

REPUBLIC OF KENYA

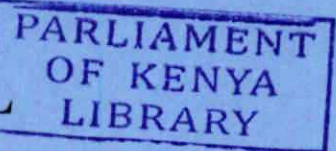


Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL



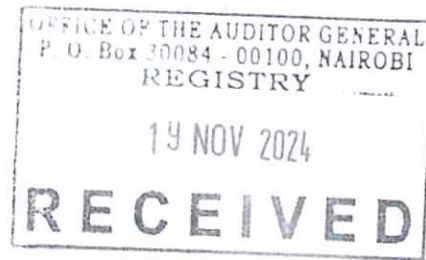
ON

LARMUDIAC HIGH SCHOOL

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

NAKURU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 MAR 2025	DAY: WEDNESDAY
TABLED BY: DEPUTY MAJORITY WHIP (HON. NAOMI WAGOLIP)	
CLEAR AT THE TABLE: J. LEMERIE	



**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

Table of Contents	Page
I. KEY SCHOOL INFORMATION AND MANAGEMENT	2
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	7
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	15
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF LARMUDIAC HIGH SCHOOL OF THE YEAR ENDING 30TH JUNE 2021	16
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021	17
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021 18	
VII STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021	25
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021.....	11
IX. SIGNIFICANT ACCOUNTING POLICIES	16
X. NOTES TO THE FINANCIAL STATEMENTS.....	18

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 NAKURU County, NJORO Sub-County

The school was registered in 12/2011 under registration number PU/S/2/501/11 and is currently categorized as an **Extra County** public school established, owned or operated by the Government.

The school is a boarding school and had 726 number of students as at 30th June 2021. It has 4 streams and 33 teachers of which 4 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	Prof.James Ondieki	Chairman	21/05/2019
2	Mr.James M. Wanjohi	Secretary - Principal	21/05/2019
3	Mr.Humphrey Muiruri	Member	21/05/2019
4	Mr.Paul Kamau	Member	21/05/2019
5	Mr.Joel Kamau	Member	21/05/2019
6	Fr.James Gachigi	Member	21/05/2019
7	Ms.Catherine Kabita	Member	21/05/2019
8	Mr.Joseph Njoroge	Member – Rep CEB	21/05/2019
9	Mr.Kamau Mutonya	Member Rep Teachers	21/05/2019
10	Ms.Angela B.Omae	3 Members - Sponsor	21/05/2019
11	Ms.Peris Nguyo	Member - Community	21/05/2019
12	Ms.Phyllis Thiong'o	MemberSpecial Needs	21/05/2019
		Rep Students	

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	-Prof.James Ondieki -Mr.James M Wanjohi -Ms Phylis Thiong'o -Mr.Paul Kamau	-Chairman -Secretary -Member -Member	2 out of 3
2	Audit Committee	Prof.James Ondieki -Mr.James M Wanjohi -Ms Phylis Thiong'o -Mr.Paul Kamau	-Chairman -Secretary -Member -Member	2 out of 3
3	Finance,procurement and general purposes Committee	-Fr.James Gachigi -Mr.James M. Wanjohi -Mr.Paul Kamau	-Chairman -Secretary -Member	2 out of 3

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
-Annual Report and Financial Statements
For the year ended 30th June 2021

4	Academic Committee	-Ms Angela Omae -Ms Petronilla Amaase -Ms Nancy O -Ms Catherine Mukami	-Chairlady -Secretary -Memebr -Member	2 out of 3
5	Development Committee	Fr.James Gachigi Mr.James M. Wanjohi -Mr.Paul Kamau Prof.James Ondieki	-Chairman -Secretary -Member -Memeber	2 out of 3
6	Discipline and welfare Committee	-Humphrey Muiruri -Mr.James M. Wanjohi Mr.Samson Kinyanjui -Ms Petronilla Amaase	-Chairman -Secretary -Member -Member	3 out of 3
7	Adhoc Committee (if any during the year)	N/A	N/A	N/A

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	James M. Wanjohi	236177
2	Deputy Principal	Petronilla Amaase	377300
3	School Bursar	Harun Rutere John	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 303-20107 Njoro.
Telephone: 0716777825
E-mail: larmudiachighschool@gmail.com
Website: www.larmudiachighschool.ac.ke
Facebook: N/A
Twitter: N/A

(f) School Bankers

The following school operated 8 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Kenya Commercial Bank
Branch: Nakuru
Account Number: 1101720832 –**School fund account**
2. Name of Bank: Kenya Commercial Bank
Branch: Nakuru
Account Number: 1101678267- **Operations account**
3. Name of Bank: Kenya Commercial Bank
Branch: Nakuru
Account Number: 1101678534- **Tuition account**
4. Name of Bank: Kenya Commercial Bank
Branch: Egerton
Account Number: 1134380720- **Farm Account**
5. Name of Bank: Kenya Commercial Bank
Branch: Nakuru
Account Number: 1234927640 – **Infrastructure account**
6. Name of Bank: Kenya Commercial Bank
Branch: Nakuru
Account Number: 1101749490 **Bus account**
7. Name of Bank: Kenya Commercial Bank
Branch: Nakuru
Account Number: 1149845236- **CDF account**
8. Name of Bank: Standard Chartered Bank
Branch: Nakuru
Account Number: 0102894365700 –**Standard Chartered bank acc**

9.MPESA Pay Bill No. 842953 attached to KCB bank account number-1101720832

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

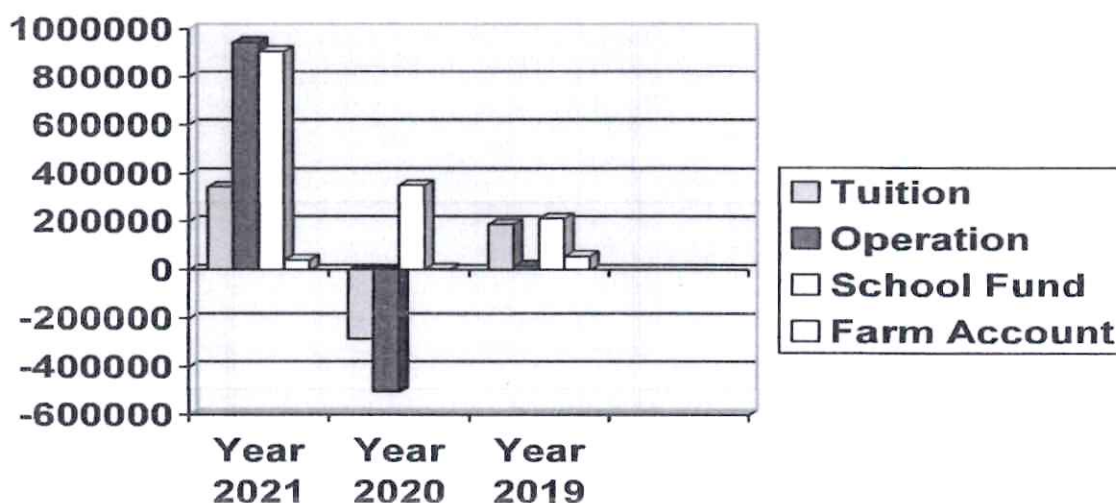
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, the following information should be given:

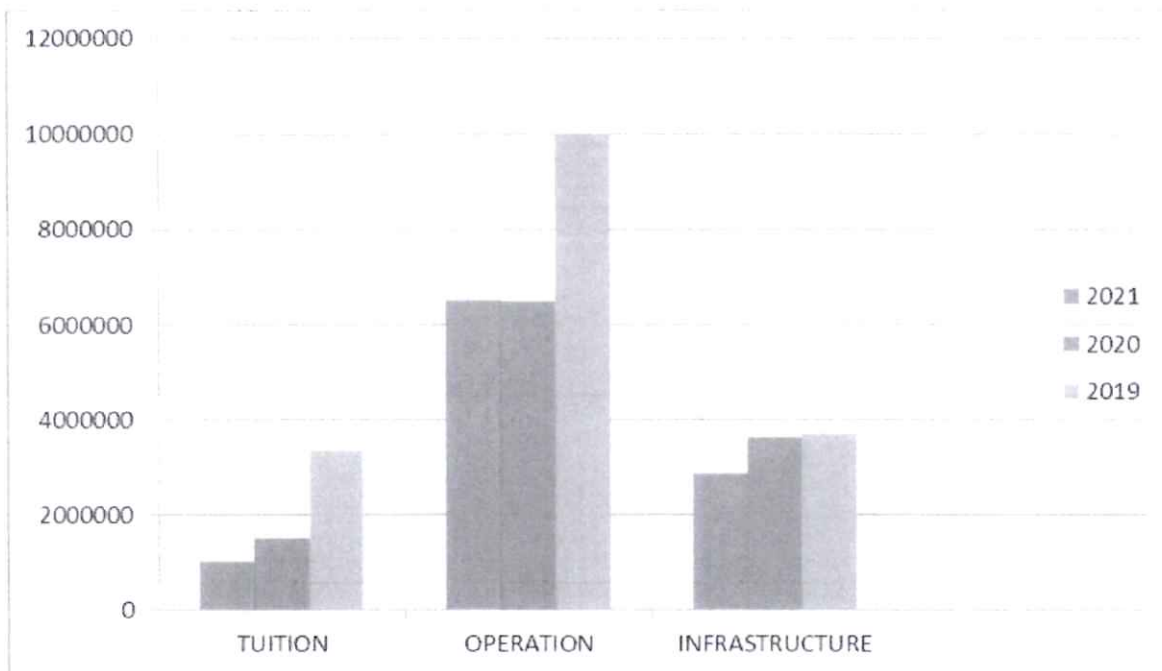
(i) Surplus/ deficit for the year and a comparison of the same for the last three years

<i>S/NO</i>	<i>ACCOUNTS</i>	<i>2021 KSHS</i>	<i>2020 KSHS</i>	<i>2019 KSHS</i>
1	TUITION	344258.75	(284362)	187753
2	OPERATION	946040.10	(506501)	16985
3	SCHOOL FUND	908523	350538	212274
4	FARM	41205	3734	56616



(ii) Capitation grants from the Ministry of Education for the last three years

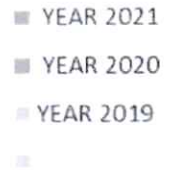
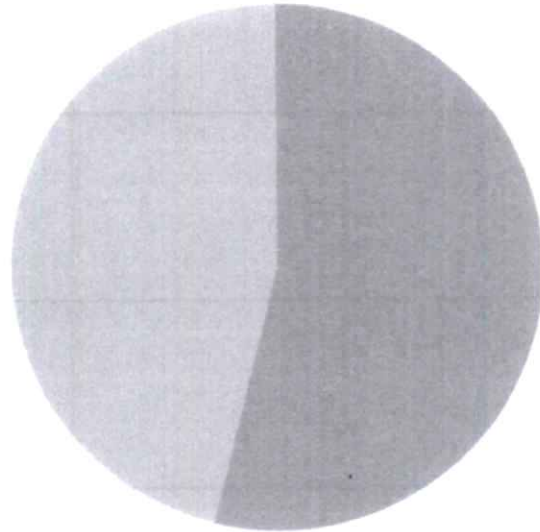
S/NO	ACCOUNTS	2021	2020	2019
1	TUITION	1040862.75	1517802	3363456
2	OPERATION	6530273.10	6517950	9968708
3	INFRASTRUCTURE	2880000	3630000	3709993



(iii) Ratio of capitation grant per student over the last three years

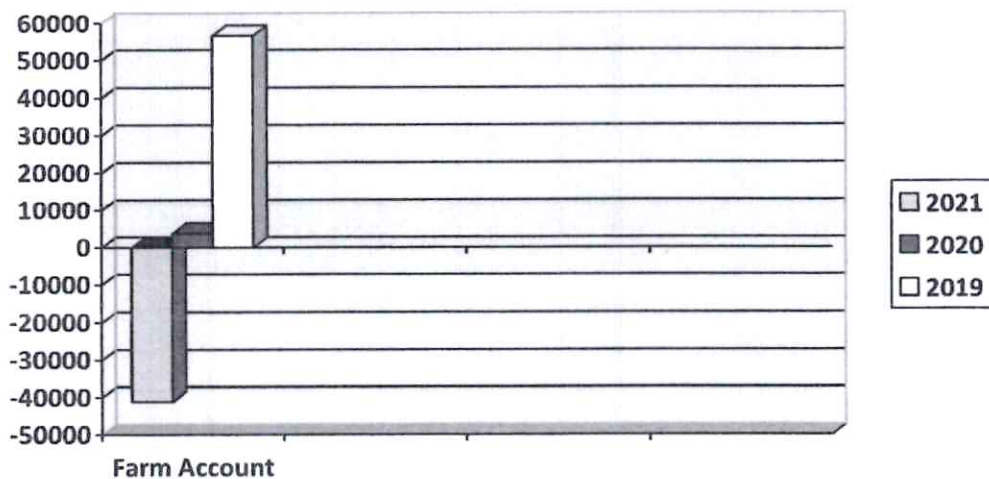
S/NO	ACCOUNTS	2021	2020	2019
1	TUITION	1040,862.75	1,517,802	3,363,456
2	OPERATION	6,530,273.10	6,517,950	9,968,708
	TOTAL	7,571,136	8,035,752	13,332,164
	ENROLMENT	726	726	726
	RATIO	10428.60	11068.50	18363.90

Capitation Ratio



(iv) A three-year overview of growth of other income(s) earned by the school.

S/NO	ACCOUNTS	2021	2020	2019
1	Farm Account	(41205)	3734	56616
	Total	(41205)	3734	56616

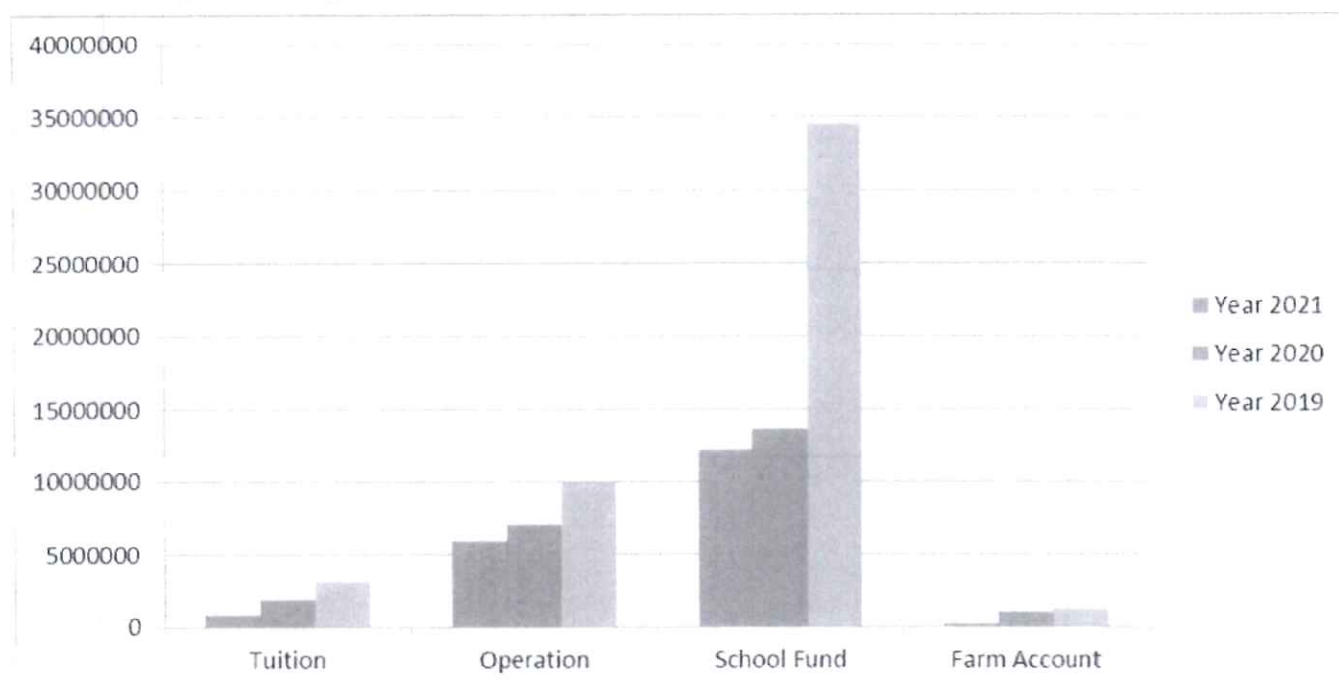


**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

(v) A three-year overview of growth in expenditure of the school

S/NO	ACCOUNTS	2021 KSHS	2020 KSHS	2019 KSHS
1	TUITION	834209.00	1802164.50	3184703.00
2	OPERATION	5928608.00	7024451.65	9951723
3	SCHOOL FUND	12156372.00	13708244.92	34512251
4	FARM	153510.50	1000289	1265673

Growth in expenditure of the school

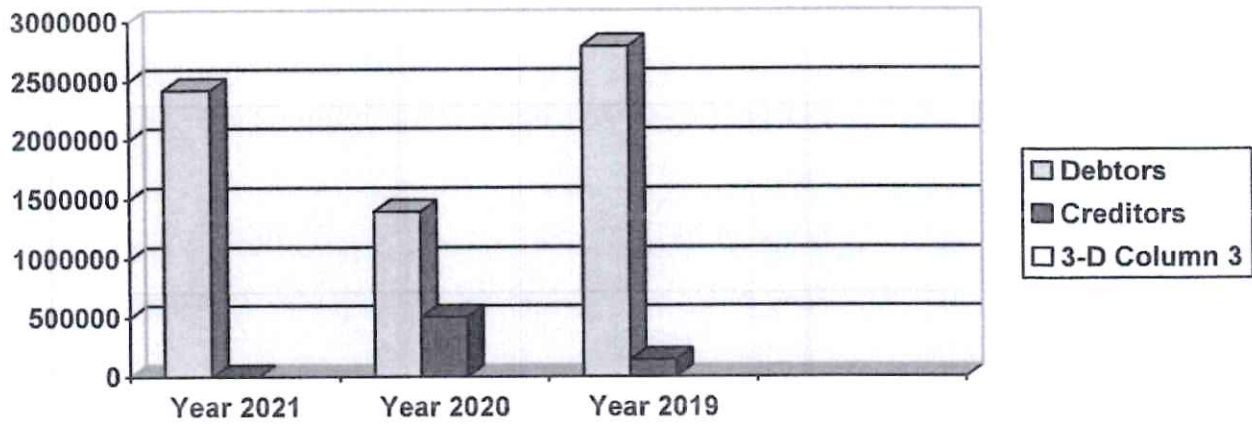


(vi) Movement of debtors and creditors of the school over the last three years

S/NO	ACCOUNTS	2021 KSHS	2020 KSHS	2019 KSHS
1	Debtors	2,427,321	1,397,937	2,793,303
2	Creditors	Nil	507,781.50	144,006

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

Debtors and Creditors of the school over the last three years

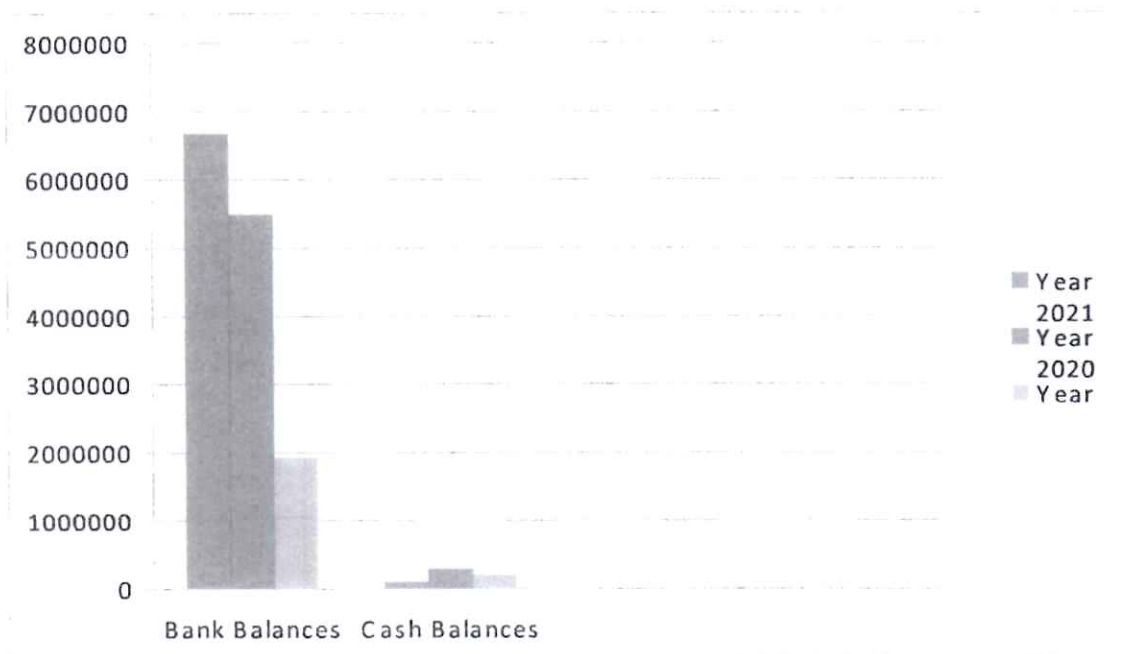


(vii) Movement of cash and bank balances over the last three years

<i>S/NO</i>	<i>ACCOUNTS</i>	<i>2021 KSHS</i>	<i>2020 KSHS</i>	<i>2019 KSHS</i>
1	<i>Bank Balances</i>	6682837	5479498.50	1922426.57
2	<i>Cash Balances</i>	95512	279657	200277
	<i>Total</i>	6,778,349	5,759,156	2,122,704

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

cash and bank balances over the last three years



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

(b)Teacher Student ratio:

	Details	Year 2021
1	<i>Teachers/students ratio</i>	1:28
2	<i>number of teachers recruited and posted</i>	1
3	<i>number of teachers that were transferred/retired</i>	0
4	<i>number of teachers employed by TSC</i>	26
5	<i>number employed by BOM</i>	5
	SUBJECT	NO OF TEACHERS/SUBJECT
1	<i>Mathematics</i>	6
2	<i>History</i>	1
3	<i>CRE</i>	2
4	<i>Geography</i>	3

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

5	English	5
6	Biology	3
7	Chemistry	3
8	Physics	5
9	Agriculture	2
10	Business studies	2

(c) Mean score in the 2021 KCSE:

Year	2021	2020	2019
Target means score	+5.2	+5.1	+5.0
Actual means score	-	+4.4133	+4.3131
Entry	139	151	178
Transition to higher learning	-	73	55

(d) Number of Candidates in the 2021 KCSE:

Year	2021	2020	2019
1 Number of candidates	139	151	178

(e) Capacity of the school:


NO	Details	2021	2020	2019
1	Enrolment	726	750	800
2	Numbers dormitories	15	15	14
3	Number of dining hall	2	1	1
4	Number of laboratories	5	4	4
5	Number of toilets 53	Boys-34 Girls-19	Boys-34 Girls-19	Boys-34 Girls-19
6	Girls study room	1	1	1

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

(f) Development projects carried out by the school:

NO	Period of the project	Name of project	Source of Fund	Nature of project
1	2019	-Expansion of girls dormitory	-Ministry of education	-Complete
2	2020	-Renovation of boys dormitory -Renovation of ICT room. -Plastering of 3 laboratories -Renovation of general laboratory	-Ministry of education -School fund acc	-Complete
3	2021	-Ceiling of the classrooms. -Tiling of the classrooms.	Ministry of Education -School Fund	-Complete -Ongoing

Sign *Stamandungu*
School Principal



**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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

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

The Board of Management of *Larmudiac 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 year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Prof. James Ondieki
Designation: Chairman, School Board of Management

Sign: 

Date: 24th June 2024

Name: Mr. James M. Wanjohi.
Designation: School Principal & Secretary to Board of Management

Sign: 

Date:



Name: Harun Rutere John
Designation: Bursar/ Finance Officer

Sign: 

Date: 21/6/2024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 LARMUDIAC HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NAKURU 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 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 Larmudiac Secondary School - Nakuru County set out on pages 17 to 25, which comprise of the statement of assets and

Report of the Auditor-General on Larmudiac High School for the six (6) months' period ended 30 June, 2021 - Nakuru County

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

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

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a balance of Kshs.6,778,349 in respect of cash and cash equivalents as disclosed in Note 8 and Note 9 to the financial statements. Included in this balance are bank and cash in hand balances of Kshs.6,682,837 and Kshs.95,512 respectively. However, the bank and cash in hand balances were not supported by bank reconciliation statements and board of survey report.

In the circumstances, the accuracy, existence and completeness of cash and cash equivalents balance of Kshs.6,778,349 could not be confirmed.

2. Unsupported School Fund Income

The statement of receipts and payments reflects an amount of Kshs.12,188,888 in respect of school fund income as disclosed in Note 4 to the financial statements. However, the supporting ledger and fee collection reports were not provided for verification. Further, the School did not have fees collection system that could generate reports such as invoice per student, fees paid and outstanding balances.

In the circumstances, the accuracy and completeness of school fund income amount of Kshs.12,188,888 could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflects an amount of Kshs.21,751,387 in respect of total payments which, as disclosed in Notes 5, 6, and 7 to the financial statements, includes payments for tuition, payments for operations and school fund payments. However, examination of payment vouchers revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

In the circumstances, the occurrence, accuracy and completeness of payments amount of Kshs.21,751,387 could not be confirmed.

4. Unsupported Accounts Receivables Balance

The statement of assets and liabilities reflects a balance of Kshs.2,427,321 in respect of accounts receivables as disclosed in Note 10 to the financial statements. The supporting schedules, detailed aging analysis and issued invoices were not provided for audit. Included in the balance are receivables amounting to Kshs. 941,187 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.2,427,321 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.29,668,125 and Kshs.18,154,578 respectively resulting in under-funding of Kshs.11,513,547 or 39% of the budget. However, the School spent an amount of Kshs.21,114,382 against actual receipts of Kshs.18,154,578 resulting in an over-utilization of Kshs.2,959,804 or 16% of actual receipts.

The under-funding and over-utilization 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 were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Procurement Laws

The statement of receipts and payments reflects an amount of Kshs.21,751,387 in respect of total payments which, as disclosed in Notes 5, 6 and 7 to the financial statements, includes payments for tuition, payments for operations, payments for infrastructure and school fund payments. However, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer to prepare an annual procurement plan which is realistic in a format set out in the Regulations as part of the annual budget preparation process. Further, Management did not prequalify any suppliers during the year. Thus, the audit could not establish the criteria used in issuing requests for quotation and awards. In addition, Management neither issued letters of award nor appointed ad hoc tender opening and tender evaluation committees. This was contrary to Section 46(1) and Section 78(1) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer to ensure that an ad hoc tender opening and tender evaluation committees are established.

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

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

The statement of receipts and payments reflects an amount of Kshs.10,989,970 in respect of school fund payments as disclosed in Note 7 to the financial statements. Included in the payments is an amount of Kshs.70,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control system to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.70,000 could not be confirmed.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects an amount of Kshs.10,862,273 in respect of operations grants as disclosed in Note 2 to the financial statements. Included in the grants amount is Kshs.3,601,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, an amount of Kshs.1,452,000 was transferred to infrastructure account, leaving a balance of Kshs.2,149,500 as at 30 June, 2021. This was contrary to the Ministry of Education Circular Ref: MOE.HQS/3/13/3 of 8 January, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition, and operations of Kshs.1,040,863 and Kshs.10,862,273 respectively as disclosed in Note 1, and 2 to the financial statements. During the financial year, NEMIS reported a total number of eight hundred and two (802) students while the enrolment records provided by the School indicated a total number of six hundred and eighty-seven (687) students, resulting in an unexplained variance of one hundred and fifteen (115) students. As a result of the variances, the School was over funded by an amount of Kshs.1,753,290.

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

5. Non-Compliance with Laws on Management of Imprest Transactions

The statement of receipts and payments reflects an amount of Kshs.10,064,813 in respect of payments for operations which, as disclosed in Notes 6 to the financial statements, includes expenditure of Kshs.388,585 in respect of local travel/transport. However, Management did not issue imprest warrants while advancing cash to its staff for operating expenses such as transport and subsistence allowance. This is contrary to Regulation 91(1) of the Public Finance Management (National Government) Regulations, 2015 which requires an officer authorized to hold and operate imprest to make formal application for the imprest through an imprest warrant. In addition, Management did not maintain an imprest register and had no imprest management system in place.

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

6. Non-Compliance with Laws on Statutory Deductions

During the year under review, Management failed to deduct and remit Pay as You Earn (PAYE) deductions from personnel emolument payments of Kshs.1,326,419 as disclosed in Note 7 to the financial statements. This was contrary to Section 37(1) of the Income Tax Act that requires an employer paying emoluments to an employee to deduct

therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed. Failure to remit statutory deductions could result in legal actions and penalties from the relevant authorities.

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

7. Failure to Prepare School Improvement Plan

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

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

8. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 17 February, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The annual report and the financial statements presented for audit did not comply with the template provided by the Public Sector Accounting Standards Board (PSASB). The page numbers were not consistent as they were repeated. Further, the amounts reported in the financial statements were not rounded off to the nearest Kshs. This is contrary to the requirement of principal accounting policy number 1 on statement of compliance and basis of preparation of the financial statements. Further, the reporting period is incorrectly indicated in the financial statements "for the year ended 30 June, 2021" instead of "for the six months' period ended 30 June, 2021."

In the circumstances, Management did not comply with the PSASB reporting requirements.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function

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

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

2. Lack of Policy Documents

During the financial year under review, the School did not have a Risk Management Strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. Consequently, Management did not perform formal risk assessments on all key financial risk areas such as cash, revenue and expenditure. Further, it was noted that the Management lacked a Disaster Recovery Plan/Business Continuity Plan and therefore crucial information may never be recovered in the event of a disaster. In addition, the School was operating without an approved Finance Management Policy to guide on key financial matters. Therefore, the School lacked sufficient safeguards and controls for managing its finances.

In the circumstances, the effectiveness of the internal controls of the School could not be confirmed.

3. Weaknesses in Management and Distribution of Inventory

Review of text books records provided for audit by the School revealed that the School had received textbooks from Kenya Institute of Curriculum Development. However, the records were not up to date with closing balances for each period and the number of textbooks returned to the store were not recorded. Further, the School could not establish number of books lost by the students and those not returned. In addition, stock take reports were also not provided for audit. This was contrary to Regulation 168(a) and (b) of the Public Procurement and Disposal Regulations, 2020 which requires that an Accounting Officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets by ensuring that: (a) they are received and taken on

charge; (b) they are consumed in the course of public business and a record of the same is maintained.

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

4. Lack of Valuation for Assets

Annexure 2 to the financial statements reflects summary of fixed assets register in respect of fixed assets which include land. Physical verification conducted in May, 2024 revealed that the School had other assets which included buildings, office equipment, Information Communication and Technology (ICT) equipment and furniture and fittings. However, the values of the assets was not included in the summary of fixed assets.

In the circumstances, the existence of effective measures in management of fixed assets 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 continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the entity 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 controls 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue 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 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 controls 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 September, 2024

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

IV. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	
		Kshs	
RECEIPTS			
Capitation grants for tuition	1	1,040,863	
Capitation grants for operations	2	10,862,273	
School Fund Income- Parents' Contributions	3	0	
School Fund Income- Other receipts	4	12188888	
Proceeds from borrowings			
TOTAL RECEIPTS		24,092,024	
PAYMENTS			
Payments for Tuition	5	696,604	
Payments for operations	6	10,064,813	
Boarding and school fund payments	7	10,989,970	
TOTAL PAYMENTS		21,751,387	
SURPLUS/DEFICIT		2,340,637	

The school financial statements were approved on 21.6.2020.... and signed by:

for
Sign: Muthoka.....

Sign: Ngwendangi.....

Sign: HP.....

for
Name: Dr. Stella Maria Muthoka.....

Name: Herman Nlungu.....

Name: Hannu John.....

Chair BOM

**School Principal/
Secretary to BOM**

**Bursar/
Finance Officer**

Date: 24/6/2024.....



Date: 21/6/2024.....

**LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

**V. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2021**

	Note	2020-2021	
		Kshs	
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	6,682,837	
Cash Balances	9	95,512	
Short term Investment	10		
Total Cash and cash equivalent		6,778,349	
Account's receivables	10	2427321	
TOTAL FINANCIAL ASSETS		9205670	
FINANCIAL LIABILITIES			
Accounts Payables	11		
NET FINANCIAL ASSETS		9205670	
REPRESENTED BY			
Accumulated Fund b/fwd	12	6865032	
Surplus/Deficit for the year		2,340,638	
NET FINANCIAL POSSITION		9205670	

The School's financial statements were approved on _____ 20.... and signed by:

Name: James Ondieki
Chairman, BoM

for
Sign: *Muthoka*

Date: 24/6/24

Name: James M. Wanjohi
School Principal/Secretary
to BoM

Sign: *James M. Wanjohi*

Date:

Name: Harun Rutere John
Bursar/Finance

Sign: *Harun Rutere John*

Date: 21/6/2024



LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	
		Kshs	
Receipts for operating income			
Capitation grants for tuition	1	1,040,863	
Capitation grants for operations	2	10,862,273	
School fund income- Parents contributions/ fees	3		
School fund income- other receipts	4	12188888	
Total receipts		24,092,024	
Payments			
Payments for Tuition		696,604	
Payments for operations		10,064,813	
Boarding and school fund payments		10,989,970	
Total payments		21,751,387	
Net cash flow from operating activities		2,340,637	
Increase in receivables		(1,029,384)	
Decrease in payables		(507,782)	
Net cash flows from operating activities		803,471	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		803,471	
Cash and cash equivalent at BEGINNING of the year		5,974,877	
Cash and cash equivalent at END of the year		6,778,348	

VII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH 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
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials						
Exercise books	242385		242385	300000	242385	0%
Laboratory equipment	671220		671220	350000	21220	97%
Internal exams	279675		279675	217173	62502	78%
Teaching / learning materials	223740		223740	173690	50050	78%
Chalks	186450		186450		186450	0%
Exams and assessment						
Teachers guides						
Reference/Library	261030		261030		261030	0%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	2158125		2158125	2091052	67073	96.89%
Repairs and maintenance	3750000		3750000	2880000	870000	76.80%
Local transport / travelling	687375		687375	278656	408719	40.54%
Electricity and water	1181625		1181625	137284	1044341	11.62%
Medical	682125		682125		682125	0%
Administration costs	1179000		1179000	1143281	35719	96.97%
Activity	471000		471000		471000	0%
Gratuity						

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
SMASSE						
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1200000		1200000	958504	241496	79.88%
Repairs and maintenance	2400000		2400000	1760808	639192	73.37%
Local transport / travelling	487500		487500	389329	98171	79.86%
Electricity and water	1837500		1837500	1242023	595477	67.59%
Medical						
Administration costs	1387500		1387500	907505	479995	65.41%
Activity	112500		112500	57380	55120	51%
SMASSE						
Fee on Boarding Equipment and Stores	10269375		10269375	5267893	5001482	51.3%
OTHER INCOME						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
TOTAL INCOME	29668125		29668125	18154578	11513547	

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	242385		242385	300000	242385	0%
Laboratory equipment	671220		671220	249315	121905	81.84%
Internal exams	279675		279675	74950	204725	26.80%
Teaching / learning materials	223740		223740	71475	152265	31.95%
Chalks	186450		186450		186450	0%
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges				864	(864)	
Reference/Library	261030		261030			
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2158125		2158125	1646692	511433	76.30%
Repairs, maintenance & improvements	3750000		3750000	2880000	870000	76.80%
Local transport / travelling	687375		687375	106400	580975	15.48%
Electricity, water and conservancy	1181625		1181625	9400	1172225	0.80%
Medical	682125		682125		682125	

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
Administration costs	1179000		1179000	941741	237259	79.88%
Activity Expenses	471000		471000		471000	
Gratuity						
SMASSE						
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1200000		1200000	843060	356940	70.26%
Repairs, maintenance and improvements	2400000		2400000	1759861	640139	73.33%
Local transport / travelling	487500		487500	388585	98915	79.71%
Electricity, water and conservancy	1837500		1837500	1225493	612007	66.69%
Medical Expenses						%
Administration costs	1387500		1387500	907070	480430	65.37%
Activity	56250		56250		53250	5.33%
Lunch programme						
Boarding Equipment and Stores	10269375		10269375	5226022	5043353	50.89%
Expenditure for Income Generating Activity						
Insurance costs						
Other expenses on investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended *30th 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
Acquisition of Assets						
TOTALS	34092329		34092329	21114382	12977947	

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended *30th 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
Acquisition of Assets						
TOTALS	34092329		34092329	21114382	12977947	

VIII. 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 2021.

LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

IX. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	
	Kshs	
Textbooks and reference materials		
Exercise books	300,000.00	
Laboratory equipment	350,000.00	
Internal exams	217,172.75	
Teaching / learning materials	173,691.00	
Chalks		
Exams and assessment		
Teachers guides		
Total	1,040,864.00	

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	
	Kshs	
Personnel emoluments	2,091,052.00	
Repairs and maintenance	2,880,000.00	
Local transport / travelling	278,656.00	
Electricity and water	137,284.00	
Medical		
Administration costs	1,143,281.00	
Activity		
Infrastructure	4,332,000.00	
Total	10,862,273.00	

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	
	Kshs	
Personnel emoluments	1,358,504.00	
Repairs and maintenance	1,763,086.00	
Local transport / travelling	391,118.00	
Electricity and water	1,242,023.00	
Medical		
Administration costs	908,551.00	
Activity	57,380.00	
Total	5,720,662.00	

LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	
	Kshs	
Fee on Boarding Equipment and Stores	6,024,311.00	
Rent income		
Income from farming activities	443,915.00	
Insurance compensation		
Income from Posho mill		
Income from Bus Hire		
Fee for hire of ground and equipment		
Income from grants and donations*		
Interest income		
Dividends income		
Transfer from farm Account		
Total	6,468,226.00	

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

5 PAYMENTS FOR TUITION

	2020-2021	
	Kshs	
Textbooks and reference materials		
Exercise books	300,000.00	
Laboratory equipment	249,315.00	
Internal exams	74,950.00	
Teaching / learning materials	71,475.00	
Chalks		
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	864.00	
Total	696,604.00	

L'ARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	
	Kshs	
Personnel emoluments	1,646,692.00	
Service Gratuity		
Administration Cost	941,741.00	
Repairs and maintenance & improvements	2,880,000.00	
Local transport / travelling	106,400.00	
Electricity and water	9,400.00	
Medical		
Activity Expenses		
SMASSE		
Insurance Cost		
Bank Charges	126.00	
Acquisition of Assets	4,480,454.00	
TOTAL	10,064,813.00	

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	
	Kshs	
Personnel emoluments	1326419.00	
Service Gratuity		
Repairs and maintenance & Improvements	1759,861.00	
Local transport / travelling	388,585.00	
Electricity and water	1225,493.00	
Medical Expenses		
Administration costs	907,070.00	
Lunch Programme		
Activity	3,000.00	
Bank Charges		
Expenses on Income Generating Activities	153,520.00	
Fee on Boarding Equipment and Stores	5,226,022.00	
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal repayment		
Loan Interest repayment		
Acquisition of Assets		
TOTAL	10,989,970.00	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	
	Kshs	
Fees arrears	2,427,321.00	
Other non-fees receivables		
Salary advances		
Imprest		
Total	2,427,321.00	

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

Description	2020-2021	
	Kshs	
Fees arrears for current year	1161531.00	
Fees arrears for the previous year	456750.00	
Less recoveries	(132,147)	
Fees arrears for prior periods (over two years)	941187.00	
Total	2,427,321.00	

12 ACCOUNTS PAYABLE

Description	2020-2021	
	Kshs	
Trade creditors (See ageing below and appendix 1)	-	
Prepaid fees	-	
Retention monies	-	
Total	-	

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

Description	2020-2021	
	Kshs	
Trade creditors for current year	-	
Trade creditors for the previous year	507,781.50	
Trade creditors for prior periods (over two years)	(507781.50)	
Total	-	

ALARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	
	Kshs	
Bank balances	5,695,219.35	
Cash balances	279,657.50	
Short Term Investments		
Receivables	1397937.00	
Payables	(507781.50)	
Total	6865032.35	

LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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	
	Kshs	
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision		
Total		

15 Biological assets

Description	Numbers	2020-2021	
		Kshs	
Cattle		17	
Goats		0	
Sheep		22	
Trees		3000	
Coffee or tea plantation			
Poultry			
Total		3039	

16 Borrowings

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

LARMUDIAC HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Other important disclosure notes

17 Stock/ Inventory

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

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)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

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

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