except for the matter 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. Failure to Effect Full Transfer of Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects operations capitation grants amount of Kshs.8,621,575 out of which Kshs.3,568,550 was transferrable to the infrastructure bank account for implementation of projects. However, Kshs.479,000 was transferred from the operations account resulting to a shortage of Kshs.3,089,550. This is contrary to the provisions of Ministry of Education Circular Reference number MOE.HQS/3/10/18/ (112) which states that to ensure accountability and smooth implementation of the FDSE programmes, all schools are required to operate school infrastructure account for banking infrastructure grants from GoK and maintenance and improvement funds.

In the circumstances, the Management is in breach of Ministry of Education Circular.

### **2. Delayed Construction of Multi-Storey Tuition Block Phase 1**

The statement of receipts and payments reflects payments for operations totalling Kshs.8,827,060 out of which Kshs.3,364,000 was incurred on maintenance and improvement as disclosed in Note 6 to the financial statements. Management awarded a contract for the construction of Multi Storey Building Phase 1 through tender at a contract sum of Kshs.11,073,340 to a local contractor with effect from 20 April, 2017. However, the procurement records, certificates of works completed and certified, payment schedules and project implementation status report were not provided for audit. Further, performance bond guarantee and acceptance of award letter were not provided for audit review.

In the circumstances, the regularity and value for money realized from the expenditure of Kshs.3,364,000 could not be confirmed.

### **3. Lack of Approved Procurement Plan**

Management did not prepare a procurement plan for the financial year contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

### **4. Lack of Complete and Up-To-Date Fixed Asset Register**

Review of the fixed asset register maintained by the institution revealed that critical information is omitted including costs/values attached to each class of asset and also the size of the parcel of land. In addition, the summary of fixed assets register at Annex 2 to the financial statements reflects Nil balances. This is contrary to Regulation 139 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer of a National Government entity shall take full

responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse; movement and conditions of assets can be tracked; and stock levels are at an optimum and economical level. The Accounting Officer shall ensure that processes and procedures both electronic and manual are in place for the effective, efficient, economical and transparent use of the Government entity's assets.

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

#### **5. Non-Compliance with Prescription on Principals, Board of Management and Committees' Terms of Services and Entitlement**

Review of records on the composition of the Board of Management indicated that a representative of the student's council and three (3) co-opted members had not been appointed. This is contrary to Section 56 (1)(g) and (2) of the Basic Education Act, 2013. Further, the Board of Management did not hold at least one meeting in every four months during the period under review as required under Section 6(1) of the fourth schedule to the Basic Education Act, 2013. In addition, the allowances paid to the members of the Board of Management were ranging from Kshs.3,000 to Kshs.10,000 per sitting. However, the approvals/authority upon which these allowances were made were not provided.

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

#### **6. Non-compliance with the Guidelines on the Establishment and Functions of the Audit Committees**

Management did not constitute an audit committee during the year under review contrary to Section (61)(2)(d) of the Basic Education Act No 14 of 2013 which requires the Board of Management to establish the Audit committee. Further, 174(1) of the Public Finance Management (National Government) Regulations, 2015, also requires each National Government entity to establish an audit committee.

In the circumstances, the Management was in breach of the law and the governance structure of the school was not properly constituted.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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. Inaccurate Student Enrollment Data**

Review of student enrolment register indicate the school had a population of 1,414 students while only 968 had been captured in National Education Management Information System (NEMIS).

In the circumstances, the effectiveness of internal controls on student's data could not be confirmed.

### **2. Unaccounted for Text Books**

Review of financial statements revealed that the School does not have an inventory management policy to provide formal guidance on the management of inventory hence it was difficult to verify the number of textbooks that the school had as at 30 June, 2021. It was also noted that the school does not maintain a record of books hence the closing balance of text books could not be determined.

Further, the school does not have a system in place to ensure that text books that are lost are replaced immediately. Lost text books are only recovered when the students are exiting the school after they finish their Kenya Certificate of Secondary Examination.

In the circumstances, the effectiveness of the internal controls on management of textbooks could not be confirmed.

### **3. Lack of Approved Information Communication Technology (ICT) Policy**

Review of the School's ICT environment revealed lack of ICT Policy during the for the six (6) months period ended 30 June 2021 which provides guidance on Information Technology governance, security management, program change management, physical access controls, environmental controls, IT service continuity and logical access control. Further, there was no data security policy and Disaster Recovery Plans contrary to Section 19(1) of the Public Finance Management Act Regulations (2015) identifies roles and responsibilities of the standing committee, which includes review on a regular basis the adequacy and integrity of the entity's internal control, acquisition and divestitures and management information systems including compliance with applicable laws, regulations, rules and guidelines.

In the circumstances, the organization may fail to undertake adequate measures to safeguard data in the event of unforeseen disasters and may lack of a consistent approach towards the addressing of and handling ICT issues.

### **4. Lack of Risk Management Policy and Disaster Recovery Plan**

Review of records revealed that the school did not develop and documented a risk management policy and also disaster recovery plan during the year under review.

In the circumstances, the effectiveness of the risk management and disaster recovery plans could not be confirmed.

The audit was conducted in accordance with 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 control, 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability 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 overall 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 control 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 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


17 January, 2025


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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,358,525	-
Capitation grants for operations	2	8,621,575	-
School Fund Income- Parents' Contributions	3	11,402,477	-
School Fund Income- Other receipts	4	18,907,570	-
Proceeds from borrowings		-	-
<b>TOTAL RECEIPTS</b>		<b>40,290,146</b>	<b>-</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,531,236	-
Payments for operations	6	8,827,060	-
Boarding and school fund payments	7	36,946,915	-
<b>TOTAL PAYMENTS</b>		<b>48,305,211</b>	<b>-</b>
<b>SURPLUS/DEFICIT</b>		<b>(8,015,065)</b>	<b>-</b>

The school financial statements were approved on 1<sup>st</sup> July 2024 and signed by:

  
 Name: GRACE-JOWI  
BOBITA  
 Chair BOM  
 Date: 1/7/24

  
 Name: EVA ODHIAMBO  
 School Principal/ Secretary to  
 BOM  
 Date: 1/7/24

  
 Name: Shem Ougang  
 Bursar/ Finance Officer  
 Date: 1/7/24



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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	16,861,642	-
Cash Balances	9	449,208	-
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b>17,310,850</b>	<b>-</b>
Account's receivables	11	3,634,347	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>20,945,197</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	6,894,660	-
<b>NET FINANCIAL ASSETS</b>		<b>14,050,537</b>	<b>-</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	22,065,602	-
Surplus/Deficit for the year		(8,015,065)	-
<b>NET FINANCIAL POSSITION</b>		<b>14,050,537</b>	<b>-</b>

The School's financial statements were approved on 1<sup>st</sup> July 2024 and signed by:

Name: GRACE JOYI JBATA  
 Chairman, BoM

Sign: [Signature]

Date: 1/7/24

Name: EVA ODHIAMBO  
 School Principal/Secretary  
 to BoM

Sign: [Signature]

Date: 1/7/24

Name: Shem Ouyango  
 Bursar/Finance

Sign: [Signature]

Date: 1/7/24



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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,358,525	-
Capitation grants for operations	2	8,621,575	-
School fund income- Parents contributions/ fees	3	11,402,477	-
School fund income- other receipts	4	18,907,570	-
<b>Total receipts</b>		<b>40,290,146</b>	-
<b>Payments</b>			
Payments for Tuition		2,531,236	-
Payments for operations		8,827,060	-
Boarding and school fund payments		36,946,915	-
<b>Total payments</b>		<b>48,305,211</b>	-
<b>Cash flow from operating activities</b>		<b>(8,015,065)</b>	-
<b>Adjustment.</b>			
Increase in Accounts Recievable		- 3,634,347	
Increase in Accounts Payables		6,894,660	
<b>Net cash flow from Operating Activities</b>		<b>- 4,754,752</b>	
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from Investing Activities</b>			-
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>			-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>- 4,754,752</b>	-
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>22,065,602</b>	-
<b>Cash and cash equivalent at END of the year</b>		<b>17,310,850</b>	<b>22,065,602</b>

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

Name: GRAE OWI-ODBITA  
 Chairman, BoM

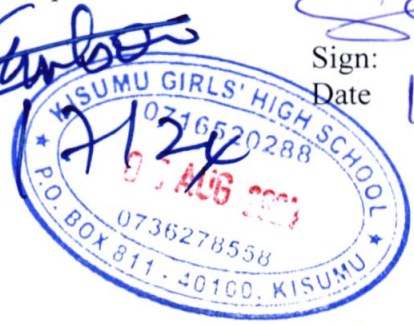
Sign: [Signature]  
 Date: 1/7/24

Name: EVA ODHAME  
 School Principal

Sign: [Signature]  
 Date: 1/7/24

Name: Shom Onyang  
 Bursar

Sign: [Signature]  
 Date: 1/7/24



VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS' ENDED 30<sup>TH</sup> JUNE 2021

Receipt/expenses 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
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	680,000	-	680,000	600,000	80,000	88%
Exercise books	-	-	-	-	-	-
Laboratory equipment	550,000	-	550,000	450,000	100,000	82%
Internal exams	130,000	-	130,000	100,000	30,000	76%
Teaching / learning materials	60,000	-	60,000	40,000	20,000	67%
Chalks	131,000	-	131,000	101,000	30,000	76%
Exams and assessment	87,525	-	87,525	67,525	20,000	77%
Teachers guides	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,638,525</b>		<b>1,638,525-</b>	<b>1,358,525</b>	<b>280,000</b>	<b>82%</b>
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	3,400,000	-	3,400,000	3,118,025	281,975	29%
Repairs and maintenance	3,900,000	-	3,900,000	3,677,250	222,750	94%
Local transport / travelling	650,000	-	650,000	606,900	43,100	93%
Electricity and water	650,000	-	650,000	612,500	37,500	94%
Medical	-	-	-	-	-	-
Administration costs	650,000	-	650,000	606,900	43,100	93%
Activity	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Sub-total</b>	<b>9,250,000</b>		<b>9,250,000</b>	<b>8,621,575</b>	<b>628,425</b>	<b>93%</b>
<i>(3) FEES CHARGED ON PARENTS</i>						

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Personnel emoluments	6,300,000		6,300,000	5,905,016	394,984	94%
Repairs and maintenance	1,500,000	-	1,500,000	1,408,899	91,101	93%
Local transport / travelling	1,200,000		1,200,000	916,854	283,146	76%
Electricity and water	2,000,000	-	2,000,000	1,613,164	669,982	80%
Medical	-		-	-		
Administration costs	1,500,000	-	1,500,000	1,168,272	331,728	78%
Activity	300,000		300,000	293,272	6,728	98%
Advance	-	-	-	97,000	97,000	
<b>Sub-total</b>	<b>12,800,000</b>	<b>-</b>	<b>12,800,000</b>	<b>11,402,477</b>	<b>1,397,523</b>	<b>89%</b>
<b><i>OTHER INCOME</i></b>						
Fee on Boarding Equipment and Stores	17,000,000	-	17,000,000	15,615,580	1,384,420	92%
Bursary	-		-	16,000	16,000	
Income from farming activities	2,500,000	-	2,500,000	2,349,191	150,809	94%
Refunds	-		-	246,361	246,361	
Rent income	600,000	-	600,000	555,438	44,562	93%
Income from Bus Hire	-		-	-	-	
Fee for hire of ground and equipment	-	-	-	125,000	- 125,000	
Income from grants and donations*	-		-	-	-	
Interest income				-	-	
Dividends income				-	-	
<b>Sub-total</b>	<b>20,100,000</b>	<b>-</b>	<b>20,100,000</b>	<b>18,907,570</b>	<b>1,192,430</b>	<b>94%</b>
<b>TOTAL INCOME</b>	<b>43,788,525</b>	<b>-</b>	<b>43,788,525</b>	<b>40,290,146</b>	<b>3,498,378</b>	<b>92%</b>
<b><i>(I) EXPENDITURE FOR TUITION</i></b>						
Textbooks and reference materials	600,000	-	600,000	576,085	23,915	96%
Exercise books	-	-	-	-		
Laboratory equipment	450,000		450,000	479,403	-29,403	106%
Internal exams	100,000	-	100,000	-	100,000	
Teaching / learning materials	1,440,000		1,440,000	1,375,688	64,312	95%
Chalks	101,000	-	101,000	100,000	1,000	99%
Exams and assessment	67,525		67,525	-		
Teachers guides	-		-	-		

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Administration Costs	-	-	-	-	-	
Bank Charges	-	-	-	60	-	
<b>Sub-total</b>	<b>2,758,525</b>	<b>-</b>	<b>2,758,525</b>	<b>2,531,236</b>		
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	5,100,000	-	5,100,000	4,505,492	594,508	88%
Service Gratuity	601,962	-	601,962	601,962	0	
Administration Cost	120,000	-	120,000	113,680	6,320	95%
Repairs and maintenance & improvements	3,400,000	-	3,400,000	3,364,000	36,000	98%
Local transport / travelling	-	-	-	-	-	
Electricity and water	250,000	-	250,000	241,926	8,074	84%
Medical	-	-	-	-	-	
Activity Expenses	-	-	-	-	-	
SMASSE	-	-	-	-	-	
Insurance Cost	-	-	-	-	-	
Bank Charges	-	-	-	-	-	
Acquisition of Assets	-	-	-	-	-	
<b>Sub-total</b>	<b>9,471,962</b>	<b>-</b>	<b>9,471,962</b>	<b>8,827,060</b>		
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	1,200,000	-	1,200,000	1,187,978	12,022	94%
Service Gratuity	-	-	-	-	-	
Repairs and maintenance & Improvements	6,000,000	-	6,000,000	5,953,892	46,108	99%
Local transport / travelling	4,500,000	-	4,500,000	4,047,859	452,141	90%
Electricity and water	3,000,000	-	3,000,000	2,693,000	307,000	90%
Medical Expenses	20,000	-	20,000	6,650	13,350	34%
Administration costs	2,500,000	-	2,500,000	2,226,294	244,810	90%
Lunch Programme	-	-	-	-	-	
Bank Charges	-	-	-	-	-	
Expenses on Income Generating Activities	3,500,000	-	3,500,000	3,255,190	244,810	93%
Fee on Boarding Equipment and Stores	20,000,000	-	20,000,000	17,470,354	2,576,326	87%
Rent Expenses	100,000	-	100,000	53,320	46,680	53%

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Insurance Cost (Life Property)	-	-	-	-	-	
Loan Principal repayment	-	-	-	-	-	
Loan Interest repayment	-	-	-	-	-	
Acquisition of Assets	-	-	-	-	-	
Activity Expenses	30,000		30,000	28,700	1,300	96%
Refunds	25,000		25,000	23,678	1,322	95%
<b>Sub-total</b>	<b>40,875,000</b>	<b>-</b>	<b>40,875,000</b>	<b>36,946,915</b>		
<b>TOTALS EXPENDITURE</b>	<b>53,105,487</b>	<b>-</b>	<b>53,105,487</b>	<b>48,305,211</b>	<b>4,800,276</b>	<b>91%</b>

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

1. Expenditures having below 100% utilization of funds were attributed by lower level of activity.
2. Expenditures having more than 100% utilization of funds were attributed by the rise in unit price of some items.

## **IX. 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.

**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**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the six months' period ended 30<sup>th</sup> June 2021

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	1,358,525	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	-	-
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
<b>Total</b>	<b>1,358,525</b>	<b>-</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	3,118,025	-
Repairs and maintenance	3,677,250	-
Local transport / travelling	606,900	-
Electricity and water	612,500	-
Medical	-	-
Administration costs	606,900	-
Activity	-	-
<b>Total</b>	<b>8,621,575</b>	<b>-</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	5,905,016	-
Repairs and maintenance	1,408,899	-
Local transport / travelling	916,854	-
Electricity and water	1,613,164	-
Medical	-	-
Administration costs	1,168,272	-
Activity	293,272	-
Advance	97,000	-
<b>Total</b>	<b>11,402,477</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	15,615,580	-
Bursary	16,000	-
Income from farming activities	2,349,191	-
Refunds	246,361	-
Rent income	555,438	-
Income from Bus Hire		-
Fee for hire of ground and equipment	125,000	-
Income from grants and donations*		-
Interest income		-
Dividends income		-
<b>Total</b>	<b>18,907,570</b>	<b>-</b>

(Include an explanation on the kind and source of grants/ donations received by the school.)

**5 PAYMENTS FOR TUITION**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	576,085	-
Exercise books	-	-
Laboratory equipment	479,403	-
Internal exams	-	-
Teaching / learning materials	1,375,688	-
Chalks	100,000	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	60	-
<b>Total</b>	<b>2,531,236</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	4,505,492	-
Service Gratuity	601,962	-
Administration Cost	113,680	-
Repairs and maintenance & improvements	3,364,000	-
Local transport / travelling	-	-
Electricity and water	241,926	-
Medical	-	-
Activity Expenses	-	-
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition of Assets	-	-
<b>TOTAL</b>	<b>8,827,060</b>	<b>-</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,187,978	-
Service Gratuity	-	-
Repairs and maintenance & Improvements	5,953,892	-
Local transport / travelling	4,047,859	-
Electricity and water	2,693,000	-
Medical Expenses	6,650	-
Administration costs	2,226,294	-
Lunch Programme	-	-
Bank Charges	-	-
Expenses on Income Generating Activities	3,255,190	-
Fee on Boarding Equipment and Stores	17,470,354	-
Rent Expenses	53,320	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
Activity Expenses	28,700	-
Refunds	23,678	-
<b>TOTAL</b>	<b>36,946,915</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021 Kshs	2019-2020 Kshs
Tuition Account NBK	01025025600900	188,441	-
Operations Account NBK	01025025783700	668,435	-
School Fund Account/Boarding-NBK	01021023534100	3,286,096	-
Endowment Acc IGA NBK	01242024889100	4,564,965	-
Cooperative bank Savings Account	01100613056200	2,621,029	-
Gratuity Account KCB	1107740649	915,093	-
Savings Account KCB	1107931673	199,019	-
Infrastructural Account KCB	1259382214	4,414,864	-
CDF Account EBL	0290293043077	3,700	-
<b>Total</b>		<b>16,861,642</b>	<b>-</b>

9 CASH IN HAND

Description	2020-2021 Kshs	2019-2020 Kshs
Tuition Account	718	-
Operation Account	240	-
School Fund account	448,250	-
<b>Total</b>	<b>449,208</b>	<b>-</b>

10 SHORT TERM INVESTMENTS

Description	2020-2021 Kshs	2019-2020 Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears	3,634,347	-
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
<b>Total</b>	<b>3,634,347</b>	<b>-</b>

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

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears for current year	346,585	-
Fees arrears for the previous year	973,525	-
Fees arrears for prior periods (over two years)	2,314,237	-
<b>Total</b>	<b>3,634,347</b>	<b>-</b>

**12 ACCOUNTS PAYABLE**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors (See ageing below and appendix 1)	-	-
Prepaid fees	6,894,660	-
Retention monies	-	-
<b>Total</b>	<b>6,894,660</b>	<b>-</b>

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

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors for current year	6,285,205	-
Trade creditors for the previous year	556,216	-
Trade creditors for prior periods (over two years)	53,239	-
<b>Total</b>	<b>6,894,660</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	22,065,602	-
Cash balances	-	-
Short Term Investments	-	-
Receivables	-	-
Payables	-	-
<b>Total</b>	<b>22,065,602</b>	<b>-</b>

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**Other important disclosure notes**

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

**14 Non-current Liabilities Summary**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
<b>Total</b>	-	-

**15 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	-	-	-
Coffee or tea plantation		-	-
Poultry		-	-
<b>Total</b>		-	-

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	-	-

**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
<b>Balance at end of the year</b>	-	-

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**18 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.

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	The FS were to be adjusted or amended accordingly as per revised template	The FS presented has been redone as per the Auditors recommendation on revised template	Resolved	
	Components of the FS were not signed as required	The signing of the FS been done in the adjusted presentation as per the approved template	Resolved	
	Account numbers were not written on the previous presentation of FS	All the account numbers have now been disclosed in the right place on this approved template	Resolved	
	The page Header was not reflected in the previous FS	The page header now appears on every page of this revised FS on Approved template	Resolved	
	The audit observed under funding of the school due to discrepancies in NEMIS data and school records	The management has now updated data to conform with the NEMIS data for accurate funding in future	Resolved	
	The school didn't analyse ages of accounts payables as required	The management has now aged the accounts payables as required by the relevant regulation	Resolved	
	The audit observed that infrastructure funds are transferred after 15 days of receipt of such funds as required	The transfer referred to relates to transaction in September 2020 during Corona pandemic when there was skeleton staff in the school but we have improved in subsequent transfers of such funds	Resolved	



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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 As at 31 December 2019	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

