

REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

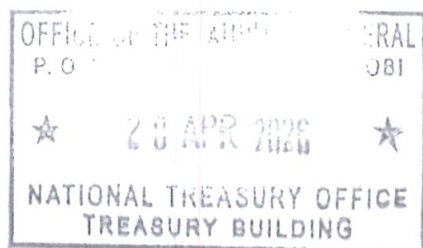
NGAREMARA SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

ISIOLO COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 JUL 2026	
DAY: <u>Tue</u>	
TABLED BY:	Deputy Majority Leader Hon. <u>David Baya</u>
CLERK-AT THE-TABLE:	Mr. <u>John Muthi</u>

Revised 30th June 2022.



**NGAREMARA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL

STATEMENTS FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

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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 **Isiolo County, Sub-County**

The school was registered in **16/03/2012** under registration number **PU/S/2/8534/12** and is currently categorized as a **County public school** public school established, owned or operated by the Government.

The school is a day/boarding school and had **217** number of students as at **30th June 2022**. It has **2** streams and **16** teachers of which **1** teacher is 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	MR.BARANABUS ESUNYEN	Chairman	2/10/2019
2	MR.ANDREW HALAKE	Secretary - Principal	2/10/2019
3	MS.FLAVIA SUNDAY	Member	2/10/2019
4	MR.SAMUEL O LERAI	Member	2/10/2019
5	MR.TIMOTHY EDONGA	Member	2/10/2019
6	MS.JOSPHINE MULI	Member	2/10/2019
7	MS.AGNES AITON	Member	2/10/2019
8	MR.PETER L. EKAI	Member	2/10/2019
9	MS. HELLEN MUTUNDU	Member Rep Teachers	2/10/2019
10	MR.THOMAS EKIRU	Member	2/10/2019
11	MR.ANDREW IKULAO	Member	2/10/2019
12	MS.SANDRA NUNU NAMOE	Member	2/10/2019
13	FR.TIMOTHY OGUTU	Rep Students	2/10/2019
14	MS.VERONICA NAPEYOK	Member	2/10/2019
15	MS.JOSPHINE EKIRU	Member-special interest	2/10/2019

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	Mr.Banabus Esunyen Mr.Halake Wario Mr.Peter Ekai Ms.Veronica Epong Ms.Flavia Sunday	Chairman Secretary Member Member Member	4
2	Audit Committee	Mr.Barnabus Esunyen Mr.Halake Wario Mr.Andrew Ikulao Fr.Timothy Ogutu Mr.Thomas Ekiru	Chairman Secretary Member Member Member	0
3	Finance,procurement and general purposes Committee	Mr.Peter Ekai Mr.Halake Wario Mr.Thomas Ekiru Ms .Josphine Muli Fr.Timothy Ogutu	Chairman Secretary Member Member Member	0
4	Academic Committee	Ms.Hellen Mutundu Mr.Halake Wario MS.Sandra Nunu Mr.Timothy Edonga Ms.Josphine Muli	Chairperson Secretary Member Member Member	1

5	Development Committee	Mr.Barnabus Esunyen Mr.Halake Wario Mr.Peter Ekai Mr.Halake Wario Mr.Samwel Olerai	Chairman Secretary Member Member Member	0
6	Discipline and welfare Committee	Ms.Veronica Epong Mr.Halake Wario Ms.Hellen Mutundu Mr.Barnabus Esunyen Fr.Timothy Ogutu	Chairman Secretary Member Member Member	1
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	ANDREW HALAKE WARIO	332688
2	Deputy Principal	FREDRICK IRIMBA MEEME	515047
3	School Bursar	HILDAH GACHERI	25150522

(e) Schools contacts

Post Office Box: 705-60300
 Telephone: 0110497909
 E-mail: secondaryngaremara@gmail.com

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

1. Name of Bank: KCB
 Branch: Isiolo
 Account Number: 1148685995
2. Name of Bank: Equity Bank
 Branch: Isiolo
 Account Number: 0410279868198
3. Name of Bank: Consolidated
 Branch: Isiolo
 Account Number: 10111301000022
4. Name of Bank: Consolidated bank
 Branch: Isiolo
 Account Number: 10111203000062
5. Name of Bank: Consolidated Bank
 Branch: Isiolo
 Account Number: 10111203000017

(g) Independent Auditors

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

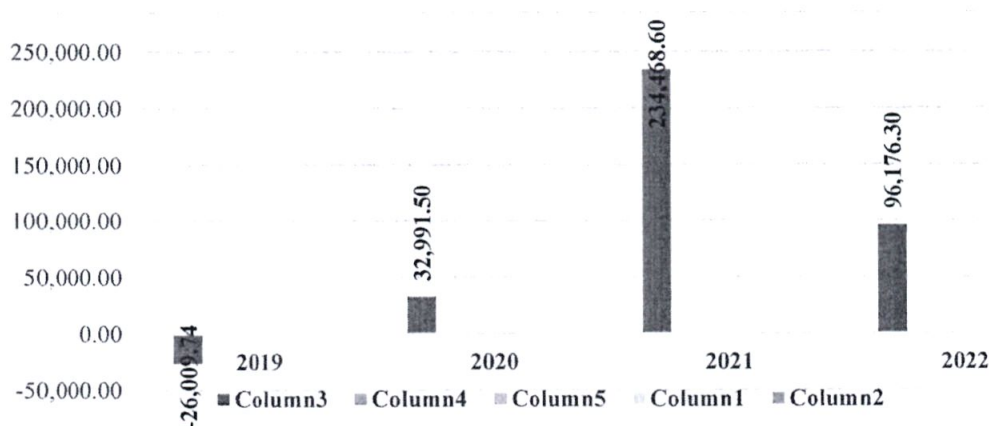
II. Summary Report Of Performance Of The School

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

Financial performance: Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2019 to 31st December 2020 which covers a period of 12 months while 30th June 2021 covers a period of 6 months and 1st July 2021 to 30th June 2022 covers a period of 12 months and is summarized as follows:

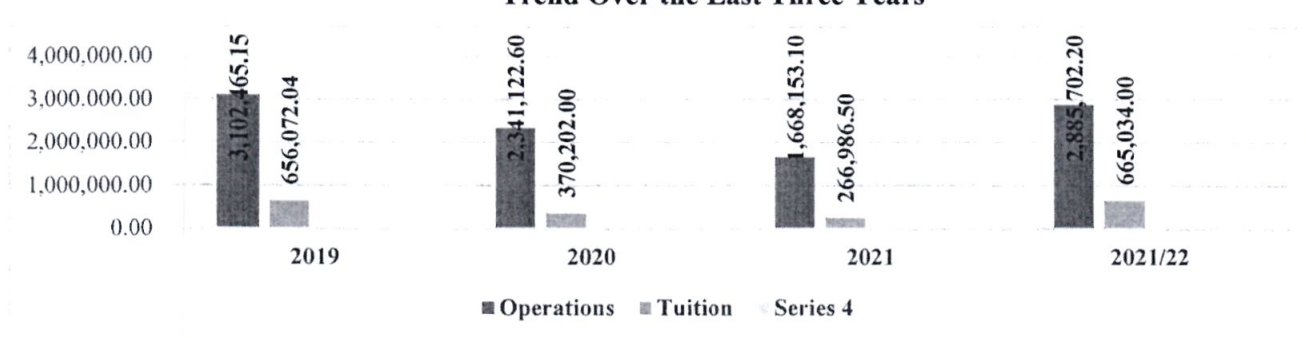
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS				
S/NO	2021/2022	2021	2020	2019
	kshs	Kshs	Kshs	Kshs
1	96,176.30	234,468.60	190,299.90	(26,009.74)

Trend Over the Last Three Years



CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021/2022	2021	2020	2019
			KSHS	KSHS	KSHS
1	Operations Account	2,885,702.20	1,668,153.10	2,341,122.60	3,102,465.15
2	Tuition Account	665,034.00	266,986.5	370,202.00	656,072.04
	Total	3,550,736.20	1,935,139.60	2,711,324.60	3,758,537.19
	Increase/Decrease	1,615,596.40	(776,185.00)	-1,047,212.59	323,307.71
	No of Students	160	174.00	122.00	170.00
	Ratio of Capitation per student	1:22,192.10	1:11121.49	1:22,223.97	1:22,109.04

Trend Over the Last Three Years



The total capitation grants for the financial year 2020 was Kshs 2,711,324.60 as compared to Kshs 3,758,537.19 in the financial year 2019 representing a decrease of Kshs. 1,047,212.59.

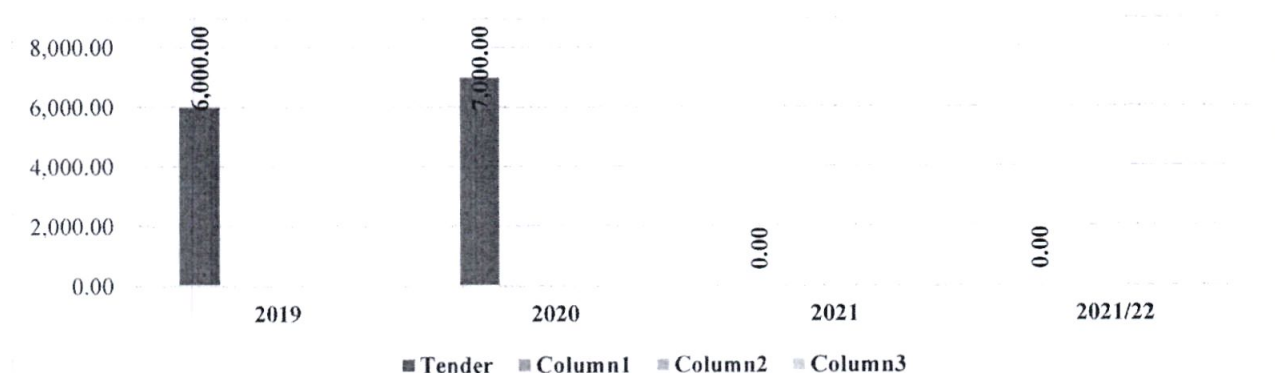
The net decrease is mainly attributed by the closure of the schools during the covid period.

The total capitation for the year 2021 was Kshs 1,935,139.60 as compared to Ksh2,711,324.60 in the financial year 2020 representing a decrease of Kshs 776,185.00 which resulted from the period of the capitation grant being only six months, which was only half of the capitation for the year, capitation grants for the financial year 2021/2022 was Kshs 3,550,736.20 as compared to

Kshs 1,935,139.60 for the 6 months in year 2021 representing a increase of Kshs 1,615,596.40 the net increase is mainly arising due to the increase of the capitation period to one year in 2021/2022 as compared to 2021 which covered a period of six months only.

OVERVIEW OF NET GROWTH OF OTHER INCOME(S)					
SNO	ACCOUNTS	2022	2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
1	School fund account	-			
2	Tender	-	-	7,000.00	6,000.00

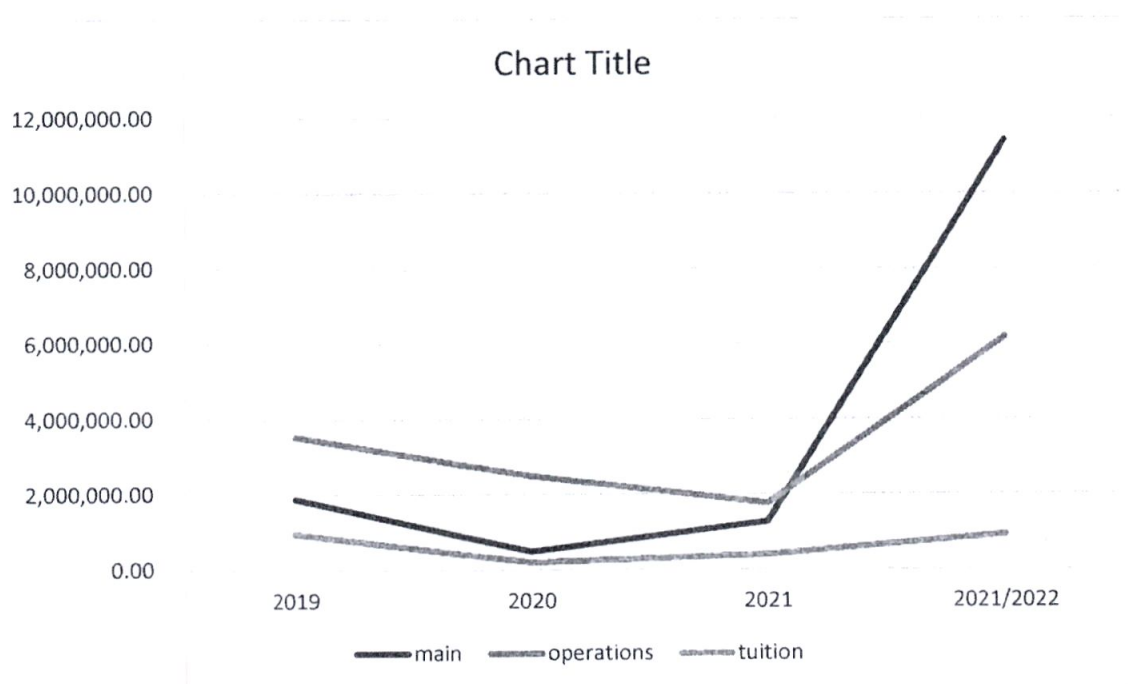
Trend Over the Last Three Years



Trend Over the Last Three Years

The net growth of other income generating activities for the financial year 2020 was Kshs 7,000.00 as compared to Kshs 6,000.00 in the financial year 2019 which represent an increase of Kshs. 1,000.00. The year 2021/22 didn't have any applicants applying for the tenders thus no income was generated for the two years.

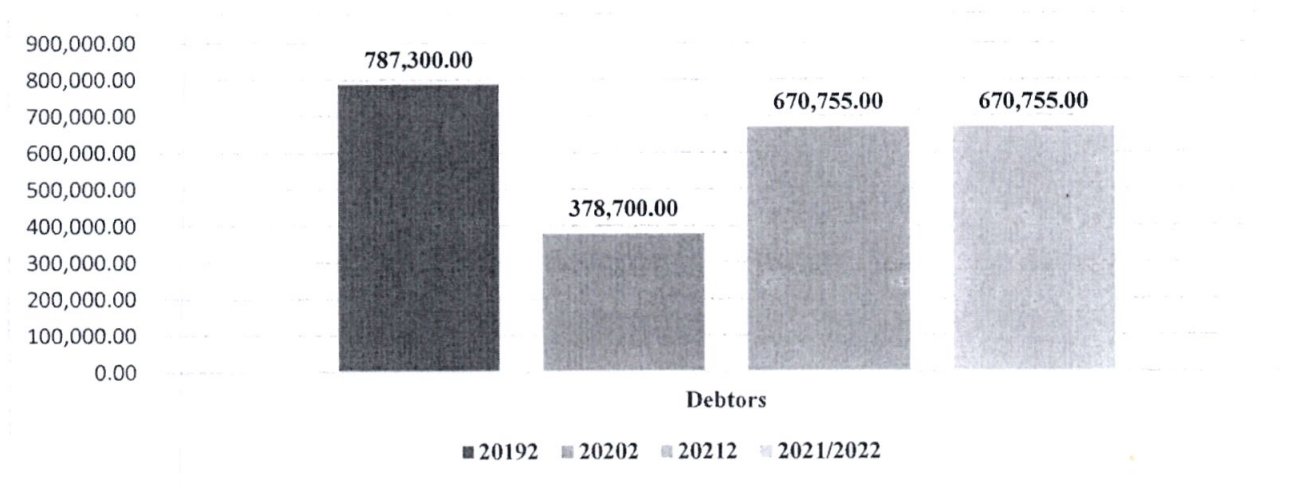
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021/2022	2021	2020	2019
			Kshs	Kshs	Kshs
1	School Fund Account	11,409,016.70	1,278,933.00	493,572.00	1,881,026.00
2	Operations Account	6,176,539.50	1,251,878.00	2,493,602.60	3,540,311.50
3	Tuition Account	924,035.00	398,865.00	208,600.00	953,715.00
	Total	18,509,861.20	2,929,676.00	3,195,774.60	6,375,052.50

Trend Over the Last Three Years

In the financial year 2021/2022 shows an increase in growth of the expenditure as compared to 2021 which shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19. The year 2021/2022 shows an increase in the expenditure because the school ran throughout the year as usual.

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2021/2022	2021	2020	2019
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
	Debtors	1,299,865.00	670,755.00	378,700.00	787,300.00
	Total	1,299,865.00	670,755.00	378,700.00	787,300.00
	Increase/Decrease	629,110.00	292,055.00	(408,600.00)	134,915.00

Trend Over the Last Three Years

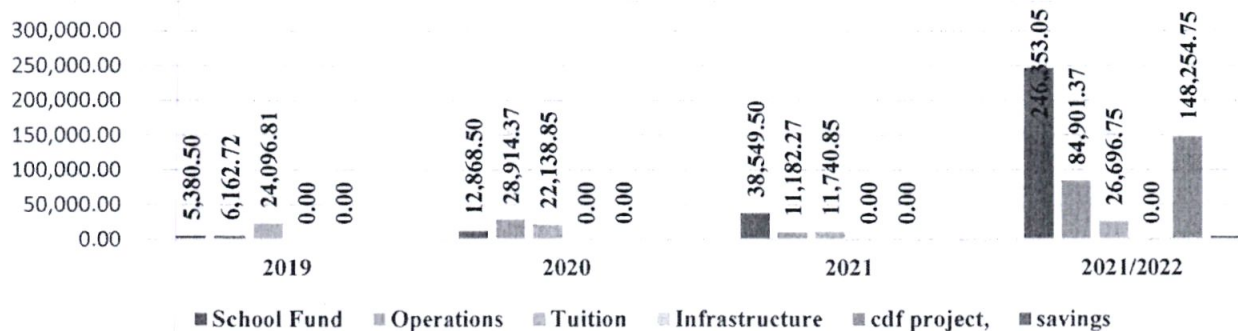


Total debtors as at 30th June 2022 increased to Kshs 1,299,865.00 as compared to Kshs 670,755.00 as at the end of June 2021 which was a period of 6 months. The debtors of the financial year 2020 were 378,700 and the year 2019 was having the total number of debtors being 787,300.00 for a period of twelve months. The main contributors to the decrease in total debtors in the year 2020 and 2021 is the students not paying the required fees due to the aftermath effects of the covid 19 pandemic and the period for the year 2021 running for a period of six months only. The debtors for the year 2021/2022 increased because the students were not able to fully clear their fees dues due to the economic constraints and majority of them having come from poor and humble backgrounds,

MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2021/2022	2021	2020	2019
	School Fund Account	KSHS	KSHS	KSHS	KSHS

4	Infrastructure Account	-	-	-	-
5	CDF project	148,254.75	-	-	-
6	Savings account	4,659.60			
	Total	513,868.52	169,869.22	35,791.62	56,434..72

Trend Over the Last Three Years

a) **Teacher Student ratio:**

Between the month of Jan 2021 and June 2022, the status of the teaching staff is as follows:

There are 15 teachers posted by the teacher's service commission and 1 recruited by the board of management. We don't have a shortage of teachers from the given CBE.

b) **Mean score in the 2019,2020,2021 KCSE:**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	24	3.45	0	0	3.50	Negative deviation of 0.34 from the previous year.
2020	26	3.54	0	0	3.5	Positive 0.06 deviation from the previous year
2019	22	3.48	1	4.5	3.0	Positive deviation of 1.0 in the mean score and 1 student

						transitioning.
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c) Number of Candidates in the 2021,2020 AND 2019 KCSE:

YEAR KCSE	ENROLLED STUDENTS
2021	24
2020	26
2019	22

d) Capacity of the school:

<i>FACILITY NAME</i>	<i>NUMBER OF STUDENT</i>	<i>NUMBER OF FACILITIES</i>	<i>YEAR</i>
<i>DORMITORIES</i>	<i>217</i>	<i>2</i>	<i>2021/2022</i>
<i>CLASSES</i>	<i>217</i>	<i>6</i>	<i>2121/2022</i>
<i>DINNING HALL</i>	<i>217</i>	<i>0</i>	<i>2021/2022</i>
<i>LABORATORIES</i>	<i>217</i>	<i>1</i>	<i>2021/2022</i>
<i>TOILETS</i>	<i>217</i>	<i>8</i>	<i>2021/2022</i>

*Summary Report of the Performance of the School (Continued)***e) Development projects carried out by the school:**

Sno.	Project	Year	Status	Amount	Fund Source
1	Dormitory	2021/2022	Complete		CDF
2					
3					

.....

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 *NGAREMARA Secondary 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 year ended 30th June, 2022, and of the school's financial position as at that date.

BARNABAS ESUNYEN

Name:

Designation: Chairman, School Board of Management

Date: 16/4/26

for Andrew

ANDREW WARIO HALAKE

Name:

Designation: School Principal & Secretary to Board of Management

Date: 16/4/26

GACHERI HILDAH

Name:

Designation: Bursar/ Finance Officer

Date: 16/4/26

Gacheri

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 NGAREMARA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – ISIOLO 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, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Ngaremara Secondary School set out on pages 1 to 24 which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year

Report of the Auditor-General on Ngaremara Secondary School for the year ended 30 June, 2022 - Isiolo County

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 Ngaremara Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year 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. Presentation and Accuracy of the Financial Statements

The financial statements for the year ended 30 June, 2022 had the following anomalies related to accuracy and presentation:

- i. The statement of cash flows reflects total receipts of Kshs.20,173,592. However, a re-computation of the amount shows Kshs.11,759,592 resulting in an unexplained variance of Kshs.8,414,000.
- ii. The statement of cash flows reflects total payments of Kshs.11,443,253. However, a re-computation of the amount shows Kshs.11,444,274 resulting in unexplained difference of Kshs.1,021
- iii. The financial statements do not reflect comparative balances for 2021 as required by International Public Sector Accounting Standards and guidelines issued by the Public Sector Accounting Standards Board.
- iv. The financial statements have not been properly identified as the name of the school has not been indicated at the header.
- v. The statement of budgeted versus actual amounts does not reflect sub-totals and totals under all components making it difficult to report on budget performance.

In the circumstances, the accuracy and correct presentation of the financial statements could not be confirmed.

2. Unsupported Receivables

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs.8,120,801 as disclosed in Note 11 to the financial statements. However, detailed schedules and underlying documents were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.8,120,801 could not be confirmed.

3. Unsupported Payables

The statement of financial assets and liabilities reflects accounts payable balance of Kshs.9,561,015 as disclosed in Note 12 to the financial statements. However, detailed schedules and underlying supporting documents were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.9,561,015 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ngaremara Secondary School Management in accordance with ISSAI 130 on the 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages iv to xvii which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School's Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Ngaremara Secondary School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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

Late Submission of Financial Statements for Audit

The financial statements for the year ended 30 June, 2022 were submitted to the Auditor-General for audit on 24 June, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate, in this case 30 September, 2022.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 effects of the matter discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.350,000 which excludes land measuring sixty-four (64) acres of undetermined value. However, ownership documents for the land were not provided for audit.

In addition, the School did not maintain an updated fixed asset register detailing the date of acquisition, cost, supplier, unique identification number/code, location and custody of the assets.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

Basis for Conclusion

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 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 the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for maintaining effective internal controls 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 May, 2026

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	
		Kshs	
Receipts			
Capitation grants for tuition	1	932,020.90	
Capitation grants for operations	2	7,436,646.20	
School fund income- parents' contributions	3	4,105,400.00	
School fund income- other receipts	4	9,250,000.00	
Proceeds cdf project			
Total Receipts		21,724,067.10	
Payments			
Payments for tuition	5	1,277,055.00	
Payments for operations	6	7,428,417.50	
Boarding and school fund payments	7	12,687,949.70	
Total Payments		21,393,422.20	
Surplus/Deficit		330,644.90	

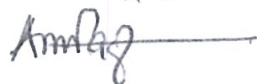
The school financial statements were approved on _____ 2022 and signed by:

BARNABAS ESUNYEN

Name:

Chair BOM

Date: 16/4/26



ANDREW WARIO HALAKE

Name:

School Principal/ Secretary to BOM

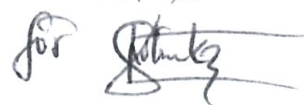
Date: 16/4/26

GACHERI HILDART

Name:

Bursar/ Finance Officer

Date: 16/4/26



VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022	
		Kshs	
Financial Assets			
Cash and cash equivalents			
Bank balances	8	495,706.24	
Cash balances	9	187,548.50	
Short term investment	10		
Total cash and cash equivalent		683,254.74	
Account's receivables	11	8,120,801.00	
Total financial assets		8,804,055.74	
Financial liabilities			
Accounts payables	12	(9,561,015.00)	
Net financial assets		(756,959.26)	
Represented by			
Accumulated fund b/fwd	13	(1,087,604.16)	
Surplus/deficit for the year		330,644.90	
Net financial position		(756,959.26)	

The school's financial statements were approved on _____ 2022 and signed by:

.....
Name: Barnabas Esunyen

Chair BOM

Sign: 

Date: 14/4/22

.....
Name: Andrew Wario Halake

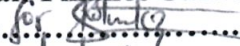
School Principal/ Secretary to BOM

Sign:

Date: 14/4/22

.....
Name: Hildah Gacheri

Bursar/ Finance Officer

Sign: 

Date: 14/4/22

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
Total Income						
(1) Expenditure For Tuition						
Textbooks And Reference Materials	22,672.00		22,272.00			0%
Exercise Books	200,124.00		200,124.00	160,000.00	40,124.00	80%
Laboratory Equipment	80,878.00		80,878.00	327,950.00	-247,072.00	405%
Internal Exams	21,800.00		21,800.00	90,000.00	-68,200.00	413%
Teaching / Learning Materials	58,860.00		58,860.00	387,855.00	-328,995.00	480%
Chalks	14,850.00		14,850.00	15,000.00	-150.00	101%
Exams And Assessment	10,028.00		10,028.00	14,400.00	-4,372.00	144%
Teachers Guides						
Administration Costs						
Bank Charges						
(2) Expenditure For Operations						
Others	1,940,340		1,940,340.00	2,726,400.00	-786,060	141%z
Repairs, Maintenance & Improvements	638,000		638,000	564,690.00	-73,310	86%
Local Transport / Travelling						
Electricity, Water and Conservancy						
Medical	218,000		218,000	0	0	0%v
Administration Costs						
Activity Expenses	160,000.00		160,000.00	0	0	0%

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
Gratuity						
Smasse						
(3) Expenditure For School Fund						
Personnel Emoluments						
Repairs, Maintenance and Improvements						
Local Transport / Travelling						
Electricity, Water and Conservancy						
Medical Expenses						
Administration Costs						
Activity						
Gratuity						
Lunch Programme	2,344,370.00		2,344,370.00	2,238,771.45	105,598.55	95%
Boarding Equipment and Stores						
Expenditure For Income Generating Activity						
Insurance Costs						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						

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
Totals						

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

The over and under utilization of the funds was due to the students failure not clearing their fees and the budget was not adhered to fully.

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 year ended 30th June 2022.

X. Notes To The Financial Statements**1 Capitation Grant for Tuition**

Description	2021-2022	
	Kshs	
Textbooks And Reference Materials		
Exercise Books	144,210.00	
Laboratory Equipment	122,500.00	
Internal Exams	40,000.00	
Teaching / Learning Materials	555,260.00	
Chalks	20,000.00	
Exams And Assessment	20,000.00	
Teachers Guides	30,000.00	
Total	932,029.90	

2 Capitation Grant for Operations

Description	2021-2022	
	Kshs	
Others	2,696,327.53	
Repairs And Maintenance	1,820,095.57	
Local Transport / Travelling		
Electricity And Water		
Medical	33,284.00	
Administration Costs		
Activity		
Savings account	2,886,646.20	
Total	7,436,646.20	

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	
	Kshs	
Others	46,250.00	
Repairs and maintenance	10,600.00	
Meals	4,022,395.00	
Local transport / travelling		
Knec exam	23,900.00	
damages	2,100.00	
Medical		
Administration costs		

Activity	155.00	
Total	4,105,400.00	

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	
	Kshs	
Fee On Boarding Equipment and Stores	0.00	
Rent Income	0.00	
bursary	850,000.00	
Income From Farming Activities	0.00	
Insurance Compensation	0.00	
Income From Posho Mill	0.00	
Income From Bus Hire	0.00	
Fee For Hire of Ground and Equipment	0.00	
Income From Grants and Donations* cdf	8,400,000.00	
Interest Income	0.00	
Dividends Income	0.00	
Total	9,250,000.00	

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

5 Payments For Tuition

Description	2021-2022	
	Kshs	
Textbooks And Reference Materials	0.00	
Exercise Books	254,270.00	
Laboratory Equipment	327,950.00	
Internal Exams	90,000.00	
Teaching / Learning Materials	573,035.00	
Chalks	15,000.00	
Exams And Assessment	14,400.00	
Teachers Guides	0.00	
Administration Costs	0.00	
Bank Charges	2,400.00	
Total	1,277,055.00	

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	
	Kshs	
Others	3,789,360.00	
Service Gratuity		
Administration Cost		
Repairs And Maintenance & Improvements	748,150.00	
Local Transport / Travelling		
Electricity And Water		
Medical		
Activity Expenses		
Savings account	2,882,759.50	
Insurance Cost		
Bank Charges	8,148.00	
Acquisition Of Assets		
Total	7,428,417.50	

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	
	Kshs	
Personnel Emoluments	0.00	
Service Gratuity	0.00	
Repairs And Maintenance & Improvements	0.00	
Local Transport / Travelling	0.00	
Electricity And Water	0.00	
Medical Expenses	0.00	
Administration Costs	0.00	
Lunch Programme	3,572,969.00	
Bank Charges	11,135.45	
Damages	2,100.00	
Expenses On Income Generating Activities	0.00	
Fee On Boarding Equipment and Stores	0.00	
Rent Expenses	0.00	
Bursary	838,000.00	
Knec exams	12,000.00	
Loan Principal Repayment	0.00	
Loan Interest Repayment	0.00	
Acquisition Of Assets *cdf project	8,251,745.25	
Total	12,687,949.70	

*(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).*

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	
		Kshs	
Tuition Account		69,559.10	
Operations Account		47,460.74	
School Fund Account/Boarding		226,252.05	
Savings Account		4,179.60	
CDF Account		148,254.75	
Income Generating Activities Account			
Infrastructural Account			
Total		495,706.24	

9 Cash In Hand

Description	2021-2022	
	Kshs	
Tuition Account	0.00	
Operation Account	128,898.00	
School Fund account	58,650.50	
Total	187,548.50	

10 Short Term Investments

Description	2021-2022	
	Kshs	
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Other Investments		
Total		

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	
	Kshs	
Fees Arrears	8,120,801.00	
Other Non-Fees Receivables		
Salary Advances		
Imprest		
Total	8,120,801.00	

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

Description	2021-2022	
	Kshs	
Fees Arrears For Current Year	1,970,620.00	
Fees Arrears For The Previous Year	383,310.00	
Fees Arrears For Prior Periods (Over Two Years)	5,766,871.00	
Total	8,120,801.00	

12 Accounts Payable

Description	2021-2022	
	Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	8,954,917.00	
Prepaid Fees	606,098.00	
Retention Monies		
Total	9,561,015.00	

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

Description	2021-2022	
	Kshs	
Trade Creditors for Current Year	2,423,669.00	
Trade Creditors for The Previous Year	280,729.00	
Trade Creditors for Prior Periods (Over Two Years)	6,250,519.00	
Total	8,954,917.00	

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	
	Kshs	
Bank Balances	124,932.34	
Cash Balances	80,728.50	
Short Term Investments	0.00	
Receivables	6,816,326.00	
Payables	(8,109,591.00)	
Total	(1,087,604.16)	

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	2021-2022	
	Kshs	
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Total		

15 Biological assets

Description	Numbers	2021-2022	
		Kshs	
Cattle			
Goats			
Trees	150		
Coffee Or Tea Plantation			
Poultry			
Total	150		

16 Borrowings

Description	2021-2022	
	Kshs	
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	
	Kshs	
b) Inventory		
Stock/ inventory at beginning of the year	0.00	
Stock/ inventory purchased during the year	3,572,969.00	
Stock/ inventory issued during the year	3,536,769.00	
Balance at end of the year	36,200.00	

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.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Sign and DatePrincipal

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Supply Of Goods/services						
4.Mama Issa Green Grocery		2021		120,100.00	41,600.00	
5.Elmina Wawa		2021		134,700.00	35,300.00	
6.Waso Central Emporium		2022		63,390.00	0.00	
7.Helelo Bookshop		2021		246,355.00	60,000.00	
8.Sonymark Enterprises		2021		38,000.00	23,200.00	
9.Top Notch Supplies and merchandise		2022		245,130.00	0.00	
10.Nyambene Poshomill		2022		155,600.00	0.00	
11.Bergik Enterprises		2021		237,130.00	104,180.00	
12 Fredrick Eripon		2022		58,000.00	0.00	
13.Personal emoluments				184,780.00	0.00	
14.Fire marshals		2022		67,500.00	0.00	

NGAREMARA SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

15.garmat megastore		2021		150000.00	82580	
16.Mukaram stores		2019		159,450.00		
TOTALS				1,615,305.00	790,484.00	

NGAREMARA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1		ngaremara	64 acres			64 acre
Land 2						
Buildings And Structures						
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets-printer			150,000.00			150,000.00
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment-generator			200,000.00			200,000.00
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						
Total						

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

