

REPUBLIC OF KENYA



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REPORT

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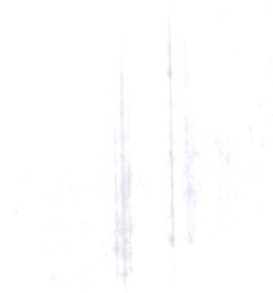
THE AUDITOR-GENERAL

ON

SUGOI GIRLS SECONDARY SCHOOL

**FOR THE EIGHTEEN (18) MONTHS
PERIOD ENDED 30 JUNE, 2021**

UASIN GISHU COUNTY



**SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021**



OFFICE OF THE AUDITOR-GENERAL
NORTH RIFT REGIONAL OFFICE

2 JUL 2023

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SUGOI GIRLS HIGH SCHOOL

PUBLIC SECONDARY SCHOOL

REPORT AND FINANCIAL STATEMENTS

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

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

**SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021**

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KEY SCHOOL INFORMATION AND MANAGEMENT

SUGOI GIRLS HIGH SCHOOL

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Uasin Gishu County, Turbo Sub-County. The school was registered on 24th February 2020 under registration number 27S3000518 and is currently categorized as an Extra County school established, owned or operated by the Government.

The school is a boarding school and had 645 and 148 (exclusive of 2020 candidates who had done KCSE) number of students as at 30th April, 2021 and 30th June, 2021 respectively.

It has 4 streams and 32 teachers of which 8 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. Silas Simatwo	Chairman/Sponsor	07/06/2019
2	Mrs. Milcah J Miso	Secretary - Principal	07/06/2019
3	Mr. Julius Kalya	Member – Rep Parents/Local community	07/06/2019
4	Mr. Samuel Lagat	Member – Rep Parents/Local community	07/06/2019
5	Mr. Andrew Kimetto	Member – Rep Parents/Local community	07/06/2019
6	Mrs. Margret Mbiuki	Member – Rep Parents/Local community	07/06/2019
7	Mrs. Rebecca Korir	Rep-Teachers	07/06/2019
8	Mrs. Rebecca Magut	Member – Rep Parents/Local community	07/06/2019
9	Mdm. Sally Wafula	Member – Rep Parents/Local community	07/06/2019
10	Mr. Nicholas Korir	Member – Rep CEB	07/06/2019
11	Mrs. Sarah Boit	Member – Rep Sponsor	07/06/2019
12	Mr. Andrew Kimetto	Member – Rep Sponsor	07/06/2019
13	Mr. Benjamin Yego	Member – Rep Sponsor	07/06/2019
14	Mr. Isaac Maiyo	Member – Rep Sponsor	07/06/2019
15	Mr. Peter Biwott	Member – Co-opted	07/06/2019
16	Pastor Josiah Kurgat	Member – Rep Sponsor	07/06/2019

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 students' 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 paragraph 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. Silas Simatwo Mrs. Milcah J. Misoi Mr. Joseph Barsulai Mr. David Samoei Mrs. Sarah Boit	Chairman Secretary Member Member Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6 4 out of 6
2	Audit Committee	Mr. Isaac Maiyo Mrs. Rebecca Magut Rev. Julius Kalya Mr. Peter Biwott	Chairman Secretary Member Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6
3	Finance, procurement and general-purpose Committee	Rev. Julius Kalya Mr. Peter Biwott Mr. Nicholas Korir Mr. Benjamin Yego	Chairman Secretary Member Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6

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4	Infrastructure Committee	Mr. Peter Biwott Mrs. Rebecca Magut Mr. Isaac Birgen Mdm. Gladys Jebiwott Mr. David Korir	Chairman Secretary Member Member Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6 4 out of 6
5	Academic, Standards and Quality Committee	Mr. Nicholas Korir Mrs. Rebecca Magut Mrs. Margret Mbiuki Rev. Julius Kalya Mrs Rebecca Korir	Chairman Secretary Member Member Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6 4 out of 6
6	Discipline Ethics and welfare Committee	Mrs. Sarah Boit Rev. Julius Kalya Mr. Andrew kimetto Mrs. Margret Mbiuki Mr. David Samoei Dep Principal- Coopted	Chairman Secretary Member Member Member Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6 4 out of 6 4 out of 6

(d) School operation Management

For the 18 months ended 30th June, 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mrs. Milcah Misoi	323519
2	Deputy Principal-Administration	Mrs Nancy Mutai	372116
3	School Finance Officer	Mr. Nathan Ngetich	SGS/01/222

(e) Schools contacts

Post Office Box: 949.-30100 Eldoret
Mobile Number: 0708662814
E-mail:sugoigirls@yahoo.com
Website: None

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For the year ended 30th June 2021**

(f) School Bankers

The school operated 5 number of bank accounts and 1 Pay bill number as follows:

Name of Bank:	National Bank
Branch:	Eldoret
Account Number:	01021028223300
Purpose	School Fund Account
Name of Bank:	National Bank
Branch:	Eldoret
Account Number:	01022028223300
Purpose	P.A Account
Name of Bank:	National Bank
Branch:	Eldoret
Account Number:	01025028223301
Purpose	Operations Account
Name of Bank:	National Bank
Branch:	Eldoret
Account Number:	01025028223300
Purpose	Tuition Account
Name of Bank:	National Bank
Branch:	Eldoret
Account Number:	01025028223302
Purpose	Infrastructure
Name of Bank:	Co-operative Bank
Branch:	Eldoret
Account Number:	01139443530000
Purpose	Savings Account
MPESA Pay Bill No.:	Business Number: 7082701 Account Number: School Fund
	Business Number: 7082703 Account Number: P.A Account

(g) Independent Auditors

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

I. 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:

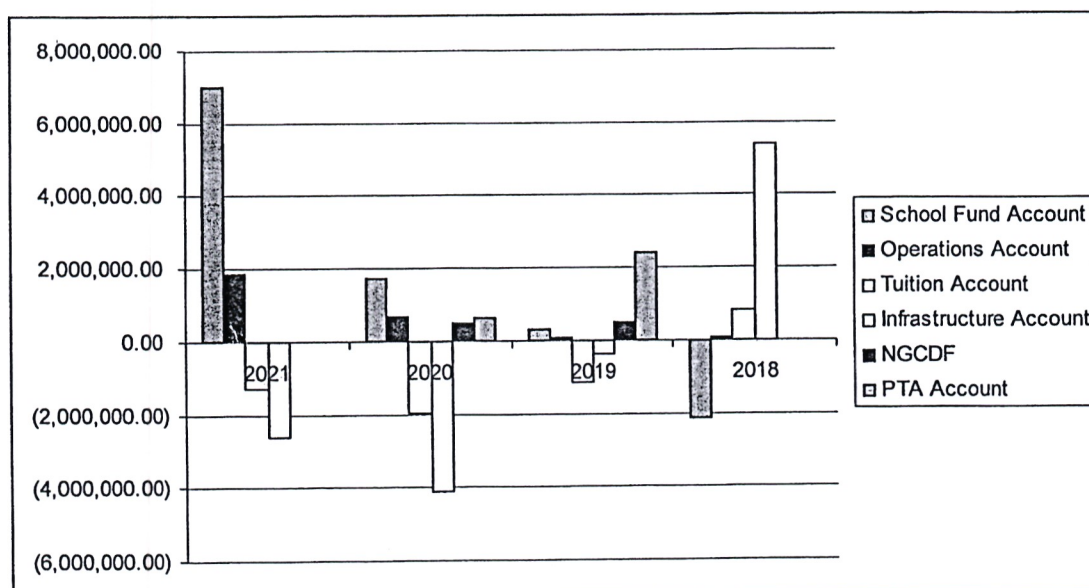
a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2018 to 31st December 2019 which covers a period of 12 months while 30th June 2021 covers a period of 18 months and is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	School Fund Account	6,975,848.00	1,744,016.00	330,396.96	(2,164,202.50)
2	Operations Account	1,888,803.00	685,068.00	99,630.90	70,362.98
3	Tuition Account	(1,301,743.00)	(1,983,911.00)	(1,137,017.15)	799,425.35
4	Infrastructure Account	(2,622,011.00)	(4,105,832.00)	(362,039.00)	5,400,000.00
5	NGCDF	-	510,327.00	511,043.00	-
6	PTA Account	-	651,512.00	2,418,000.00	-
	Total	4,940,897.00	(2,498,820.00)	1,860,014.71	4,105,585.83
	Increase/Decrease	7,439,717.00	(4,358,834.71)	(2,245,571.12)	1,135,643.00

Trend Over the Last Three Years



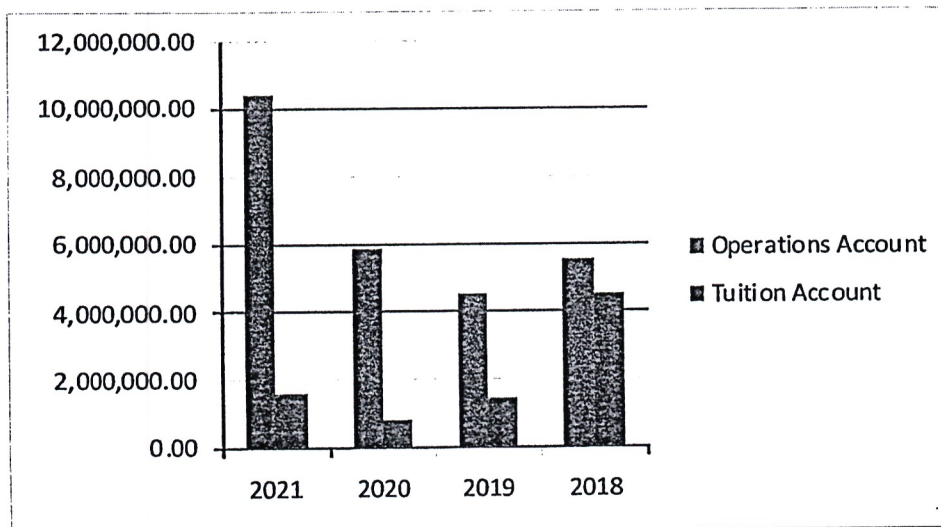
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The surplus for the year 2019 decreased by Kshs 2,245,571.12 from a surplus of Kshs. 4,105,585.83 in the year 2018 which was attributed by non-usage of the infrastructure funds and savings from tuition account.

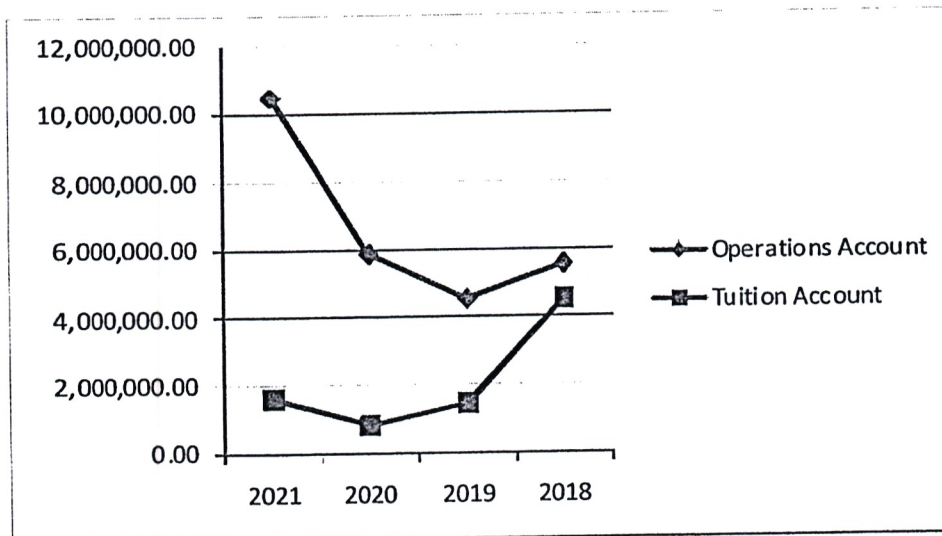
The surplus for the year 2020 decreased by Kshs.4,358,834.71 from a surplus of Kshs.1,860,014.71 in the year 2019 due to prolonged closure after abrupt shutting of the schools due to Covid-19.

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	Operations Account	10,463,734.46	5,841,250.00	4,519,216.90	5,526,579.28
2	Tuition Account	1,616,017.25	822,775.00	1,455,761.85	4,515,190.00
	TOTAL	12,079,751.71	6,664,025.00	5,974,978.75	10,041,769.28
	Increase/Decrease	5,415,726.71	689,046.25	(4,066,790.53)	5,070,599.28
	No of Students	660	630	589	470
	Ratio of Capitation per student	1:18302	1:10577	1:10144	1:21365

Trend Over the Last Three Years



Trend Over the Last Three Years



The total capitation grants for the financial year 2019 was Kshs. 5,974,978.75 as compared to Kshs. 10,041,769.28 in the financial year 2018 representing an decrease of Kshs.4,066,790.53.

The net decrease is mainly attributed by few students' receiving the capitation.

The total capitation for the year 2020 was Kshs. 6,664,025.00 as compared to Kshs 5,974,978.75 in the financial year 2019 representing an increase of Kshs. 689,046.25 which resulted from more students' receiving capitation grants. However there was prolonged abrupt closure of the school due to Covid-19 and not all capitation grant were disbursed by the end of financial year 2020.

The net decrease is mainly attributed by the disbursement of capitation for term 2 2020 and term 3 2020 only.

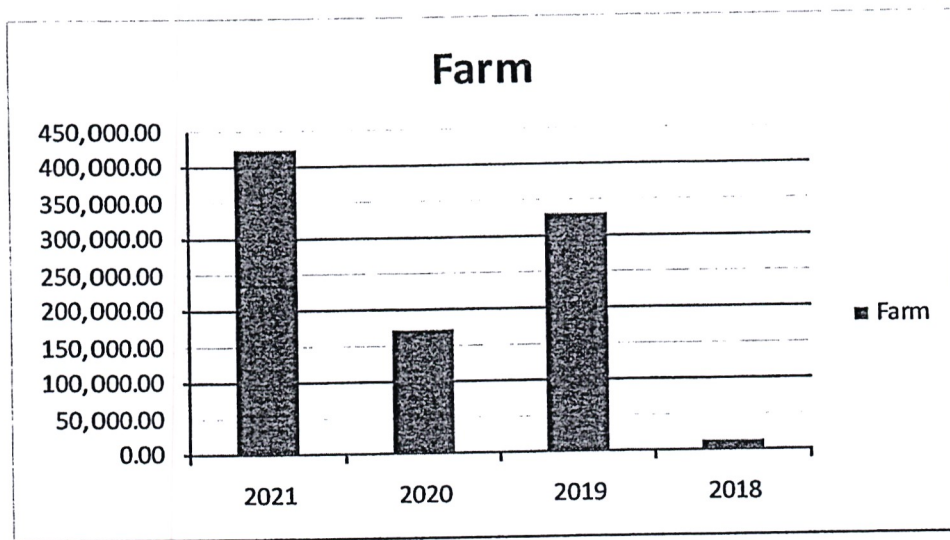
The total capitation grants for the financial year 2021 was Kshs. 12,079,751.71as compared to Kshs. 6,664,025.00in the financial year 2020 representing an increase of Kshs. 5,415,726.71

The net increase is mainly attributed by all students' receiving the capitation and increase in enrolment .

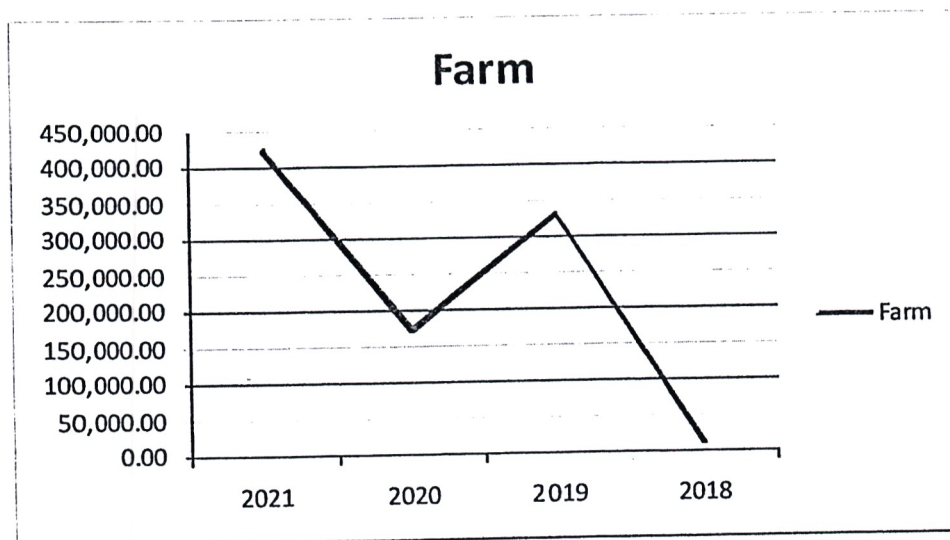
Also the current period covers a period of 6 months.

OVERVIEW OF NET GROWTH OF OTHER INCOME(S) (Note 21)					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	Farm	422,944.00	172,612.00	330,600.00	11,640.00
		422,944.00	172,612.00	330,600.00	11,640.00
	Increase/Decrease	250,332.00	(157,988.00)	318,960.00	11,640.00

Trend Over the Last Three Years



Trend Over the Last Three Years



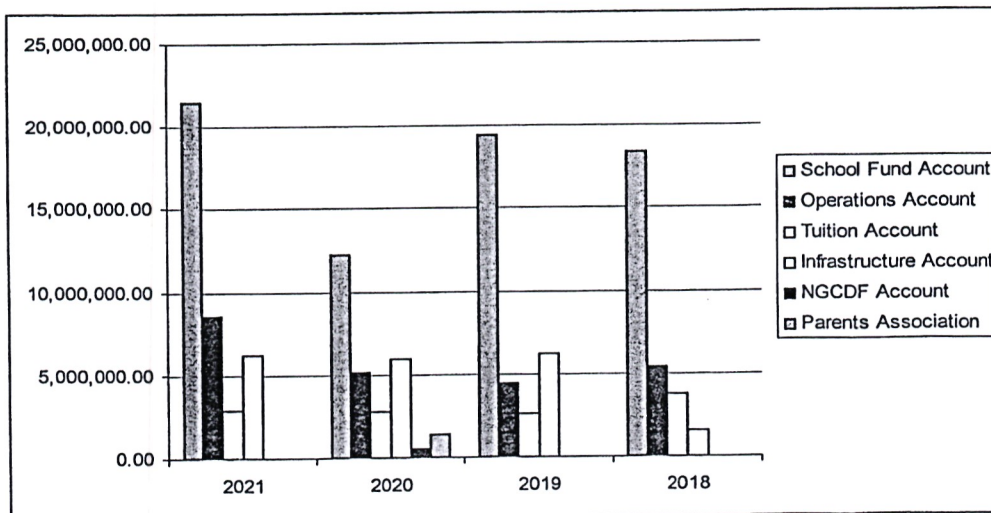
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The net growth of other income generating activities for the financial year 2021 was Kshs 422,944.00 as compared to Kshs. 172,612.00 in the financial year 2020 which represent an increase of Kshs. 250,332.00

Both financial years 2021 and 2020 were affected by the Covid-19 Pandemic which hindered the accommodation of students from other schools whenever they have educational trips and other visitors.

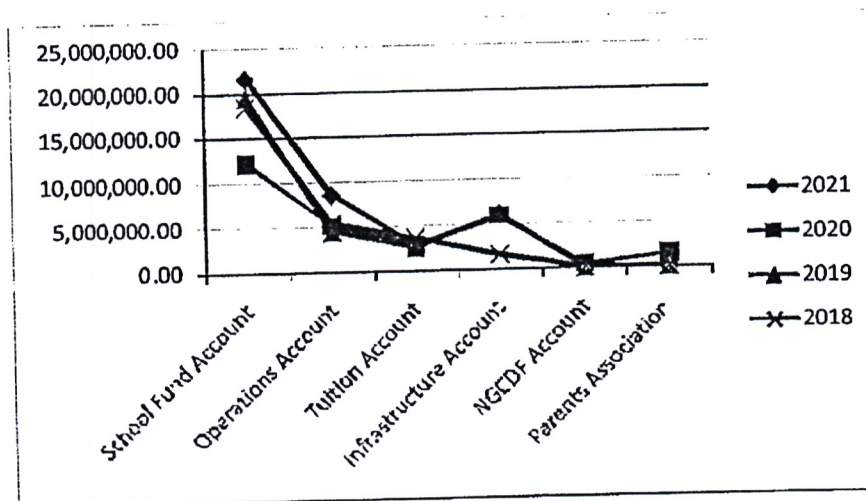
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	School Fund Account	21,517,683.00	12,210,326.00	19,416,541.04	18,376,077.50
2	Operations Account	8,574,931.00	5,156,182.00	4,419,586.00	5,456,216.30
3	Tuition Account	2,917,760.53	2,806,686.00	2,592,779.00	3,715,764.65
4	Infrastructure Account	6,220,525.00	5,965,355.00	6,226,899.00	1,600,000.00
5	NGCDF Account	-	510,327.00	-	-
6	Parents Association	-	1,402,488.00	-	-
	Total	39,230,899.53	28,051,364.00	32,655,805.04	29,148,058.45
	Increase/Decrease	11,179,535.53	-4,604,441.04	3,507,746.59	2,234,678.55

Trend Over the Last Three Years



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Trend Over the Last Three Years

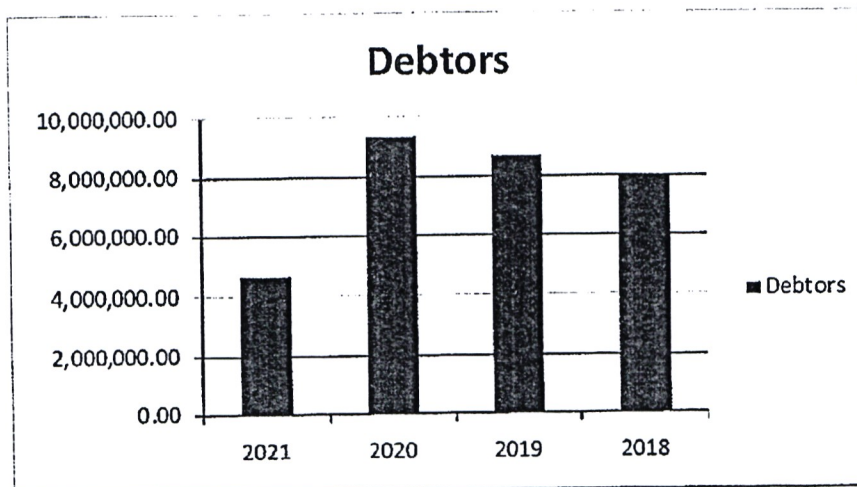


In the financial year 2021 shows an increase of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
	School Fund Account	Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	Debtors	4,632,329.00	9,331,543.31	8,654,994.30	7,914,439.70
		4,632,329.00	9,331,543.31	8,654,994.30	7,914,439.70
	Increase/Decrease	(4,699,214.31)	676,549.01	740,554.60	294,602.60

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Trend Over the Last Three Years



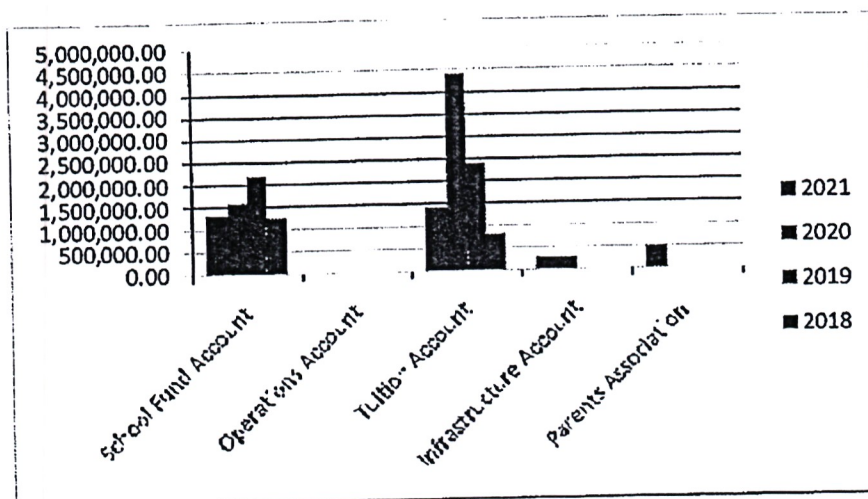
Total debtors as at 30th June, 2021 decreased by 20.25% to Kshs 4,632,329.00 compared to Kshs.8,654,994.30 as at the end of the financial year 2019.

The main contributors to the decrease in total debtors is the period in question in that whereas year 2021 debtors were for 6 months the ones for year 2019 focused on 1-year.

MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	School Fund Account	1,298,107.00	1,594,260.65	2,192,269.00	1,274,179.00
2	Operations Account	-	90.00	-	-
3	Tuition Account	1,451,766.00	4,391,017.00	2,404,451.00	833,296.00
4	Infrastructure Account	276,762.00	276,762.00	-	-
5	Parents Association	510,853.00	21,875.00	-	-
		3,537,488.00	6,284,004.65	4,596,720.00	2,107,475.00
	Increase/Decrease	(2,746,516.65)	1,687,284.65	2,489,245.00	(314,623.00)

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Trend Over the Last Three Years

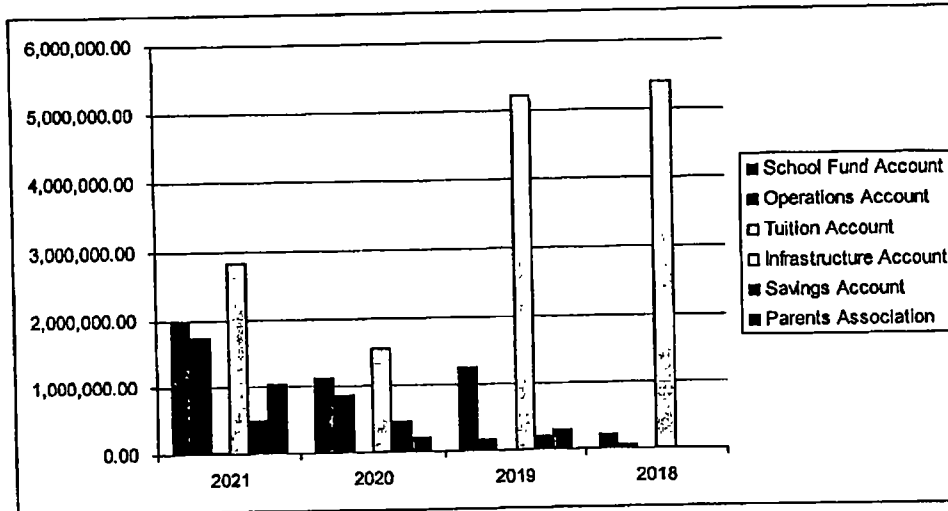


Total creditors as at 30th June 2021 decreased by Kshs. 2,746,516.65 compared to Kshs 6,284,004.65 as at the end of the financial year 2020. The main contributors to the decrease in total creditors was the deliberate efforts made by the management to clear them which was commendable.

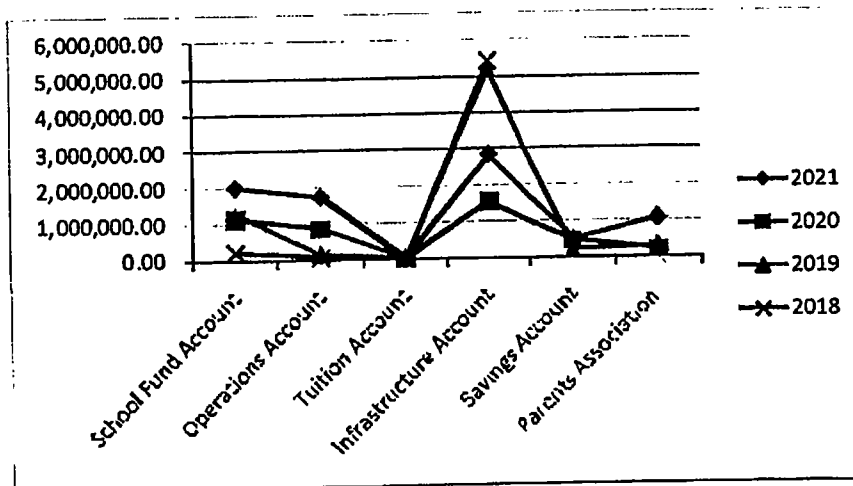
MOVEMENT OF CASH AND BANK BALANCES					
SNO		2021	2020	2019	2018
		Kshs Cts	Kshs Cts	Kshs Cts	Kshs Cts
1	School Fund Account	1,990,499.00	1,133,908.65	1,258,288.55	222,617.00
2	Operations Account	1,731,762.90	855,906.38	170,748.38	71,117.48
3	Tuition Account	24,764.75	3,147.20	492.20	2,536.35
4	Infrastructure Account	2,833,663.00	1,547,081.00	5,193,174.00	5,401,973.00
5	Savings Account	508,754.00	460,323.00	208,748.00	
6	Parents Association	1,058,976.00	201,954.00	286,266.00	-
	Total	8,148,419.65	4,202,320.23	7,117,717.13	5,698,243.83
	Increase/Decrease	3,946,099.42	(2,915,396.90)	1,419,473.30	(65,426.55)

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Trend Over the Last Three Years



Trend Over the Last Three Years



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b) Teacher Student ratio:

Between the month of January 2020 and June 2021, the status of the teaching staff is as follows:

There are 24 teachers posted by the Teachers Service Commission and 8 recruited by the Board of Management. We are grateful that 4 teachers have been posted to school after one (1) transferred to Nandi County. Although the teacher student ratio lies at 1: 22. We have a shortage of 14 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4.

c) Mean score in the year 2018, 2019 and 2020 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	149	4.8	26	38.74	7.5	Negative deviation of 1.1 in transition rate. The least grade was a D-(30) out of 148 all qualified for middle level colleges and university.
2020	93	5.946	28	26.04	6.5	Positive deviation of 0.562 in transition rate. The least grade was a D (12) out of 93 all qualified for middle level colleges and university.
2019	84	5.373	22	15.62	6.0	Negative deviation of 0.134 in transition rate
2018	71	5.507	23	16.33	7.5	The performance of Mathematics, Biology and Agriculture led to a negative deviation of 2% in transition rate and -0.2963 in the mean.

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d) Development projects carried out by the school:

Sn o.	Project	Year	Status	Amount	Fund Source
1	Extension of Dining Hall	2019-2020	Completed	1,200,000.00	CDF- Turbo
2	Construction of Dormitory	2019-2020	Completed	5,600,000.00	TIG, Maintenance & Improvement
3	Construction of 10-door Pit Latrine and a Ramp	2010-2021	Completed	600,650.00	TIG, Maintenance & Improvement
4	Painting of classrooms and Dormitories	2020-2021	Completed	283,000.00	Maintenance & Improvement from Parents
5	Construction of Water Points	2020-2021	Completed	197,000.00	Maintenance & Improvement from G.O.K


.....
Mr. Silas Simatwo

Chair,
Board of Management

Sugoi Girls High School

Date: 03/07/2023


.....
Mrs. Milcah Misoi

Secretary,
Board of Management
/Principal

Sugoi Girls High School

Date: 03/07/2023


.....
Mr. Nathan Ngetich

Finance Officer

Sugoi Girls High School

Date: 03/07/2023

II. 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 Public 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 that the Board of Management of a public institution of basic education keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of **Sugoi Girls High School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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


.....
Mr. Silas Simatwo

Chair,
Board of Management

Sugoi Girls High School

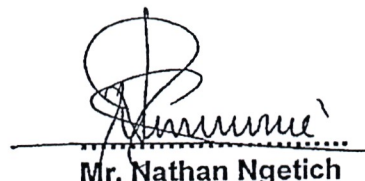
Date: 03/07/2023


.....
Mrs. Milcah Misoi

Secretary,
Board of Management
/Principal

Sugoi Girls High School

Date: 03/07/2023


.....
Mr. Nathan Ngetich

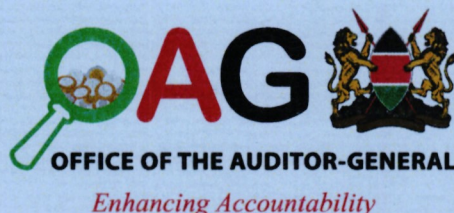
Finance Officer

Sugoi Girls High School

Date: 03/07/2023

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 SUGOI GIRLS SECONDARY SCHOOL FOR THE EIGHTEEN (18) MONTHS' PERIOD ENDED 30 JUNE, 2021 - UASIN GISHU 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 the Sugoi Girls Secondary School – Uasin Gishu County set out on pages 18 to 37, which comprise the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and

Report of the Auditor-General on Sugoi Girls Secondary School for the eighteen (18) months' period ended 30 June, 2021 – Uasin Gishu County

payments, the statement of cash flows and the statement of budgeted versus actual amounts for the eighteen (18) 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 the Sugoi Girls Secondary School – Uasin Gishu County as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The audit of the financial statements revealed variances between the statement of receipts and payments and statement of cash flows are as detailed below;

Components	Statement of Receipts and Payments (Kshs.)	Statement of Cash Flows (Kshs.)	Variance (Kshs.)
School Fund Income - Parents Contribution	26,972,159	27,836,310	864,151
Boarding and School Fund Payments	21,517,683	26,141,145	4,623,462

Further, the Summary of fixed assets at Annex 2 to the financial statements reflects a historical costs balance of Kshs.114,452,842. However, documents in support of the balance were not provided for audit review.

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

2. Variances between the Financial Statements and the Ledger

The audit revealed inconsistencies in the financial statements and the ledgers as indicated below;

	Financial Statement Amount (Kshs.)	Ledger Balance (Kshs.)	Variance (Kshs.)
Boarding and School Fund Payments			
Administration Costs	1,500,531	611,269	889,262
Expenses on Income Generating Activities	1,727,625	319,825	1,407,800
Fee on Boarding Equipment and Stores	11,029,767	5,988,489	5,041,278
Activity Expense	243,940	37,960	205,980
Fee on Boarding Equipment and Stores	11,029,767	5,903,799	5,125,968

Report of the Auditor-General on Sugoi Girls Secondary School for the eighteen (18) months' period ended 30 June, 2021 – Uasin Gishu County

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

3. Unsupported Accounts Payable

The statement of financial assets and financial liabilities reflects a balance of Kshs.6,908,352 in respect of accounts payables which, as disclosed in Note 12 to the financial statements, comprised of trade creditors of Kshs.3,537,488 and prepaid fees of Kshs.3,370,864. However, the trade creditors were not supported by procurement records and other supporting documents. Further, the list of students in support of the prepaid fees was not provided.

In the circumstances, the accuracy and completeness of the accounts payables could not be confirmed.

4. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,637,329 which, as disclosed in Note 11 to the financial statements, comprised of fees arrears of Kshs.4,632,329, salary advances of Kshs.2,000 and imprests of Kshs.3,000. However, no fees receivables analysis, salary advances staff list and imprests records were provided to support the accounts receivables balance.

In the circumstances, the accuracy and recoverability of the accounts receivables balance of Kshs.4,637,329 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final income budget of Kshs.20,886,807 and actual on comparable basis of Kshs.16,434,290, resulting in an under-funding of Kshs.4,452,517 or 21% of the budget. Similarly, the School spent Kshs.11,697,097 against an expenditure budget of Kshs.20,886,806, resulting in an under-expenditure of Kshs.9,189,709 or 44% of the budget.

The under-funding and under-expenditure affected planned activities and may have had a negative impact on service delivery by the School.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

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 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

Whereas the Management presented the annual report and financial statements covering eighteen (18) months as required for period 2020-2021 which included comparatives for 2019-2020. No disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period. In several other instances the headings read for 'year ended' instead of 'for the eighteen (18) months period'.

In the circumstances, Management did not comply with the guidelines given by Public Sector Accounting Standards Board (PSASB).

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, based on the audit procedures performed, except for the matter 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 governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy

During the year under review, the School did not have a Risk Management Policy in place and therefore had no approved processes and guidelines on how to mitigate operational, legal and financial risks, contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies.

In the circumstances, the effectiveness of risk management in the School 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 controls, risk management and governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing 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 the 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 manner.

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicated with the 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.


 CPA Nancy Gathungu, CBS
AUDITOR- GENERAL

Nairobi

11 October, 2023

**SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements
For the year ended 30th June 2021

**STATEMENT OF RECEIPTS AND PAYMENTS FOR THE 18MONTHS ENDED 30TH
JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,616,017.25	-
Capitation grants for operations	2	10,463,734.46	-
School Fund Income- Parents' Contributions	3	26,972,159.03	-
School Fund Income- Other receipts	4	5,119,886.00	-
Proceeds from borrowings			
TOTAL RECEIPTS		44,171,796.74	-
PAYMENTS			
Payments for Tuition	5	2,917,760.53	-
Payments for operations	6	14,795,456.00	-
Boarding and school fund payments	7	21,517,683.00	-
TOTAL PAYMENTS		39,230,899.53	-
SURPLUS/DEFICIT		4,940,897.21	-

The accounting policies and explanatory notes to these financial statements for an integral part of the financial statements. The report covers the six months for the period ended 30th June 2021 and accompanying comparatives cover the twelve months period ended 31st December 2020.

The financial statements should be read in conjunction with the accompanying notes.


.....
Mr. Silas Simatwo

Chair,
Board of Management

Sugoi Girls High School

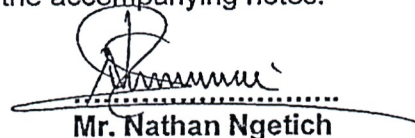
Date: 03/07/2023


.....
Mrs. Milcah Misoi

Secretary,
Board of Management
/Principal

Sugoi Girls High School

Date: 03/07/2023


.....
Mr. Nathan Ngetich

Finance Officer

Sugoi Girls High School

Date: 03/07/2023

**SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements
For the year ended 30th June 2021

**STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR THE
PERIOD ENDED 30TH JUNE 2021**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	7,880,095.17	6,957,591.47
Cash Balances	9	268,324.41	9,242.09
Short term Investment	10	-	-
Total Cash and Cash Equivalents		8,148,419.58	6,966,833.56
Account's receivables	11	4,637,329.00	2,125,616.47
TOTAL FINANCIAL ASSETS		12,785,748.58	9,092,450.03
FINANCIAL LIABILITIES			
Accounts Payable	12	6,908,351.50	8,155,950.00
NET FINANCIAL ASSETS		5,877,397.08	936,500.03
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	936,500.03	936,500.03
Surplus/Defict for the year		4,940,897.21	-
NET FINANCIAL POSITION		5,877,397.24	936,500.03


.....
Mr. Silas Simatwo

Chair,
Board of Management

Sugoi Girls High School

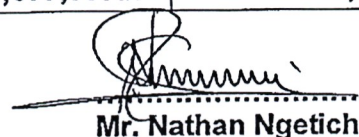
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Sugoi Girls High School

Date: 03/07/2023

**SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements
For the year ended 30th June 2021

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


		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	1,616,017.25	-
Capitation grants for operations	2	10,463,734.46	-
School fund income- Parents contributions fees	3	27,836,310.00	-
School fund income- other receipts	4	5,119,886.00	-
Total receipts		45,035,947.71	-
Payments			
Payments for Tuition		2,917,760.53	-
Payments for operations		14,795,456.00	-
Boarding and school fund payments		26,141,145.00	-
		43,854,361.53	-
Net cash flow from operating activities		1,181,586.18	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM BORROWING ACTIVITIES		1,181,586.18	
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		1,181,586.18	-
Cash and cash equivalent at BEGINNING of the year	10	6,966,833.56	6,966,833.56
Cash and cash equivalent at END of the year		8,148,419.74	6,966,833.56

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

**SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
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For the year ended 30th June 2021

TRIAL BALANCE AS AT 30TH JUNE, 2021

		DR	CR
Cash and Cash equivalents			
	Bank Balances	7,880,095	
	Cash Balances	268,324	
	Short term investments	-	
	Receivables	4,637,329	
Payments			
	Payments for Tuition	2,917,761	
	Payments for operations	14,795,456	
	Boarding and school fund payments	21,517,683	
Receipts			
	Capitation grants for tuition		1,616,017
	Capitation grants for operations		10,463,734
	School Fund Income- Parents' Contributions		26,972,159
	School Fund Income- Other receipts		5,119,886
	Proceeds from borrowings		
Prior Year Adjustment			
	Fund Balance b/f		936,500
	Payables		6,908,352
TOTAL		52,016,648	52,016,648


.....
Mr. Silas Simatwo
Chair,
Board of Management

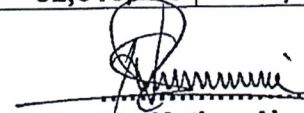
Sugoi Girls High School

Date: 03/07/2023


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Mrs. Milcah Misoi
Secretary,
Board of Management
/Principal

Sugoi Girls High School

Date: 03/07/2023


.....
Mr. Nathan Ngetich

Finance Officer

Sugoi Girls High School

Date: 03/07/2023

SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

III. 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	Kshs	
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Teaching Learning Materials	52,780.97	-	52,780.97	52,780.97	-	100%
Chalk	17,592.65	-	17,592.65	17,592.65	-	100%
Exam & Assessment	105,560.93	-	105,560.93	105,560.93	-	100%
Exercise Books	249,134.86	-	249,134.86	249,134.86	-	100%
Laboratory Equipment	225,890.86	-	225,890.86	225,890.86	-	100%
Library Reference	52,780.98	-	52,780.98	-	52,780.98	-
SUB-TOTAL	703,741.25		703,741.25	650,960.27	52,780.98	92.50%
(2) CAPITATION GRANT ON OPERATIONS						
Local, Transport & Travelling	416,455.10	-	416,455.10	342,122.60	74,332.50	82.16%
Electricity, Water & Conservancy	832,910.18	-	832,910.18	684,245.18	148,665.00	82.16%
Repair, Maintenance & Improveme	2,169,028.00	-	2,169,028.00	1,691,014.00	478,014.00	77.97%
Activity (i)	-	-	-	-	-	-
Medical/Insurance	-	-	-	-	-	-
Personal Emoluments	1,665,820.08	-	1,665,820.08	1,368,490.08	297,330.00	82.16%
Administration Costs	416,455.10	-	416,455.10	342,122.60	74,332.50	82.16%
SUB-TOTAL	5,500,668.46		5,500,668.46	4,427,994.46	1,072,674.00	80.50%

SUGOI GIRLS HIGH SCHOOL
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Reports and Financial Statements
For the year ended 30th June 2021

(3) FEES CHARGED ON PARENTS									
Boarding, Equipment & Stores	6,374,885.00	-	6,374,885.00	5,903,798.97	471,086.03	93.0%			
Local, Transport & Travelling	502,041.00	-	502,041.00	436,038.00	66,003.00	86.86%			
Electricity, Water & Conservancy	821,751.00	-	821,751.00	699,793.00	121,958.00	85.16%			
Repair, Mainte & Improvement	502,600.00	-	502,600.00	441,786.00	60,814.00	87.90%			
Activity (ii)	-	-	-	-	-	-			
Personal Emoluments	1,505,776.00	-	1,505,776.00	1,243,211.47	262,564.53	82.57%			
Administration Costs	410,643.00	-	410,643.00	353,377.50	57,265.50	86.06%			
SUB-TOTAL	10,117,696.00	-	10,117,696.00	9,078,004.94	1,039,691.06	89.73%			
OTHER INCOMES									
Tender	-	-	-	-	-	-			
Damages	-	-	-	-	-	-			
SUB-TOTAL	-	-	-	-	-	-			
INFRASTRUCTURE ACCOUNT									
Extension of Dormitories	3,300,000.00	-	3,300,000.00	1,556,014.00	1,743,986.00	47.16%			
SUB-TOTAL	3,300,000.00	-	3,300,000.00	1,556,014.00	1,743,986.00	47.16%			
PARENTS ASSOCIATION ACCOU									
Bread	511,800.00	-	511,800.00	296,700.00	215,100.00	57.98%			
Renovation	752,900.00	-	752,900.00	424,616.00	329,284.00	56.32%			
SUB-TOTAL	1,264,700.00	-	1,264,700.00	721,316.00	543,384.00	57.04%			
GRANDTOTAL INCOME	20,886,805.71		20,886,805.71	16,434,289.67	4,452,516.04	78.69%			

SUGOI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

EXPENDITURE FOR:										
(1) TUITION ACCOUNT										
Teaching Learning Materials							52,780.97			
Chalk							17,592.65			100%
Exam & Assessment							105,560.93			100%
Exercise Books							249,134.86		96,333.39	61.34%
Laboratory Equipment							225,890.86		21,357.86	90.55%
Library Reference							52,780.98			100%
Bank Charges							-	120.00	-120.00	-
SUB-TOTAL							703,741.25		586,170.00	83.30%
(2) OPERATIONS ACCOUNT										
Local, Transport & Travelling							416,455.10		89,500.00	21.49%
Electricity, Water & Conservancy							832,910.18		349,649.00	41.98%
Repair, Maintenance & Improv.							2,169,028.00		1,556,514.00	71.76%
Activity (i)							-		-	-
Medical/Insurance							-	19,840.00	-19,840.00	-
Personal Emoluments							1,665,820.08		648,874.08	61.05%
Administration Costs							416,455.10		-37,944.90	109.12%
SUB-TOTAL							5,500,668.46		3,486,849.00	63.39%
(3) SCHOOL FUND ACCOUNT										
Boarding, Equipment & Stores							6,374,885.00		3,931,168.00	61.67%
Local, Transport & Travelling							502,041.00		161,191.00	67.90%
Electricity, Water & Conservancy							821,751.00		465,649.00	43.34%
Repair, Maintenance & Improvemen							502,600.00		396,840.00	21.05%
Activity (ii)							-		-	-
Personal Emoluments							1,505,776.00		-242,018.00	116.08%

**SUGOI GIRLS HIGH SCHOOL,
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021**

Administration Costs	410,643.00	-	410,643.00	633,769.00	-223,126.00	154.34%
Medical	-	-	-	13,040.00	-13,040.00	-
Tender	-	-	-	-	-	-
Damages	-	-	-	-	-	-
SUB-TOTAL	10,117,696.00		10,117,696.00	7,128,483.00	2,989,213.00	70.46%
INFRASTRUCTURE ACCOUNT						
Extension of Dormitories	3,300,000.00	-	3,300,000.00	-	3,300,000.00	0.00%
Bank Charges	-	-	-	1,200.00	-1,200.00	-
SUB-TOTAL	3,300,000.00		3,300,000.00	1,200.00	3,300,000.00	0.04%
PARENTS ASSOCIATION ACCOU						
Bread	511,800.00	-	511,800.00	255,534.00	256,266.00	49.93%
Renovation	782,900.00	-	782,900.00	238,861.00	514,039.00	30.50%
SUB-TOTAL	1,264,700.00		1,264,700.00	494,395.00	770,305.00	39.10%
TOTAL EXPENDITURE	20,886,805.71		20,886,805.71	11,697,097.00	9,189,708.71	56.01%

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

- i. The school has only received 78.69% of the expected revenue from 4th January 2021 to 30th June 2021
- ii. The school has only utilized 56.01% of the fees collected from 4th January 2021 to 30th June, 2021

IV. 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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

1	CAPITATION GRANT FOR TUITION	2020-2021	2019-2020
		Kshs	Kshs
	Exercise books	661,284.86	
	Laboratory equipment	368,981.86	
	Teaching / learning materials	114,546.97	-
	Chalks	38,107.15	-
	Exams and assessment	229,048.43	-
	Reference/Library	114,546.98	-
	Boarding	89,501.00	-
	Total	1,616,017.25	-
2	CAPITATION GRANT FOR OPERATIONS	2020-2021	2019-2020
		Kshs	Kshs
	Personnel Emoluments	3,509,285.08	-
	Maintenance & Improvement	3,733,514.00	-
	Local Transport & Travelling	738,372.60	-
	Electricity Water & Conservancy	1,477,190.18	-
	Medical	89,000.00	-
	Administration Costs	738,372.60	-
	Activity	178,000.00	-
	Total	10,463,734.46	-

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3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT			
		2020-2021	2019-2020
		Kshs	Kshs
	Personnel emoluments	3,396,000.94	-
	Fee on Boarding Equipment and Stores	14,993,773.09	-
	Lunch Programme		
	Repair, Maintenance & Improvement	2,558,869.00	-
	Local transport / travelling	1,179,057.00	-
	Electricity and water	1,541,070.00	-
	Administration costs	2,450,104.00	-
	Activity	853,285.00	-
	Total	26,972,159.03	-
4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT			
		2020-2021	2019-2020
		Kshs	Kshs
	Income from farming activities	422,944.00	
	Insurance compensation		
	Income from Posho mill		
	Income from Bread	1,093,428.00	
	Income from Bus Hire	5,000.00	
	Fee for hire of ground and equipment		
	Income from grants and donations*	3,598,514.00	
	Tender fees		
	Total	5,119,886.00	-

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5 PAYMENTS FOR TUITION			
		2020-2021	2019-2020
		Kshs	Kshs
	Textbooks	146,500.00	-
	Exercise Books	1,858,384.00	-
	Laboratory Equipment and Chemicals	446,160.00	-
	Chalks	17,592.65	-
	Teaching / learning materials	52,780.97	-
	Exams and assessment	229,048.93	-
	Library/reference materials	99,292.98	-
	Boarding	67,761.00	-
	Administration Costs	240.00	-
	Bank Charges		-
	Total	2,917,760.53	-
6 PAYMENTS FOR OPERATIONS			
		2020-2021	2019-2020
		Kshs	Kshs
	Personnel emoluments	3,267,758.00	-
	Service Gratuity		-
	Administration Cost	858,103.00	-
	Maintenance & improvements	3,337,714.00	-
	Other Voteheads		-
	Local transport / travelling	335,840.00	-
	Electricity and water	718,694.00	-
	H/Science	4,190.00	-
	Medical	52,632.00	-
	Bank Charges		-
	Acquisition of Assets	6,220,525.00	-
	TOTAL	14,795,456.00	-

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7	BOARDING AND SCHOOL FUND PAYMENTS		2020-2021	2019-2020
			Kshs	Kshs
	Personnel emoluments		2,238,255.00	-
	Repair, Maintenance & Improve.		2,485,557.00	-
	Local transport / travelling		1,024,139.00	-
	Electricity and water		1,143,657.00	-
	Medical Expenses		15,540.00	-
	Administration costs		1,500,531.00	-
	Lunch Programme			-
	ICT		24,000.00	
	Bank Charges			-
	Expenses on Income Generating Activities		1,727,625.00	-
	Fee on Boarding Equipment and Stores		11,029,767.00	-
	Activity Expenses		243,940.00	-
	Insurance Cost		84,672.00	
	Acquisition of Assets			-
	TOTAL		21,517,683.00	-

8	BANK ACCOUNTS		2020-2021	2019-2020
			Kshs	Kshs
		Name of Bank, Account No. & currency	Bank Account Number	
	Tuition Account		24,764.75	15,492.50
	Operations Account		1,649,533.90	100,102.45
	School Fund Account/Boarding		1,804,403.52	902,233.52
	Savings Account		508,754.00	460,323.00
	Parent Association Dev. A/C		1,058,976.00	286,266.00
	Infrastructural Account		2,833,663.00	5,193,174.00
	Total		7,880,095.17	6,957,591.47

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9 CASH IN HAND			
Description		2020-2021	2019-2020
		Kshs	Kshs
	Tuition Account	-	-
	Operation Account	82,229.00	5,357.00
	School Fund account	186,095.41	3,885.09
	Parent Association Dev. A/C	-	-
	Infrastructural Account	-	-
	Total	268,324.41	9,242.09
10 SHORT TERM INVESTMENTS			
Description		2020-2021	2019-2020
		Kshs	Kshs
	Cooperative shares	-	-
	Treasury Bills	-	-
	Fixed deposit	-	-
	Equity stock	-	-
	Other investments	-	-
	Total	-	-
11 ACCOUNTS RECEIVABLE			
Description		2020-2021	2019-2020
		Kshs	Kshs
	Fees arrears	4,632,329.00	2,124,616.47
	Other non-fees receivables		
	Salary advances	2,000.00	1,000.00
	Imprest	3,000.00	
	Total	4,637,329.00	2,125,616.47

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[Include an ageing of the fees / non fees arrears below]			
Description		2020-2021	2019-2020
		Kshs	Kshs
Fees arrears for current year			-
Fees arrears for the previous year		-	-
Fees arrears for prior periods (over two years)		-	-
Total		-	-
12 ACCOUNTS PAYABLE			
Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		3,537,488.00	4,523,264.00
Prepaid fees		3,370,863.50	3,632,686.00
Retention monies		-	-
Total		6,908,351.50	8,155,950.00
[Include an ageing of the creditor's arrears below]			
Description		2020-2021	2019-2020
		Kshs	Kshs
Trade creditors for current year		-	-
Trade creditors for the previous year		-	-
Trade creditors for prior periods (over two years)		-	-
Total		-	-

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13	FUND BALANCE BROUGHT FORWARD			
	Description		2020-2021	2019-2020
			Kshs	Kshs
	Bank balances		6,957,591.47	6,957,591.47
	Cash balances		9,242.09	9,242.09
	Short Term Investments			
	Receivables		2,125,616.47	2,125,616.47
	Payables		8,155,950.00	8,155,950.00
	Total		936,500.03	936,500.03

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

15	Biological assets			
	Description	Numbers	2020-2021	2019-2020
			Kshs	Kshs
	Cattle	17	420,000.00	420,000.00
	Goats			
	Trees	230	230,000.00	230,000.00
	Poultry			
	Total		650,000.00	650,000.00

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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	1 Stock/ Inventory			
	Description		2020-2021	2019-2020
			Kshs	Kshs
	Stock/Inventory			
	Stock/ inventory at beginning of the year		1,235,900.00	-
	Stock/ inventory purchased during the year		36,127,560.00	-
	Stock/ inventory issued during the year		33,867,471.00	-
	Balance at end of the year		3,495,989.00	1,235,900.00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE						
S/no	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2021	Comment
		Kshs	Kshs	Kshs	Kshs	
		a	b	c	d=a-c	
a	Supply of Goods					
	School Fund Account					
1	Fire Masters	141,580.00			141,580.00	
2	Tilya SHG	78,070.00			78,070.00	
3	Isaac Kemboi	22,000.00			22,000.00	
4	Sarah Boit	29,700.00			29,700.00	
5	Talent Accessories	29,700.00			29,700.00	
6	Sugoi Girls	154,310.00			154,310.00	
7	Emmanuel Akoth	93,000.00			93,000.00	
8	Famco Enterprises	54,600.00			54,600.00	
9	Nakuru Wool Shop	49,500.00			49,500.00	
10	Kelite Technologies	3,500.00			3,500.00	
11	Choronok Wholesalers	125,000.00			125,000.00	
12	Dais Insurance Agency	84,672.00			84,672.00	
13	Lydia Maritim	53,700.00			53,700.00	
14	Monicah Chebet	160,000.00			160,000.00	
15	Maco Garments Enter	68,000.00			68,000.00	
16	Kindo Lab Enterprises	35,000.00			35,000.00	
17	Joseph Koech	33,125.00			33,125.00	
18	Starfirm Construction	82,650.00			82,650.00	
	Sub-Total (A)	1,298,107.00			1,298,107.00	
b	Supply of Services					
	Infrastructure Account					
1	Raywills Enterprises	270,652.00			270,652.00	
2	Sulo Electricals	6,110.00			6,110.00	
	Sub-Total (B)	276,762.00			276,762.00	

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c	Supply of Goods				
	Parents Association Account				
1	Paul's Bakery	491,091.00		491,091.00	
2	Starfirm Construction	19,762.00		19,762.00	
	Sub-Total (C)	510,853.00		510,853.00	
d	Supply of Goods				
	Tuition Account				
1	Eldoline Enterprises	467,400.00		467,400.00	
2	Spearhead Enterprises	646,239.00		646,239.00	
3	Remo Chemicals	191,627.00		191,627.00	
4	Ronzap Supplies	77,500.00		77,500.00	
5	Destiny Paper Works	69,000.00		69,000.00	
	Sub-Total (D)	1,451,766.00		1,451,766.00	
	Grand Total (E=)	3,537,488.00		3,537,488.00	

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ANNEX 2 - SUMMARY OF FIXED ASSETS REGISTER

S/No	Asset class	Date purchased	Historical Cost b/f	Historical Cost c/f
			Kshs Cts	Kshs Cts
1	Land	Balance b/f 01/01/2021	30,000,000.00	30,000,000.00
2	Buildings and Structures	Balance b/f 01/01/2021	65,000,000.00	65,000,000.00
3	Motor Vehicles	Balance b/f 01/01/2021	8,900,000.00	8,900,000.00
4	Office Equipment, Furniture and Fittings	Balance b/f 01/01/2021	530,800.00	530,800.00
5	ICT Equipment and Other ICT Assets	Balance b/f 01/01/2021	1,976,000.00	1,976,000.00
6	Tools and Apparatus	Balance b/f 01/01/2021	1,761,000.00	1,761,000.00
7	Textbooks	Balance b/f 01/01/2021	4,738,682.00	4,738,682.00
8	Other Machinery and Equipment	Balance b/f 01/01/2021	1,397,000.00	1,397,000.00
9	Intangible Assets-Software	Balance b/f 01/01/2021	149,360.00	149,360.00
			114,452,842.00	114,452,842.00