REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

OLOOLAISER HIGH SCHOOL

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

KAJIADO COUNTY

OLOOLAISER 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)

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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 **Kajiado** County, **Kajiado North** Sub-County

The school was registered in 11/1/2016 under registration number **34S3000035** and is currently categorized as a **National** public school established, owned or operated by the Government.

The school is a boarding school and had **970** number of students as at *30th June 2021*. It has 6 streams and 40 teachers of which 8 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	Mr. James Mbiu Mungai	Secretary - Principal	29/12/2017
2	Mr. Asaph Kimani	Member – Special group	12/4/2016
3	Mr. George Olobuti Saiyorri Mr. Abraham Nduati Dr. Esther M. Njuguna	Member – Rep. CEB	12/4/2016
4	Mr. Chrispine Odawa Ouma	Member Rep. Teachers	12/4/2016
5	Mrs. Josephine Koisaba	3 Members - Sponsor	24/5/2019
6	Dr. Esther M. Njuguna		12/4/2016
7	Mr. Abraham Nduati		24/5/2019
8	Mrs. Rosemary Kalunde	Member - Community	24/5/2019
9	Mr. Gedion Solonka Kilakoi		12/4/2016
10	Ms. Grace Nganga		Pending
11	Ms. Grace Wanjiru Ruru		24/5/2019
12	Ms. Racheal Mahugu		24/5/2019
13	Mr. Alex Munyere	Member-Special Needs	12/4/2016
14	Emojel Ochieng	Rep Students	24/5/2019

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. Abraham Nduati Mr. James Mungai Ms. Josephine Koisaba Dr. Esther Mungai	Chairman Secretary Member Member	4
2	Audit Committee	NONE	NONE	0
3	Finance, Procurement and general purposes Committee	Mr. Asaph Kimani Mr. James Mungai Mrs. Racheal Mboya Mr. Andrian Murithi Mr. Chrispine Ouma Mr. Siebert Mainga Mrs. Alice Monene	Chairman Secretary Member Deputy Principal Member Member Deputy Principal	2
4	Academic Committee	Ms. Pasomi Mucha Mr. Zacharia Masinde Ms. Susan Onkeo Mrs. Rosemary Mbaabu Mrs. Damaris Chepkwony Mrs. Metrine Lugose Ms. Jane Maina	Dean of Studies Deputy Dean H.O.D Sciences H.O.D Languages H.O.D Technicals H.O.D Humanities H.O.D Mathematics	TERMLY
5	Development Committee	Mr. Abraham Nduati Mr. George Olobuti Mr. Chrispine Ouma Mr. James Mungai Mrs. Josephine Koisaba		6
6 6	Discipline and welfare Committee	Mrs Alice Monene Mr. Chrispine Ouma	Chairperson Member	10

		Mr. Siebert Mainga Ms. Susan Onkeo Mr. Stephen Nyabira	Member Member Secretary	
7	Adhoc Committee (If any during the year)	NONE	NONE	

(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 Mbiu Mungai	305126
2	Deputy Principal	Chrispine Ouma Odawa	333929
3	School Bursar	Andrian Muriithi	BOG2/60/1/1

(e) Schools contacts

Post Office Box: 71-00208
Telephone: 0723834195
E-mail: oloolaiser@gmail.com
Website: --
Facebook: --

(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: ABSA
   Branch: NGONG
   Account Number: 2022282134

2. Name of Bank: ABSA
   Branch: KAREN
   Account Number: 0651001765

3. Name of Bank: ABSA
   Branch: KAREN
   Account Number: 0651040647

4. Name of Bank: ABSA
   Branch: NGONG
   Account Number: 2022284773

5. Name of Bank: ABSA

	Branch:	NGONG
	Account Number:	2039629391
6.	Name of Bank:	ABSA
	Branch:	NGONG
	Account Number:	2039629464
7.	Name of Bank:	ABSA
	Branch:	NGONG
	Account Number:	2039614157
8.	Name of Bank:	ABSA
	Branch:	NGONG
	Account Number:	2022655895

9. MPESA Pay Bill No. 556496 attached to ABSA bank account No. 2022282134

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance**:

1) Surplus /deficit for the last 3 years.

Year	2020-2021	30/06/2020	30/06/2019
Surplus/deficit	(191,375)	1,377,217	(1,910,772)

2) Capitation grants for the last 3 years:

June 30th 2021:

Year	2020-2021	30/06/2020	30/06/2019
Tuition	1,126,990	3,163,120	3,971,087
Operations	7,594,479	12,909,501	19,667,999
Total	**8,721,469**	**16,072,621**	**23,639,086**

3) Ratio of capitation grant per student over the 3 last years:

Year	2020-2021	30/06/2020	30/06/2019
Total grant	8,721,469	16,072,621	23,639,086
No. of students	970	970	970
Amount per student	8,991	16,570	24,370
Expected during the year	22,244	22,244	25,000
Ratio	0.40	0.74	0.97

4) Overview of school funds income over the last 3 years

Year	2020-2021	30/06/2020	30/06/2019
Income	29,838,837	29,284,188	44,451,437

5) Expenditure growth of the school over the 3 last years:

Year	2020-2021	30/06/2020	30/06/2019
Tuition	29,838,837	2,745,238	3,358,263
Operations, CDF infrastructure	8,889,594	14,252,043	15,816,783
School fund	19,992,424	27,906,971	46,362,209
Total	**30,030,212**	**44,904,252**	**65,537,255**

6) Debtors and creditors movement

	30/6/2021	30/06/2020	30/06/2019
Creditors	5,484,144	3,096,247	1,271,403
Debtors	19,019,242	14,205,328	11,374,603

7) Movement of cash and bank balances over the last 3 years

Cash & bank balance as at 30/6/21	**30/06/2021**	**30/06/2020**	**30/06/2019**
Bank Balances	12,222,680	15,169,617	61,221
Cash Balances	399,077	69,532	2,388
Short Term Investments	3,000,000	3,000,000	3,000,000
Total	**15,621,757**	**18,239,149**	**3,063,609**

NB:

b) **Teacher Student ratio**:

Institution Student Enrolment Summary		**No.**
1	Form 1	258
2	Form 2	281
3	Form 3	251
4	Form 4	180
	TOTAL	**970**

INSTITUTION STAFF SUMMARY

(i) TEACHERS EMPLOYED BY TSC

SNO	**OFFICIAL NAME**	**TSC NO.**	**GENDER M/F**	**TEACHING SUBJECTS**	**DESIGNATION**
1	Bilha Jeserem Kipkebut	865936	F	Agriculture/Bio.	Teacher
2	Damaris Chepkwony	391110	F	Agriculture/Bio.	H.O.D
3	Esther Moraa Okioga	469504	F	B. Studies/History	Teacher
4	Annette Oruko	536290	F	Biology/Chemistry	Teacher
5	Nyabira M. Stephen	556042	M	Biology/Chemistry	Teacher
6	Rosalia Mary Saitoti	574312	M	Biology/Chemistry	Teacher
7	Mbiu J. Mungai	305126	M	C.R.E/Geography	Principal
8	Metrine Lugose	554857	F	C.R.E/History	H.O.D
9	Mary Ngina Kamano	486263	F	Chemistry/Biology	Teacher
10	Chrispine O. Ouma	333929	M	Chemistry/Maths	D/Principal
11	Joshua Gakirio Wakhu	363962	M	Computer/Physics	Teacher
12	Elizabeth Ndung'u	895396	F	English/Literature	Teacher
13	Florence N. Mbatia	372151	F	English/Literature	H.O.D
14	Hellen Pasomi Mucha	342430	F	English/Literature	H.O.D
15	Rosemary K. Marangu	273210	F	English/Literature	H.O.D

16	Ngulale Maureen Mghoi	516724	F	English/Literature	Teacher
17	Japheth N.Nyandiba	548926	M	English/Literature	Teacher
18	Ochieng Onyango	664586	M	French/Geography	Teacher
19	Dr. Mary Aguttu	485819	F	Geography/History	Teacher
20	Alice Kwamboka Monene	324664	F	Geography/C.R.E	D/Principal
21	Mary Goretti	583692	F	H/Science/C.R.E	Teacher
22	Faith Tenik	701366	F	History/C.R.E	Teacher
23	Doris Naiyanoi	550747	F	History/Geography	Teacher
24	Lilan Jebet Peninah	506961	F	History/Kiswahili	Teacher
25	Anthony Bokea	723449	M	Kiswahili/History	Intern Teacher
26	Anne Cherotich Makutsa	570846	F	Kiswahili /C.R.E	Teacher
27	Tanui C. Valentine	528056	F	Kiswahili/C.R.E	H.O.D
28	Caren N. Wesonga	536267	F	Kiswahili/C.R.E	Teacher
29	Peter K. Mwaura	590060	M	Maths/ Physics	Teacher
30	Jane Wanjiku Maina	356778	F	Maths/Chemistry	H.O.D
31	Esther A. Onyango	641463	F	Maths/Chemistry	Teacher
32	Mainga Siebert	737901	M	Maths/Chemistry	H.O.D
33	Margaret Mutai	372190	F	Maths/Geography	Teacher
34	Zacharia W. Masinde	658567	M	Maths/Geography	Teacher
35	Kakisome Antonne	504969	M	Maths/Physics	Teacher
36	Vincent Ongubo Birisi	777295	M	Maths/Physics	Teacher
37	Jeniffer Kurgat	321804	F	Physical Education	Teacher
38	Onkeo K. Susan	521258	F	Physics/Chemistry	H.O.D
39	Maundu Jane	524464	F	Physics/Maths	Teacher
40	Morris Matara Obwoge	647184	F	Physics/Maths	Teacher

(ii) **TEACHERS EMPLOYED BY B.O.M**

SNO	OFFICIAL NAME	TSC NO.	GENDER M/F	TEACHING SUBJECTS	DESIGNATION
1	Oginga Vincent	849608	M	Kiswahili/ Geography	Teacher
2	Titus Maina	652855	M	Computer/Mathematics	Teacher
3	Sammy Kenna	882190	M	Maths/Physics	Teacher
4	Edwin Mbati	886405	M	Business/Maths	Teacher
5	Jackhim Munene	927272	M	Maths/Chem	Teacher
6	Jane Muriithi	2336917	F	English/C.R.E	Teacher

c) **Mean score in the year 2018-*2020* KCSE**:

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M/S
2020	**158**	0	5	31	31	36	22	20	9	3	1	0	0	**8.012**
2019	**185**	0	8	15	30	24	33	30	25	15	4	1	0	**7.081**
2018	**186**	0	2	13	11	17	13	32	36	30	25	6	0	**5.713**

d) **Number of Candidates in the year 2018- 2020 KCSE:**

YEAR	ENTRY
2020	**158**
2019	**185**
2018	**186**

e) **Capacity of the school**:

***The school has a population of* spread of students in dormitories:**

	DORM	NO OF BEDS	OCCUPANTS	EMPTY SPACE
1	Saitoti	134	132	2
2	Laiser B	48	96	1
3	Laiser A	46	92	1
4	Lenana B	85	170	0
5	Lenana A	85	170	0
6	Nelion	63	126	0
7	Lenana C	25	50	0
8	Kimathi	35	70	1
9	Mbatian	31	61	1
Total		552	967	6

LATRINES IN THE DORMITORY AND TUITION

Latrines	No.
Pit latrines	28
Tuition area toilets	17
Total	**45**
Ratio of toilets per student	**1:21**

WASH ROOMS

	DORMITORY	Wash rooms
1	Saitoti	8
2	Laiser B	5
3	Laiser A	4
4	Lenana B	20
5	Lenana A	20
6	Nelion	10
7	Lenana C	6
8	Kimathi	6
9	Mbatian	6
Total		**85**

Dining hall – Has capacity of 300 per siting

3 **Laboratories (Chemistry, Physics, Biology)** – Each can accommodate 50 students per shift

f) Development projects carried out by the school:

Sno.	Source Of Income	Development Projects	Estimated Cost (Kshs)	Actual Cost (Kshs)	Status
1	FSE FUND **8.4 Million**	Buying furniture for two classes, dorm and Dining Hall	1,200,000	1,130,500	Complete
2	BOARDING **1,298,820**	Equipping and furnishing the new computer lab.	2,700,000	2,546,030	Complete
3		Repairing and servicing of the school borehole	1100000.00	1092000.00	Complete
4		General repairs and maintenance of Saitoti Dorm (Terrazo floor, Painting and improvement)	900000.00	828290.00	Complete
5		Building 1ST Floor of new classroom complex	4102000.00	4102000.00	Complete
	9,718,820.00	**TOTAL**	**10,002,000.00**	**9,698,820.00**	

Sign
School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board 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 ***Oloolaiser 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: **ABRAHAM NDUATI NJOROGE**
Designation: Chairman, School Board of Management
Sign:
Date: 16/8/24

Name: **MBIU J. MUNGAI**
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 16/8/24

Name: **ANDRIAN MURITHI**
Designation: Bursar/ Finance Officer
Sign:
Date: 16/8/24

REPUBLIC OF KENYA

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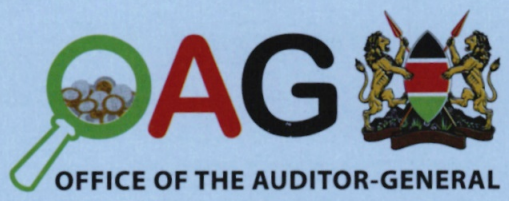

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON OLOOLAISER HIGH SCHOOL FOR SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - KAJIADO 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 Oloolaiser High School - Kajiado County as set out on pages 13 to 31, which comprise of the statement of assets and

liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation 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 Oloolaiser High School - Kajiado County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

The statement of the budgeted versus actual amounts reflects budgeted and actual total incomes on a comparable basis of Kshs.31,268,663 and Kshs.15,350,884. However recomputed amounts are Kshs.57,913,572 and Kshs.29,838,837 respectively resulting in unexplained variances of Kshs.26,649,116 and Kshs.14,487,953.

Additionally, the statement of budgeted versus actual amounts reflects budgeted and actual total expenditures on a comparable basis of Kshs.32,231,173 and Kshs.19,992,424. However recomputed amounts are Kshs.40,465,189 and Kshs.30,030,312 respectively resulting in unexplained variances of Kshs.(8,234,016) and Kshs.(10,037,888).

In the circumstances, the accuracy and completeness of the budgeted and actual total income of Kshs.31,268,663 and Kshs.15,350,884 respectively and budgeted and actual total expenditures of Kshs.32,231,173 and Kshs.30,030,312 cannot be confirmed.

2. Unsupported Revenue Income

The statement of receipts and payments reflects school fund income-other receipts of Kshs.15,350,884 as disclosed in Note 4 to the financial statements. Included in this amount is Kshs.263,116 in respect of rental income. However, the amount of Kshs.239,916 was not adequately supported with deposit slips and miscellaneous receipts and bank statements.

In the circumstances, the accuracy of school fund income-other receipts of Kshs.15,350,884 could not be confirmed.

3. Cash and Cash Equivalents

3.1 Unsupported School Fund Account

The statement of financial assets and financial liabilities reflects cash and cash equivalents of Kshs.15,621,757 as disclosed in Note 8, 9 and 10 to the financial statements. Included in this amount is Kshs.836,701 in respect of school fund account. However, the School did not maintain monthly bank reconciliations.

Additionally, included in the cash and cash equivalent amount is cash in hand balance of Kshs.399,077. However, Board of Survey conducted at the end of the period only reflected an operations account balance of Kshs.275,558 resulting an unexplained variance of Kshs.123,519.

3.2 Unsupported Savings Accounts

The statement of financial assets and financial liabilities and as disclosed in Note 8, 9 and 10 to the financial statements reflects cash and cash equivalents balance of Kshs.15,621,757 comprising of bank, cash and short term investments of Kshs.12,222,680, Kshs,Kshs.399,077 and Kshs.3,000,000 respectively. Included in the bank balance is farm savings account, Gratuity savings account and borehole savings account of Kshs.2,105,790, Kshs.1,710,753 and Kshs.4,108,153 respectively. However, the School did not maintain cashbooks for these accounts.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,222,680 could not be confirmed.

4. Accounts Receivable

4.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.19,019,242 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.19,019,242 could not be confirmed.

4.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.19,019,242 as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.9,771,868 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long

outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.19,019,242 could not be confirmed.

5. Unsupported Payables

The statement of financial assets and financial liabilities as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.5,484,144. The balance includes trade creditors of Kshs.4,026,782 and prepaid fees of Kshs.1,457,362. However, the trade creditors balance of Kshs.4,026,782 differs from the trade creditors balance of Kshs.2,444,926 disclosed in Appendix 1 to the financial statements.

Additionally, detailed aging analysis for the accounts payables and respective tender and LPO/LSO were not provided for audit review.

Further, no explanation was provided for failure to honor debts as the first charge to the subsequent year's budget which is contrary to Regulation 42 (1) (b) of the Public Finance Management (National Government) Regulations, 2015 which requires debt service payments to form first charge.

In the circumstances, the accuracy, completeness of accounts payable balance of Kshs.5,484,144 could not be confirmed.

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

Emphasis of Matters

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.31,268,663 and Kshs.15,350,884 respectively, resulting to an under-funding of Kshs.15,917,779 or 51% of the budget. However, the School spent a balance of Kshs.19,992,424 against actual receipts of Kshs.15,350,884 resulting to an over-utilization of Kshs.4,641,540 or 30% of actual receipts.

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

2. Lack of Budgetary Reports

No documentation was provided to show quarterly budgetary reports indicative of estimates against actual expenditures and the presentation to the board of management as provided for in the operation manual for utilization of learner capitation grant and other school funds. Additionally, review of the School's budget estimates revealed that the approved budget was prepared for the academic year 2021 (January - December, 2021) and not the financial year 2020/2021 as evidenced by board of management minutes referenced Min No.5/B.O.M/14/2021 held on 14 January, 2021.

In the circumstances, the budget figures did not adhere to the reporting template as provided by Public sector accounting standards board in budget preparation.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 16 February, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.No. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Irregularities in the Construction of Two Classrooms

The statement of receipts and payments reflects total receipts of Kshs.29,838,837.

i. Included in the amount is Kshs.5,000,000 received from the Ministry of Education as per the approval letter dated 24 November, 2020.The Ministry of Education approved Construction of phase two of 5 classrooms, a laboratory block, fixing water and sanitation facilities, painting of two dormitories, repair a borehole, terrazzo of two dormitories and equipping furniture in the laboratory for Kshs.4,190,500. However, review of construction records revealed that the School varied the ministry's approval and constructed 2 classrooms with a suspended slab at the contract sum of Kshs.4,190,500. There was no approval for the change of infrastructure development from the Ministry of Education.

ii. The total payment for the project was Kshs.4,190,500 while the actual amounts disbursed to the school was Kshs.5,000,000. However, the balance of Kshs.809,500 was not accounted for. Explanations by the Management was that the funds were transferred from the operations account to the parents' savings account. However, no records were provided to support the funds transfer.

iii. Review of payment vouchers, project files, minutes and tender evaluation documents among other records for the project revealed the tender process was not supported by documents such as approved list of prequalified suppliers, advertisements, tender committees' formal appointments, tender opening minutes, tender opening register and an acceptance letter by the winning bidder.

iv. Physical verification on the project conducted on 11 June, 2024 revealed that the classrooms built had a variation from the Bill of quantities; the windows installed were 7 instead of 8, each costing Kshs.10,800. Additionally, the BQ consisted of blackboards expenditure of Kshs.120,000 while the contractor instead installed a white board. No documentary evidence was provided to justify the variation.

In the circumstances, value for money may not have been realized from the construction of the classrooms.

3. Unsupported Payments to Contractors

The statement of receipt and payments as disclosed in Note 6 to the financial statements reflects payments for operations amounting to Kshs.8,889,594. Included in this amount is an expenditure of Kshs.4,156,930 which was incurred to construct two other classrooms. Review of documents revealed that the contractors payment included Kshs.480,000 for prime costs and contingencies relating to the project. However, there were no documents that were provided to support the expenditure of Kshs.480,000.

In the circumstances, the accuracy and regularity of the expenditure of Kshs.480,000 could not be confirmed.

4. Irregular Salary Increments

The statement of receipts and payments as disclosed in Note 6 to the financial statements reflects Kshs.8,889,594 in respect to payment for operations. Included this amount is Kshs.2,467,378 for personnel emoluments. Note 7 to the financial statements also reflects Kshs.1,366,122 in respect to personnel emoluments both totallling Kshs.3,833,500. However, salary increments were paid by the School without clear salary structures and policy on remuneration of the non-teaching staff.

In the circumstances, the regularity and value for money for the salaries paid of Kshs,3,833,500 could not be confirmed.

5. Unconfirmed Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.8,721,469. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year ended 30 June, 2021, NEMIS reflected eight hundred and sixty-seven (867) students while records from the County Director of Education had eight hundred and twenty-two (822) students, resulting to an underfunding of the School by an amount of Kshs.32,570. This was contrary to the Ministry of Education Circular No. MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

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

The statement of receipts and payments, the statement of financial assets and financial liabilities and the statement of cash flows did not disclose the comparative figures (opening balances). This is contrary to the Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 which requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021.

In the circumstances, the accuracy and completeness of the financial statements and the opening balances could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, 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 and based on the audit procedures performed, except for the matters described in the Effectiveness of Internal controls, Risk Management and Governance sections of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Compliance with Board of Management and Committees' Terms of Services

Review of records and documents relating to the Board of Management for the School revealed the following unsatisfactory matters: -

i. The School BoM did not constitute a Human Rights and students` welfare committee as required in Section 61(2) of the Basic Education Act, 2013.

ii. The Board did not prepare Annual Work plan or Schedule of Activities for the year under review.

iii. The personal files for the Board of Management does not contain the requirements of chapter six of the constitution.

iv. A review of personnel records revealed that the school does not have any Terms of reference of Service for Employees of the Board of Management hence there is no guidelines on the terms of employment of the Board employees.

In the circumstances, the adequacy of the internal controls on the activities of the Board of Management cannot be confirmed.

2. Lack of Internal Audit Function and Audit Committee

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

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

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 the Board of Management

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

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain 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 its 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.

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. 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 judgment and maintain professional skepticism throughout the audit. I also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 October, 2024

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,126,990	-
Capitation grants for operations	2	7,594,479	-
School Fund Income- Parents' Contributions	3	5,766,484	-
School Fund Income- Other receipts	4	15,350,884	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		**29,838,837**	-
PAYMENTS			
Payments for Tuition	5	1,148,194	-
Payments for operations	6	8,889,594	-
Boarding and school fund payments	7	19,992,424	-
TOTAL PAYMENTS		**30,030,212**	-
SURPLUS/DEFICIT		**(191,375)**	-

The school financial statements were approved on 30/06/ 2021 and signed by:

Sign:

Name: A. NDUATI

Chair BOM

Date 16/8/24

Sign

Name: J MUNGAI

School Principal/ Secretary to BOM

Date 16/8/24

Sign

Name: A.MURITHI

Bursar/ Finance Officer

Date 16/8/24

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

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	12,222,680	-
Cash Balances	9	399,077	-
Short term Investment	10	3,000,000	-
Total Cash and cash equivalent		**15,621,757**	-
Account's receivables	11	19,019,242	-
TOTAL FINANCIAL ASSETS		**34,640,999**	-
FINANCIAL LIABILITIES			
Accounts Payables	12	5,484,144	-
NET FINANCIAL ASSETS		**29,156,855**	-
REPRESENTED BY			
Accumulated Fund b/fwd	13	29,348,230	-
Surplus/Deficit for the year		(191,375)	-
NET FINANCIAL POSSITION		**29,156,855**	-

The School's financial statements were approved on _____ 2021 and signed by:

Name: A. NDUATI
Chairman, BoM
Sign: .....
Date: 16/8/24

Name: J MUNGAI
School Principal/Secretary to BoM
Sign: .....
Date: 16/8/24

Name: A.MURITHI
Bursar/Finance
Sign: .....
Date: 16/8/24

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

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,126,990	-
Capitation grants for operations	2	7,594,479	-
School fund income- Parents contributions/ fees	3	5,766,484	-
School fund income- other receipts	4	15,350,884	-
Total receipts		**29,838,837**	-
Payments			
Payments for Tuition	5	1,148,194	-
Payments for operations	6	8,889,594	-
Boarding and school fund payments	7	19,992,424	-
Total payments		**30,030,212**	-
Net cash flow from operating activities		**(191,375)**	-
Adjustments			
Accounts Receivable Increase /Decrease		(4,813,914)	-
Accounts Payable Increase / Decrease		2,387,897	-
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		**(2,617,392)**	-
Cash and cash equivalent at BEGINNING of the year		**18,239,149**	-
Cash and cash equivalent at END of the year		**15,621,757**	-

VIII. 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						
(1) CAPITATION GRANTON TUITION						
Tuition	817,905	-	817,905	817,905	-	100%
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	309,085		309,085	309,085	-	100%
Teaching / learning materials	-	-	-	-	-	-
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
	1,126,990	**-**	**1,126,990**	**1,126,990**	-	100%
(2) CAPITA TION GRANT ON OPERATIONS						
Personnel emoluments	1,831,473	-	1,831,473	1,831,473	-	100%
Repairs and maintenance	519,000	-	519,000	519,000	-	100%
Local transport / travelling	519,000	-	519,000	519,000	-	100%
Electricity and water	519,000	-	519,000	519,000	-	100%
Medical	-	-	-	-	-	-

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	519,000	-	519,000	519,000	-	100%
Rent	-	-	-	77,606	77,606	-
Activity	519,000	-	519,000	519,000	-	100%
Infrastrasture	1,730,000	-	1,730,000	1,730,000	-	100%
Boarding Equipment and Stores	5,554	-	5,554	5,554	-	100%
Insurance	120,494	-	120,494	120,494	-	100%
Gratuity	-	-	-	-	-	-
MOEST	1,234,352	-	1,234,352	1,234,352	-	100%
SMASSE	-	-	-	-	-	-
Total	**7,516,873**	-	**7,516,873**	**7,594,479**	77,606	101%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	5,076,200	-	5,076,200	1,277,681	(3,798,519)	25%
Repairs and maintenance	2,516,000	-	2,516,000	607,259	(1,908,741.00)	24%
Local transport / travelling	1,377,850	-	1,377,850	355,351	(1,022,499)	26%
Electricity and water	5,356,700	-	5,356,700	2,000,897	(3,355,803)	37%
Medical	-	-	-	-	-	-
Administration costs	2,988,600	-	2,988,600	898,901	(2,089,699)	30%
Activity	678,300	-	678,300	70,007	(608,293)	10%
Fees Arrears	-	-		556,388	(556,388)	
Kuccps F 4	7,396	-	7,396	-	(7,396)	0%
SMASSE	-	-	-	-	-	-
Total	**18,001,046**	-	**18,001,046**	**5,766,484**	(12,234,562)	32%

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
OTHER INCOME						
Fee on Boarding Equipment and Stores	27,527,250		27,527,250	11,602,075	(15,925,175)	42%
Rent income	263,116	-	263,116	263,116	-	100%
Income from farming activities	379,675	-	379,675	379,675	-	100%
Insurance compensation	-	-	-	-	-	-
Income from Bore hole	1,409,454	-	1,409,454	1,409,454	-	100%
Income from Tender	30,000	-	30,000	30,000	-	100%
Income from clubs	148,700		148,700	148,700	-	100%
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	-	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Prepayments	1,510,468		1,510,468	1,510,468	-	100%
KUCCPS	-	-	-	7,396	-	-
Income from any other investment	-	-	-		-	-
Total	**31,268,663**	-	**31,268,663**	**15,350,884**	(15,917,779)	49%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-		-	-
Exercise books	-	-	-		-	-

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
Laboratory equipment	205,055.00	-	205,055	205,055	-	100%
Internal exams	49,818	-	49,818	49,818	-	100%
Teaching / learning materials	605,962	-	605,962	605,962	-	100%
Chalks	85,300	-	85,300	85,300	-	100%
Exams and assessment	195,590	-	195,590	-	-	-
Teachers guides	-	-	-	195,590	-	-
Administration costs	-	-	-		-	-
Bank Charges	6,469	-	6,469	6,469	-	100%
	1,148,194	-	**1,148,194**	**1,148,194**	-	100%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,467,378	-	2,467,378	2,467,378	-	100%
Repairs, maintenance & improvements	97,240	-	97,240	97,240	-	100%
Local transport / travelling	621,642	-	621,642	621,642	-	100%
Electricity, water and conservancy	529,927	-	529,927	529,927	-	100%
Medical	3,700	-	3,700	3,700	-	100%
Administration costs	132,458	-	132,458	132,458	-	100%
Activity Expenses	14,000	-	14,000	14,000	-	100%
Gratuity	275,558	-	275,558	-	(275,558)	0%
House rent	65,466	-	65,466	65,466	-	100%
Infrastructure	2,077,500	-	2,077,500	4,156,930	2,079,430	200%
Boarding Equipment	703,308	-	703,308	800,953	97,645	114%

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
Farm Expenses	97,645	-	97,645	-	(97,645)	0%
SMASSE	-	-	-	-	-	-
Total	**7,085,822**	-	**7,085,822**	**8,889,694**	1,803,872	125%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,388,122	-	1,388,122	1,366,122	- 22,000	98%
Boarding Account	12,214,749	-	12,214,749	12,214,749	-	100%
Repairs, maintenance and improvements	201,564	-	201,564	201,564	-	100%
Local transport / travelling	1,033,204	-	1,033,204	1,033,204	-	100%
Electricity, water and conservancy	257,048	-	257,048	257,048	-	100%
Medical Expenses	208,647	-	208,647	208,647	-	100%
Administration costs	298,187	-	298,187	296,187	- 2,000	99%
Activity	466,100	-	466,100	466,100	-	100%
Gratuity	-	-	-	-	-	-
Farm Expenses	428,080	-	428,080	428,080	-	100%
Borehole Expenses	1,231,355	-	1,231,355	1,231,355	-	100%
Lunch programme	-	-	-	-	-	-
Tender Expenses	113,000	-	113,000	113,000	-	100%
Boarding Equipment and Stores	12,214,749	-	12,214,749		-12,214,749	0%
Insurance costs	429,374	-	429,374	429,374	-	100%
Expenditure for Income Generating Activity	-	-	-	-	-	-

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
Other expenses on investments	-	-	-	-	-	-
Clubs	67,000	-	67,000	67,000	-	100%
Caution	20,597	-	20,597	20,597	-	100%
Rent Expenses	43,300	-	43,300	43,300	-	100%
Bank Charges	-	-	-		-	-
RD Cheque	36,000	-	36,000	36,000	-	100%
Parent	12,600	-	12,600	12,600	-	100%
Prepayments	53,106	-	53,106	53,106	-	100%
Creditors	1,514,391	-	1,514,391	1,514,391	-	100%
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
TOTALS	**32,231,173**	-	**32,231,173**	**19,992,424**	(12,668,123)	61%

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 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	817,905	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	309,085	-
Teaching / learning materials	-	-
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	**1,126,990**	-

2 CAPITATION GRANT FOR OPERATIONS/INFRASTRUCTURE

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,831,473	-
Repairs and maintenance	519,000	-
Local transport / travelling	519,000	-
Electricity and water	519,000	-
Medical	-	-
Administration costs	519,000	-
Rent	77,606	-
Activity	519,000	-
Infrastructure	1,730,000	-
Boarding Account	5,554	-
Insurance	120,494	-
MOET	1,234,352	-
Total	**7,594,479**	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,277,681	-
Repairs and maintenance	607,259	-
Local transport / travelling	355,351	-
Electricity and water	2,000,897	-
Medical	-	-
Administration costs	898,901	-
Activity	70,007	-

	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	556,388	-
Total	**5,766,484**	-

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	11,602,075	-
Rent income	263,116	-
Borehole	1,409,454	-
Farm	379,675	-
Clubs	148,700	-
Tender	30,000	-
KUCCPS	7,396	-
Prepayments	1,510,468	-
Total	**15,350,884**	-

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	205,055	-
Internal exams	49,818	-
Teaching / learning materials	605,962	-
Chalks	85,300	-
Exams and assessment		-
Teachers guides	195,590	-
Administration Costs		-
Bank Charges	6,469	-
Total	**1,148,194**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,467,378	-
Service Gratuity	-	-
Administration Cost	132,458	-
Repairs and maintenance & improvements	97,240	-
Local transport / travelling	621,542	-
Electricity and water	529,927	-
Medical	3,700	-
Activity Expenses	14,000	-
House Rent	65,466	
Infrastructure	4,156,930	-
Boarding Account	800,953	-
Acquisition of Assets	-	-
TOTAL	**8,889,594**	-

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,366,122	-
Boarding Account	12,214,749	-
Repairs and maintenance & Improvements	201,564	-
Local transport / travelling	1,033,204	-
Electricity and water	257,048	-
Medical Expenses	208,647	-
Administration costs	296,187	-
Insurance	429,374	-
Borehole	1,231,355	-
Farm	428,080	-
R D Cheque	36,000	-
Activity	466,100	-
Clubs	67,000	-
Caution	20,597	-
Parent	12,600	-
Tender	113,000	-
Rent	43,300	-
Prepayments	53,106	-
Creditors	1,514,391	-
TOTAL	**19,992,424**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	ABSA= 0651001765	427,006	-
Operations Account	ABSA= 0651040647	889,959	-
School Fund Account	ABSA= 2022282134	836,701	-
Farm Saving Account	ABSA=2039629391	2,105,790	-
Parent/Infrastructural Sav	ABSA=2022655895	342,403	-
Bore Hole Saving Account	ABSA=2039614157	4,180,153	-
Rent/Camp Saving	ABSA 2022284773	1,729,915	-
Gratuity Saving Account	ABSA=2039629464	1,710,753	-
Total		**12,222,680**	-

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	275,558	-
School Fund account	123,519	-
Total	**399,077**	-

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Gratuity – Britam Fixed account	3,000,000	-
Equity stock	-	-
Other investments	-	-
Total	**3,000,000**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	19,019,242	-
Total	**19,019,242**	-

Ageing of the fees / non fees arrears is shown below:

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	5,370,302	-
Fees arrears for the previous year	4,433,460	-
Fees arrears for prior periods (over two years)	9,771,868	-
	19,575,630	-
Less Arrears recovered	**(556,388)**	-
Total	**19,019,242**	-

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	4,026,782	-
Prepaid fees	1,457,362	-
Retention monies	-	-
Total	**5,484,144**	-

Ageing of the creditor's arrears is shown below:

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	2,444,926	-
Trade creditors for the previous year	2,600,621	-
Trade creditors for prior periods (over two years)	495,626	-
	5,541,173	-
Less Creditors paid	**(1,514,391)**	-
Total	**4,026,782**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	15,169,617	-
Cash balances	69,532	-
Short Term Investments	3,000,000	-
Receivables	14,205,328	-
Payables	(3,096,247)	-
Total	**29,348,230**	-

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	4,614,333	-
Total	**4,614,333**	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	19	1,138,000	-
Trees	935	-	-
Total		**1,138,000**	-

16 **Borrowings**

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

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	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)*

PRINCIPAL
OLOOLAISER HIGH SCHOOL
P. O. Box 71-00208, NGONG HILLS
Date 16/8/24 Sign.....

PRINCIPAL
16/8/24

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	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. -	-	-	-	-	-	-
Supply of goods						
1. Pinky Rose	27,000	1/7/2020	-	27,000	27,000	
2. Charles Mwangi	49,000	1/7/2020	-	49,000	49,000	
3. Ruth Gathoni	36,000	1/7/2020	-	36,000	36,000	
4. Naivas Ltd	328,563	1/7/2020	-	328,563	328,563	
5. School Farm	327,780	1/7/2020	-	327,780	327,780	
6. Catherine Wairimu	88,000	1/7/2020	-	88,000	88,000	
7. Easther Wamuyu Waweru Fruits	34,320	1/7/2020	-	34,320	34,320	
8. Hannah Wanjiku	36,855	1/7/2020	-	36,855	36,855	
9. Diamond Butchery	264,360	1/7/2020	-	264,360	264,360	
10. Dairy Treat	58,110	1/7/2020	-	58,110	58,110	
11. Vohager Resort Hotel	903,720	1/7/2020	-	903,720	903,720	
12. Blue Ring Products	54,288	1/7/2020	-	54,288	54,288	
13. Translab Agencies	147,890	1/7/2020	-	147,890	147,890	
14. Joseph Njuguna	11,000	1/7/2020	-	11,000	11,000	
15. Ryaals Enterprises	27,000	1/7/2020	-	47,480	47,480	
16. Jimkam Electricals	49,000	1/7/2020	-	4,260	4,260	
Sub-Total	**2,366,886**			**2,418,626**	**2,418,626**	
Supply of services						
17. Dinah Moraa	26,300	1/7/2020	-	26,300	26,300	
Sub-Total	**26,300**			**26,300**	**26,300**	
Grand Total	**2,444,926**			**2,444,926**	**2,444,926**	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land	12/2/2003	Ngong	900,000,000	-	-	900,000,000
Buildings and structures	Various	Ngong	182,000,000	-	-	182,000,000
Motor vehicles	Various	Ngong	7,000,000	-	-	7,000,000
Office equipment, furniture and fittings	18/9/2022	Ngong	1,490,000	-	-	1,490,000
ICT Equipment, and Other ICT Assets	18/3/2022	Ngong	1,690,000	-	-	1,690,000
Tools and apparatus	20/6/2018	Ngong	40,540,450	-	-	40,540,450
Textbooks	30/6/2023	Ngong	650,000	-	-	650,000
Other Machinery and Equipment	14/4/2016	Ngong	400,000	-	-	400,000
Heritage and cultural assets	-	Ngong	-	-	-	-
Intangible assets- soft ware	10/9/2020	Ngong	350,000	-	-	350,000
Total			**1,134,120,450**			**1,134,120,450**