

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

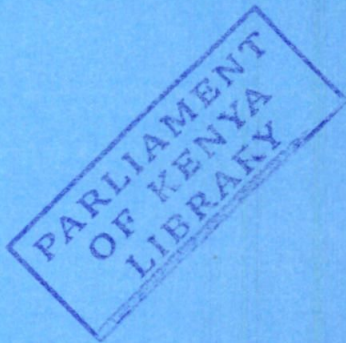
**THE AUDITOR-GENERAL**

**ON**

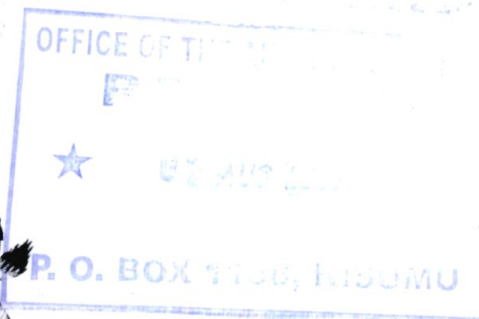
**VIHIGA FRIENDS HIGH SCHOOL**

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

**VIHIGA COUNTY**



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 APR 2025	DAY: THURSDAY
TABLED BY: HON. SILVANUS OSURO MP	MAJORITY PARTY WHIP
CLERK AT THE TABLE: INZOFU MWALE	



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**VIHIGA FRIENDS HIGH SCHOOL**  
**SIX MONTHS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED**  
**30<sup>TH</sup> JUNE 2021**

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

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**1. Acronyms and Glossary of Terms**

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

2. 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 VIHIGA County, VIHIGA Sub-County

The school was registered in 05/1964 under registration number GP/A/5008/07 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 1957 number of students as at 30<sup>th</sup> June 2023. It has 8 streams and 73 teachers of which 28 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:

1	Mr. Shera Didi	Chairman	28/5/2019
2	Mr. Daniel Mwachi	Secretary - Principal	
3	Mr. James Oyundi	Member	28/5/2019
8	Dr. Robert Kati	Member – Rep CEB	28/5/2019
9	Mr. Indusa Kiraho	Member Rep Teachers	28/5/2019
10	Mrs. Janet Agoi Mr. Maxwell Shera Didi	3 Members - Sponsor	28/5/2019
	Mr. Dan Mulupi Sabwa		28/5/2019
	Ms. Jerita Muyale		28/5/2019
	Mr. John Ogada Muhando		28/5/2019
	Mr. Charles Omware		28/5/2019
	Mr. Benard Mahagwa		28/5/2019
11	Mr. Manoah Indusa	Member - Community	28/5/2019
12	Ms. Ebby Sagala	Member Special Needs	28/5/2019
	Mr. Dan Mulupi	Rep Students	28/5/2019

**The functions of the School Board of Management are to:**

- 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 paragraph 21 and 23 of the Basic Education Act, 2013.

**(a) Committees of the Board**

1	<b>Executive Committee</b>	<b>1. Mr. Shera Didi</b> <b>2. Mr. Daniel Mwachi</b> <b>3. Mr. James Oyundi</b> <b>4. Mrs. Janet Agoi</b> <b>5. Ms. Jerita Muyale</b>	<b>Chairman</b> <b>BOM Secretary</b> <b>Member</b> <b>Member</b> <b>Member</b> "	3
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Dr. Robert Kati Mr. Daniel Mwachi Mr. James Oyundi Mr. Kennedy Okila Ms. Ebby Sagala Ms. Eunice Lubekho Mr. Manoa Adamba Mr. Willis Kibira	<b>Chairman</b> <b>BOM Secretary</b> <b>Member</b> <b>Member</b> <b>Member</b> "	3
4	Academic Committee	Mr. Benard Busaka Mr. Daniel J. Mwachi Mr. Kennedy Okila Mr. John Ogada Ms. Jerita Muyale Mr. Indusa Kiraho	<b>Chairman</b> <b>BOM Secretary</b> <b>Member</b> <b>Member</b> <b>Member</b> "	1

			”	
5	Development Committee	Mr. Manoah Adamba Mr. Shera Didi Mr. Daniel Mwachi Mrs. Jerita Muyale Mr. Kennedy Okila Mr. Charles Omware Mr. Kennedy Onduru Mr. Khaemba Daniel	<b>Chairman</b> <b>BOM Chair</b> <b>BOM Secretary</b> <b>Member</b> <b>Member</b> <b>Member</b> <b>Member</b> <b>Member</b> <b>Member</b> SCDE Vihiga Sub-	4
6	Discipline and welfare Committee	Mrs. Janet Agoi Mr. Daniel Mwachi Mr. James Oyundi Mr. John Ogada Ms. Jerita Muyale Mr. Willis Kibira	<b>Chairman</b> <b>BOM Secretary</b> <b>Member</b> <b>Member</b> <b>Member</b> ” ” ”	5
7	Adhoc Committee (if any during the year)			

**(b) School operation Management**

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

Ref.	Designation	Name	Identification
1	Principal	Daniel J. Mwachi	TSC No. 306494
2	Deputy Principal	Daniel Khaemba	TSC No. 390463
3	School Bursar	Jared Omunyole Ochieng	ICPAK No.

**(c) Schools contacts**

Post Office Box: 140, Maragoli  
Telephone: 0717582574  
E-mail: vihigaschool@gmail.com  
Website: www.vihigaboys.ac.ke  
Facebook:  
Twitter:

**(c) School Bankers**

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

1. Name of Bank: KCB  
Branch: Mbale  
Account Number: 1102382272 – B.E.S. account
2. Name of Bank: KCB  
Branch: Mbale  
Account Number: 1102382116 – Operations account
3. Name of Bank: KCB  
Branch: Mbale  
Account Number: 1102368237 – Tuition account
4. Name of Bank: KCB  
Branch: Mbale  
Account Number: 1282360744 – Income Generating account
5. Name of Bank: KCB  
Branch: Mbale  
Account Number: 1277873321 – Service Gratuity account
6. Name of Bank: KCB  
Branch: Mbale  
Account Number: 1240965159 – Project Management Committee account
7. Name of Bank: Equity  
Branch: Mbale  
Account Number: 0960294579786 – School Infrastructure account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

**(d) 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**

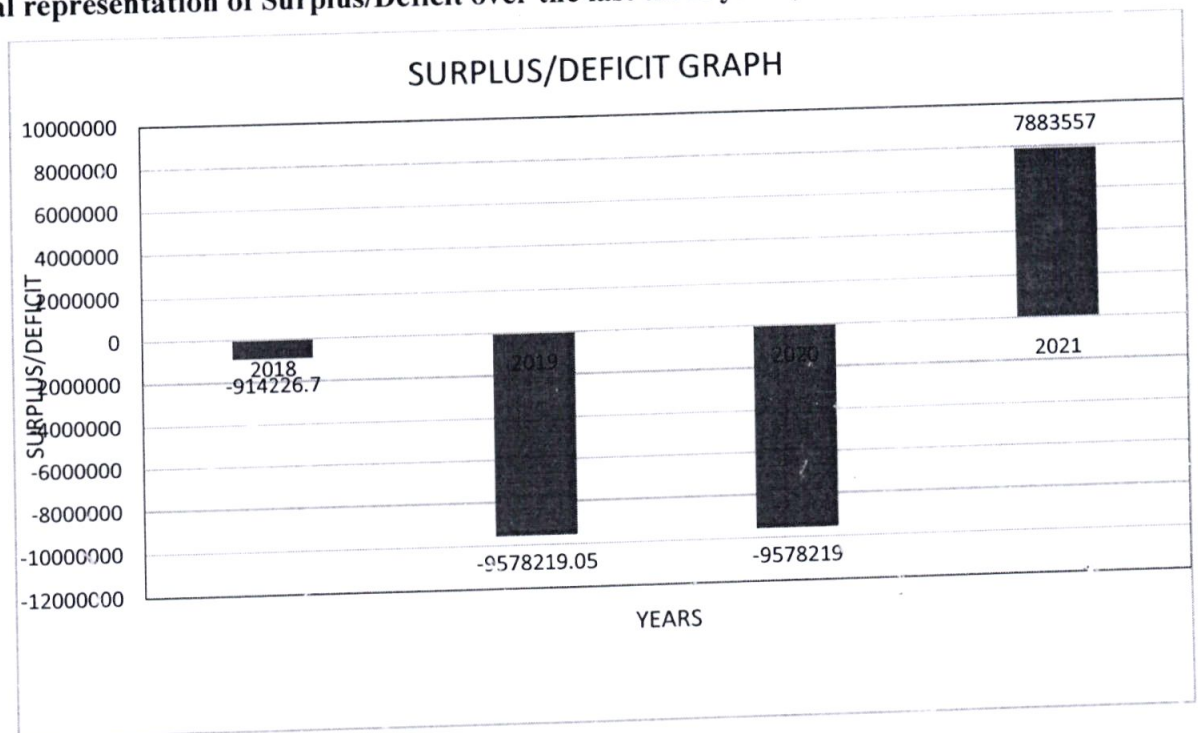
3. The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

Surplus / deficit analysis

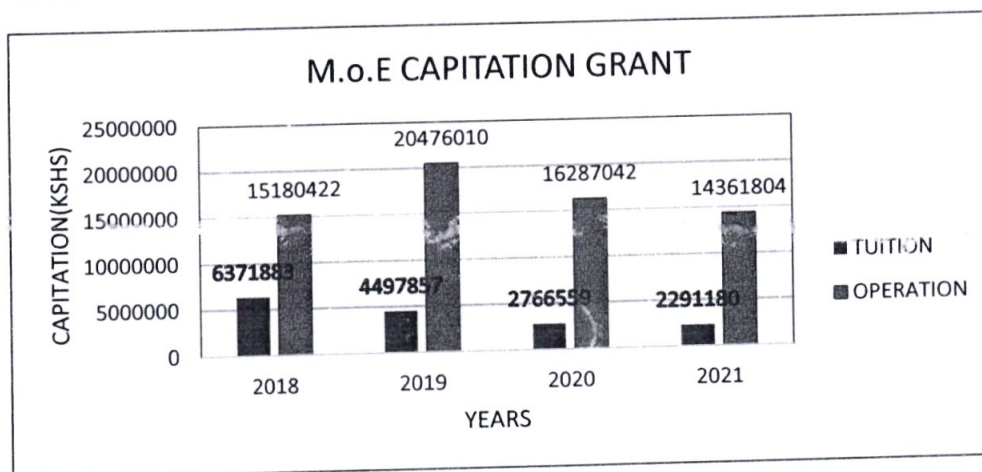
YEAR	DEC 2018	DEC 2019	DEC 2020	JUNE 2021
SURPLUS/DEFICIT	(914,226.70)	(9,578,219.05)	(1,965,759.76)	7,883,557.00

Graphical representation of Surplus/Deficit over the last three years;



Capitation Grants from M.o.E. for the last three years

YEAR	2019	2020	2021
TUITION ACCOUNT	4,497,847.10	2,766,559	2,291,180.75
OPERATIONS ACCOUNT	20,476,010.50	16,287,042	14,361,804.45

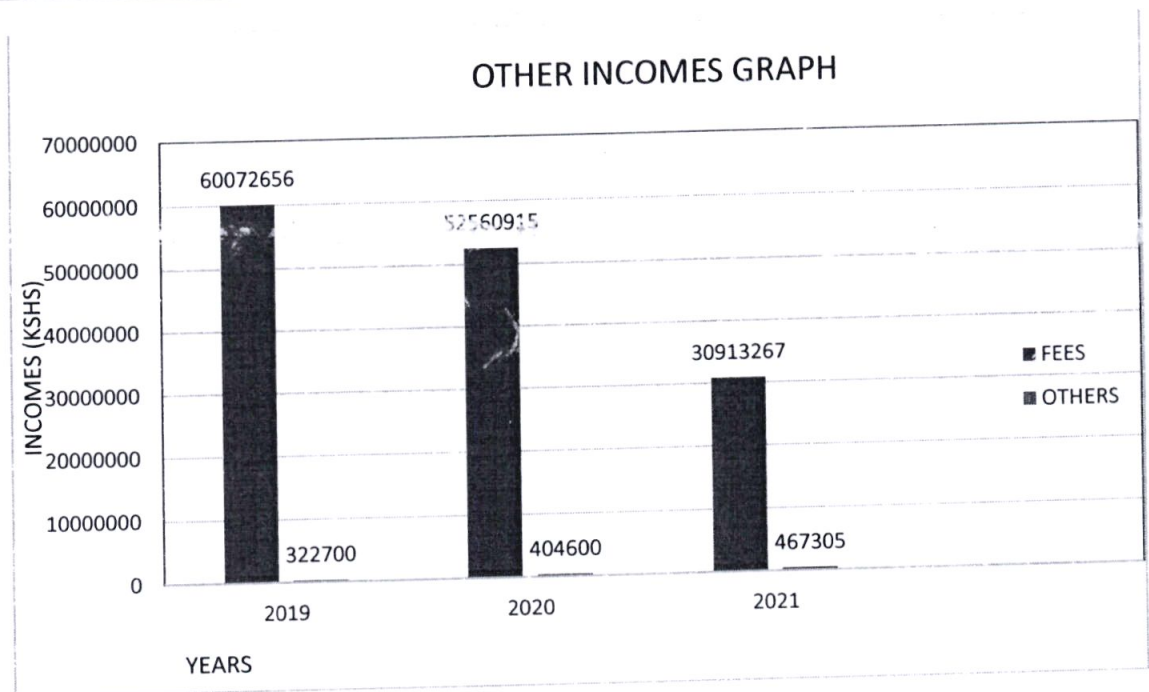


Ratio of capitation grant per student over the last three years;

YEAR	2019	2020	2021
CAPITATION	1: 18,136.50	1:11,110	1:9,659.50

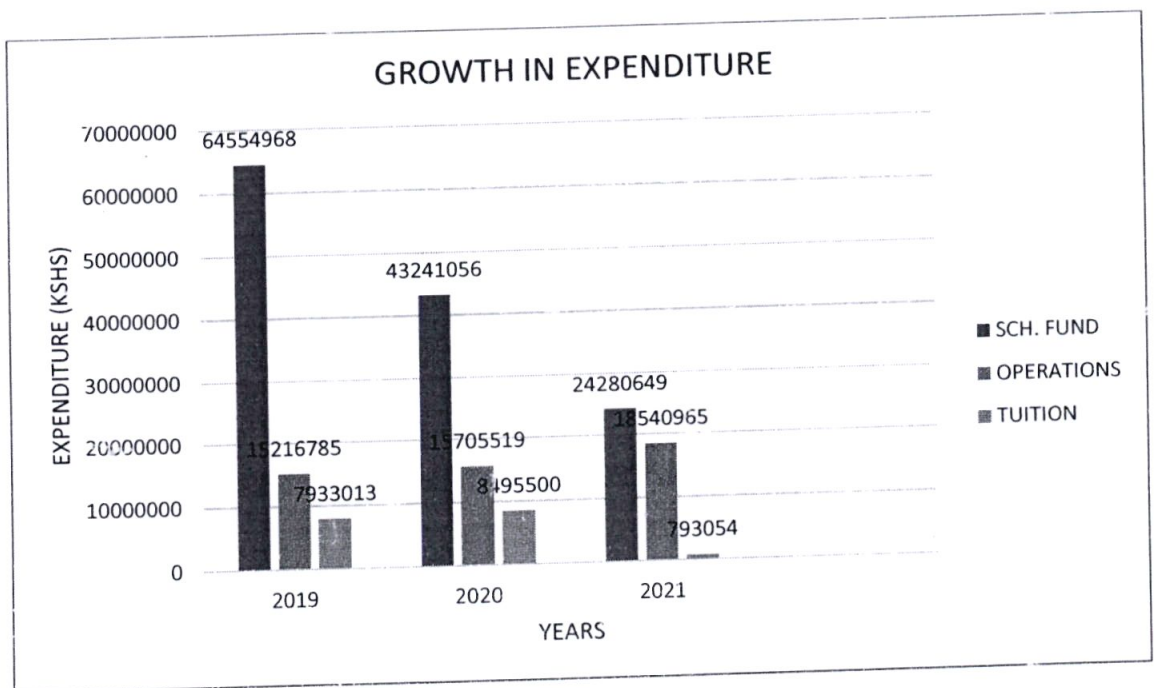
A three-year overview of growth of other income(s) earned by the school

YEAR	PARENTS FEES	HOUSE RENT	FARM INCOME	BAKERR	BUS HIRE
2019	60,072,656	201,800	12,000	-	108,900
2020	52,560,915	240,400	21,300	142,900	-
2021	30,913,267	163,205	133,950	106,650	63,500



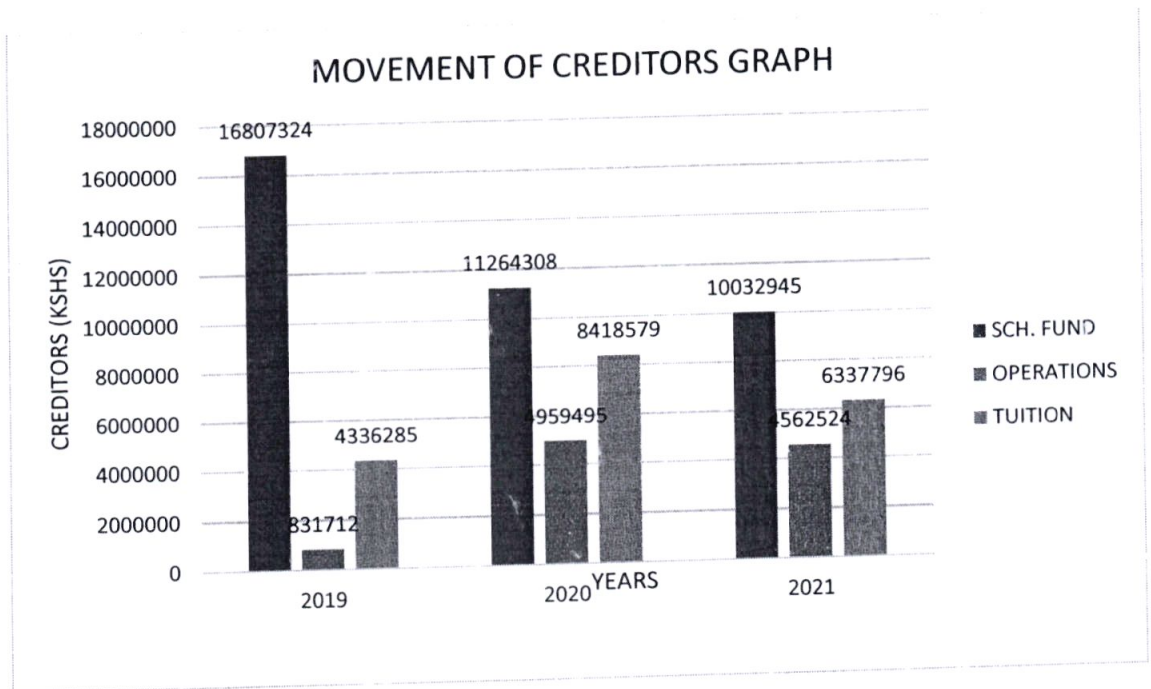
A three-year overview of growth in expenditure of the school

YEAR	SCH. FUND A/C	OPERATIONS A/C	TUITION A/C	TOTAL
2019	64,554,938	15,216,785	7,933,013	87,704,736
2020	43,241,056	15,705,519	8,495,500	97,442,075
2021	24,280,649	18,540,965	793,054	43,614,668



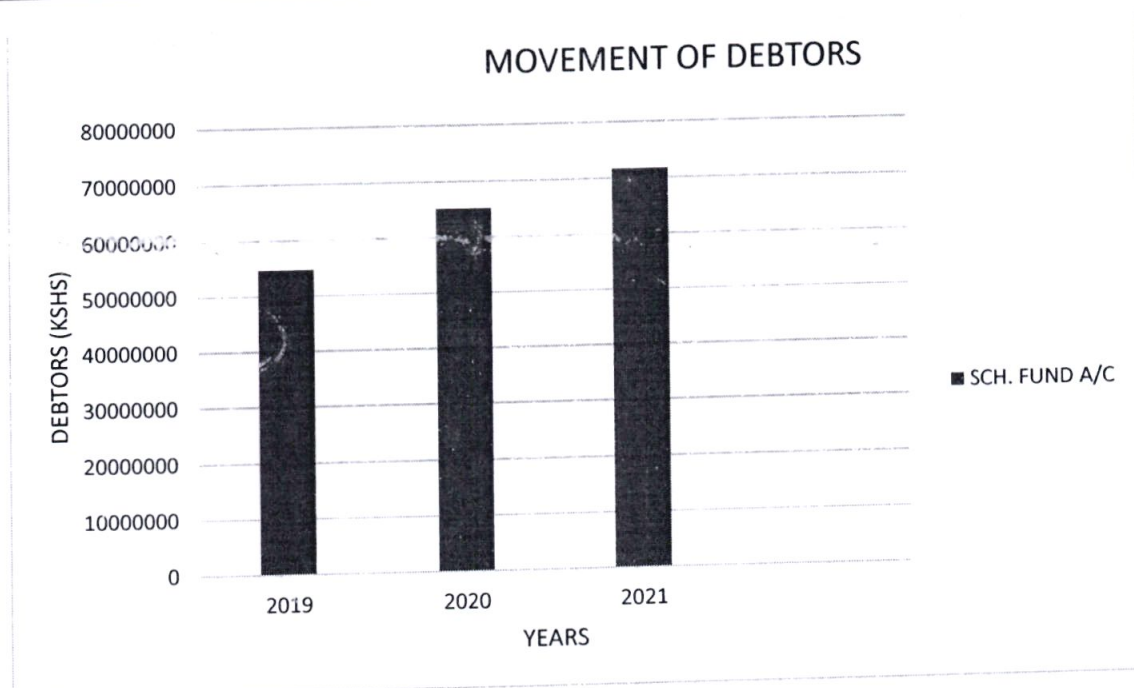
Movement creditors of the school over the last three years

YEAR	SCH. FUND	OPERATIONS	TUITION	TOTAL
2019	16,807,324	831,712	4,336,285	21,975,321
2020	11,264,308	4,959,495	8,418,579	24,642,382
2021	10,032,945	4,562,524	6,337,796	20,933,265



Movement of debtors of the school over the last three years

YEAR	DEBTORS (FEES ARREARS 2007 TO 2021)
2019	54,766,582
2020	65,171,752
2021	71,715,141



Movement of cash and bank balances over the last three years

ACCOUNTS	2019		2020		2021	
	CASH	BANK	CASH	BANK	CASH	BANK
SCH. FUND	95.70	274,859.35	74.40	283,416.89	109420.40	203,905.89
OPERATIONS	772.90	99,949.25	757.90	20,770.25	-	145,004.70
TUITION	-	34,953.60	-	21,336.60	-	3,040.35
<b>TOTAL</b>	<b>868.60</b>	<b>409,792.20</b>	<b>832.30</b>	<b>325,523.74</b>	<b>109420.40</b>	<b>351,950.94</b>

**b) Teacher Student ratio:**

Include the teacher to student ratio – 1: 42

Number of teachers recruited and posted to the school within the year – 1 on TSC and 3 on internship.

Number of teachers that were transferred - 0

Number employed by BOM. - 9

**c) Mean score in the 2020 KCSE:**

Performance of the school over the last three years

YEAR	MEAN SCORE/GRADE	C+ AND ABOVE	DEVIATION
2020	6.9779 – C+	159 out of 272	0.0889
2019	6.889 - C+	137 out of 243	0.9659
2018	5.923 - C	113 out of 312	0.3231

**d) Number of Candidates in the 2020 KCSE:**

Number of candidates sitting for KCSE over the last three years

YEAR	NUMBER OF CANDIDATES
2020	242
2019	243
2018	312

**e) Capacity of the school:**

Indicate the number of students in the school is 1715

Number of :-

Dormitories - 10

Dining hall- 1

Toilets- 56 doors

Laboratories- 4

Classrooms 44

**4. Development projects carried out by the school:**

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources.

**LIST OF COMPLETED AND INCOMPLETE PROJECTS**

**2020/ 2021 PROJECTS**

NO	PROJECT	STATUS	ACCOUNT
1.	6 N <sup>o</sup> Classrooms Storey Block Project	Completed	Infrastructure
2.	3 N <sup>o</sup> Classrooms Additional Storey Project	Completed	Infrastructure
3.	24 Door Pit Latrine	Completed	Infrastructure

**PRINCIPAL**  
VIHIGA FRIENDS HIGH SCHOOL  
P. o. Box 140 - 50300, MARAGOLI

Date.....  
Sign.....

*School Principal*

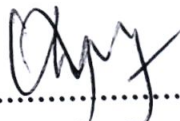
**6. Statement of School Management Responsibility**

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

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

The Board of Management of *Vihiga Friends 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 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.



.....  
**Name: Charles Omware**

**Designation:** Chairman, School Board of Management

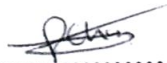
**Date:**



for .....  
**Name: Daniel J. Mwachi**

**Designation:** School Principal & Secretary to Board of Management

**Date:**

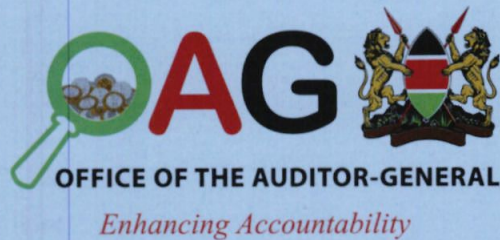


.....  
**Name: Jared Omunyole**

**Designation:** Bursar/ Finance Officer

**Date:**

# REPUBLIC OF KENYA



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Email: 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 VIHIGA FRIENDS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – VIHIGA COUNTY

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Vihiga Friends High School – Vihiga County set out on page 1 to 23, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6)

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*Report of the Auditor-General on Vihiga Friends High School for the Six (6) Months' period ended 30 June, 2021 – Vihiga County*

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 Vihiga Friends High School – Vihiga County for the period ended 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Capitation Grants for Operations**

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.14,489,542 as disclosed in Note 2 to the financial statements. However, the operations bank account reflects receipts totalling Kshs.16,819,488 resulting to an unexplained variance of Kshs.2,329,946.

In the circumstances, the accuracy of capitation grants for operations of Kshs.14,489,542 could not be confirmed.

#### **2. Miscellaneous Income**

##### **2.1 Unsupported Receipts**

The statement of receipts and payments and Note 5 to the financial statements reflects miscellaneous incomes totalling Kshs.910,905. Included in the amount is income from bakery totalling Kshs.106,650. However, Management did not provide the stores ledgers/bin cards/S3, bread production register, bread sales register, cashbook, and bank statements to support the receipts.

In the circumstances, the accuracy and completeness of the miscellaneous income of Kshs.106,650 could not be confirmed.

##### **2.2 Inaccuracies in the Comparative Miscellaneous Incomes**

The statement of receipts and payments reflects a comparative miscellaneous income totalling Kshs.593,500. However, the corresponding Note 5 to the financial statements reflects income totalling to Kshs.2,169,049 resulting to unexplained variance of Kshs.1,575,549.

In the circumstances, the accuracy of the comparative miscellaneous income totalling Kshs.593,500 could not be confirmed.

### **3. Inaccuracies in the Financial Statements**

The statement of receipts and payments reflects payments totalling Kshs.38,789,540. However, the recalculated payments total Kshs.40,429,207 resulting to an unexplained variance of Kshs.1,639,667. In addition, Note 19 to the financial statements on other important disclosures reflects a balance of Kshs.1,958,910 on stock/inventory balance. However, Management did not carry out a stock take at the end of the financial year, while no records were maintained to show the level of stock at the close of financial year. Further, review of the schools fixed asset register revealed that the School has recorded most of the assets. However, the summary of fixed assets register at Annex 2 and the fixed asset register omits critical information on serial numbers of office equipment and other electronic items which were not tagged and does not reflect the cost of the assets.

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

### **4. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects a cash and cash equivalents balance of Kshs.6,642,355. Included in this balance is Kshs.6,532,935 as disclosed in Note 10 to the financial statements on bank balances. However, the cashbook records and bank reconciliation statements for four (4) bank accounts with a balance of Kshs.6,180,984 were not provided for audit. In addition, the balance includes Kshs.109,420 in respect of cash in hand which was not supported with board of survey report.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.6,642,355 could not be confirmed.

### **5. Accounts Receivables**

#### **5.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.72,880,882 as disclosed in Note 13 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.72,880,882 could not be confirmed.

#### **5.2 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.72,880,882 as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.60,246,192 which had been outstanding for more than one (1) year. 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.72,880,882 could not be confirmed.

## **6. Unsupported Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.34,591,842 as disclosed in Note 14 to the financial statements. However, the supporting schedules, detailed aging analysis, ledgers, and unpaid invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.34,591,842 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Vihiga Friends 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 Matter**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.115,040,200 and Kshs.52,884,516 respectively resulting to an under-funding of Kshs.62,155,684 or 54% of the budget. However, the School spent Kshs.60,616,143 against actual receipts of Kshs.52,884,516 resulting to an excess-expenditure of Kshs.7,731,627 or 13% of the actual receipts.

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

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the 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. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.14,489,542 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.8,606,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.5,088,500 was transferred to infrastructure account, leaving a balance of Kshs.3,518,000 as at 30 June, 2021. This is contrary to the provisions of Ministry of Education circular reference number MOE.HQS/3/13/3 dated 16 June, 2021 which require infrastructure funds to be transferred from operations bank account to infrastructure bank account within fifteen (15) days after the receipt.

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

### **2. Irregular Comingling of Funds**

The statement of receipts and payments and Note 5 to the financial statements reflects miscellaneous incomes totalling Kshs.910,905. Included in this amount is Kshs.467,305 in respect of incomes from other activities including rent income, income from farming activities, bakery, and income from bus hire which was banked into the school fund account. This is contrary to the Ministry of Education circular reference number MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day Secondary Education (FDSE) which requires the schools with income generating activities to open separate bank accounts for each stream of income and account for it in accordance with financial regulations.

In the circumstances, Management was in breach of the Ministry of Education Guidelines.

### **3. Irregular Reallocation of Funds**

Review of the NEMIS data against operation account bank statements revealed that the School received operations capitation grants of Kshs.4,457,684. The School was to transfer Kshs.879,000 from the operation account to the infrastructure account. However, on 06 July, 2021, Kshs.2,450,000 was transferred to infrastructure leading to a variance of Kshs.1,571,000. In addition, Kshs.200,000 was transferred from the operations account to the tuition account without approval of the Board of Management. This is contrary to Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 09 January, 2008 and MOE.HQS/3/13/3 dated 16 June, 2021 that directs under the Operations account, schools may seek authority from the CEBs to wire savings or surplus funds from one item to another, when it is absolutely necessary but no virement from the tuition account will be allowed. In addition, virement of funds from infrastructure account is not allowed as guided by Paragraph 3.13 of circular MOE.HQS/3/10/18/ (112).

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

#### **4. Late Submission of Financial Statements for Audit**

During the period under review, Management submitted the financial statements to the Auditor-General on 3 June, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref: MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

#### **5. Long Outstanding Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.34,591,842 as disclosed in Note 14 to the financial statements. However, included in the balance is Kshs.26,335,567 in respect of trade creditors out of which Kshs.4,398,160 which has been outstanding for more than one (1) year while a balance of Kshs.704,145 was outstanding for between two (2) to three (3) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract(s) are reflected in approved budget estimates.

In the circumstances, the School Management was in breach of the law and there is risk of loss of public funds through litigations, interests and penalties.

#### **6. Excess Supply of Books**

During the year/period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed seven thousand and eighty three (7,083) books to the School while only six thousand four hundred and ninety six (6,496) books were issued to the students, resulting to an unexplained excess text books of five hundred and eighty seven (587) books in the School store. Further, some books issued in the financial year 2017/2018 were still lying in the store as they were no longer in use.

In the circumstances, value for money on the excess of five hundred and eighty seven (587) text books could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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 controls 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 controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain 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 to 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**

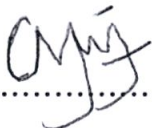
**Nairobi**

**15 January, 2025**

8. Statement Of Receipts and Payments For the Six Months Ended 30<sup>th</sup> June 2021

Description Of Vote Head	Note	Jan-June 2021	2020-2020
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	2,291,181	2,766,559
Government grants for operations	2	14,489,542	16,287,042
Government Grants for infrastructure	3		
School fund income- parents' contributions	4	30,913,987	55,813,155
Miscellaneous incomes	5	910,905	593,500
<b>Total Receipts</b>		<b>48,605,615</b>	<b>75,460,256</b>
<b>Payments</b>			
Tuition	6	793,054	8,495,500
Operations	7	13,458,056.90	15,705,519.00
Infrastructure	8	1,639,667.85	-
Boarding and school fund	9	24,538,429	57,421,083
<b>Total Payments</b>		<b>38,789,540</b>	<b>81,622,102</b>
<b>Surplus/Deficit</b>		<b>8,176,407</b>	<b>(4,586,297)</b>

The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:



Name: Charles Omware

Chair BOM

Date: 30/09/2022

for 

Name: Daniel J. Mwachi  
School Principal/ Secretary to BOM

Date: 30/09/2022



Name: Jared Omunyole

Bursar/ Finance Officer

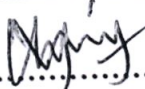
Date: 30/09/2022


(Comparative FY refers to the financial year preceding the current financial year.)


9. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2021

Description			
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	6,532,935	1,928,433
Cash balances	11	109,420	832
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>6,642,355</b>	<b>1,929,265</b>
Account's receivables	13	72,880,882	66,336,850
<b>Total financial assets</b>		<b>79,523,237</b>	<b>68,266,115</b>
<b>Financial liabilities</b>			
Accounts payables	14	34,591,842	31,511,127
<b>Net financial assets</b>		<b>44,931,395</b>	<b>36,754,988</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	36,754,988	41,341,285
Surplus/deficit for the year		8,176,407	(4,586,297)
<b>Net financial position</b>		<b>44,931,395</b>	<b>36,754,988</b>

The school's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
 Name: Charles Omware  
 Chair BOM  
 Date: 30/09/2022

  
 Name: Daniel J. Mwachi  
 School Principal/ Secretary to BOM  
 Date: 30/09/2022

  
 Name: Jared Omunyole  
 Bursar/ Finance Officer  
 Date: 30/09/2022

(Comparative FY refers to the financial year preceding the current Financial year.)

10. Statement of Cash Flows for the Six Months Ended 30<sup>th</sup> June 2021

Description			
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		2,291,181	2,766,559
Government grants for operations		14,489,542	16,287,042
Government grants for infrastructure			
School fund income- parents contributions/ fees		26,462,273	45,092,233
Other income		910,905	2,169,049
<b>Total receipts</b>		<b>44,153,901</b>	<b>66,314,883</b>
<b>Payments</b>			
Cash outflows for tuition		2,893,837	2,780,176
Cash outflows for operations		13,522,371	10,701,236
Cash outflows Boarding/lunch and school fund payments		23,024,603	59,607,923
<b>Total payments</b>		<b>39,440,811</b>	<b>73,089,335</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>4,713,090</b>	<b>(6,774,452)</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>4,713,090</b>	<b>(6,774,452)</b>
Cash and cash equivalent at beginning of the FY		1,929,265	8,703,717
<b>Cash and cash equivalent at end of the FY</b>		<b>6,642,355</b>	<b>1,929,265</b>

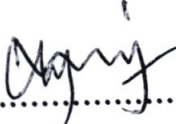
Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

*VIHIGA FRIENDS HIGH SCHOOL*

**Annual Report and Financial Statements For the six months ended 30<sup>th</sup> June 2021**


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

The school's financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
.....  
Name: Charles Omware

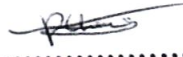
**Chair BOM**

**Date: 30/09/2022**

  
.....  
Name: : Daniel J. Mwachi

**School Principal/ Secretary to BOM**

**Date: 30/09/2022**

  
.....  
Name: Jared Ogunyole

**Bursar/ Finance Officer**

**Date: 30/09/2022**

*(Comparative FY refers to the financial year preceding the current Financial year.)*

Statement Of Budgeted Versus Actual Amounts for The Six Months Ended 30<sup>th</sup> June 2021

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
<b>(1) GOVERNMENT GRANT FOR TUITION</b>							
Textbooks and reference materials	0	-	-	0			
Exercise books	0	-	-	0			
Laboratory equipment	0	-	-	0			
Teaching / learning materials	8,302,919	-	-	8,302,919	2,291,180	6,011,739	27.6%
Chalks	0	-	-	0			
Exams and assessment	0	-	-	0			
reference/Library	0	-	-	0			
<b>TOTAL</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>8,302,919</b>	<b>2,291,180</b>	<b>6,011,739</b>	
<b>(2) GOVERNMENT GRANT FOR OPERATIONS</b>							
Personnel emoluments	9,869,825	-	-	9,869,825		9,869,825	0.0%
Repairs and maintenance	8,575,000	-	-	8,575,000	6,156,500	2,418,500	72.0%
Local transport / travelling	3,143,595	-	-	3,143,595		3,143,595	0.0%
Electricity and water	1,269,000	-	-	1,269,000		1,269,000	0.0%

Medical	0	-	-	0			0.0%
Other Voteheads	6,974,900	-	-	6,974,900	8,205,304	-1,230,404	117.6%
Administration costs	1,838,480	-	-	1,838,480		1,838,480	0.0%
Activity	857,500	-	-	857,500		857,500	0.0%
Gratuity	0	-	-	0			0.0%
SMASSE	0	-	-	0			0.0%
<b>(3) FEES CHARGED ON PARENTS</b>							
Personnel emoluments	5,316,500	-	-	5,316,500	2,407,937	2,908,563	45.0%
Repairs and maintenance	3,430,000	-	-	3,430,000		3,430,000	0.0%
Local transport / travelling	1,800,750	-	-	1,800,750	601,400	1,199,350	33.4%
Electricity and water	5,831,000	-	-	5,831,000	3,383,792	2,447,200	58.0%
Medical	0	-	-	0			0.0%
Administration costs	3,635,800	-	-	3,635,800	3,420,364	215,436	94.0%
Activity	2,154,000	-	-	2,154,000		2,154,000	0.0%
SMASSE	0	-	-	0			0.0%
Fee on Boarding Equipment and Stores	51,009,000	-	-	51,009,000	21,099,774	29,909,226	41.4%
Other Receipts - Arrears				0	4,889,760	-4,889,790	0.0%
<b>OTHER INCOME</b>							
Rent income	133,200	-	-	133,200	124,405	8,795	93.4%
Income from farming activities	550,000	-	-	550,000	133,950	416,050	24.4%
Income from Bus Hire	150,000	-	-	150,000	63,500	86,500	42.3%
Income from Bakery activities	200,000	-	-	200,000	106,650	93,350	53.3%
Income from Grants and Donations	0	-	-	0			
<b>TOTAL INCOME</b>	<b>115,040,200</b>	<b>-</b>	<b>-</b>	<b>115,040,200</b>		<b>62,156,915</b>	<b>46.0%</b>

					52,884,516		
<b>(1) EXPENDITURE FOR TUITION</b>							
Personnel emoluments	14,944,015.00	-	-	14,944,015	8,061,190	6,882,825	69.0%
Repairs, maintenance and improvements	12,005,900.00	-	-	12,005,000	5,645,500	6,359,500	47.9%
Local transport / travelling	4,600,000.00	-	-	4,600,000	2,564,542	2,035,458	55.7%
Electricity, water and conservancy	9,700,000.00	-	-	9,700,000	2,294,485	7,405,515	23.7%
Medical Expenses	950,000.00	-	-	950,000	257,260	692,740	27.0%
Administration costs	10,647,800.00	-	-	10,647,800	5,402,470	5,245,330	50.7%
Activity	800,000.00	-	-	800,000	-	800,000	0.0%
Gratuity	1,784,885.00	-	-	1,784,885	440,290	14,955,660	24.7%
Boarding Equipment and Stores	47,684,000.00	-	-	47,684,000	16,739,660	30,944,340	35.0%
Expenditure for Income Generating Activity	335,000.00	-	-	335,000	26,670	308,330	8.0%
Exercise Books	2,560,000.00	-	-	2,560,000	-	2,560,000	0.0%
Examination and Assessment	5,457,500.00	-	-	5,457,500	382,380	5,075,120	7.0%
Laboratory Materials	2,900,000.00	-	-	2,900,000	342,318	2,557,682	12.0%
Bank Charges	0.00	-	-	0	7,996	-7,996	0.0%
Teaching & Learning Materials	460,000.00	-	-	460,000	67,360	392,640	14.6%
Chalks and Markers	212,000.00	-	-	212,000		212,000	0.0%
Acquisition of Assets	0.00	-	-	0		0	0.0%

*VIHIGA FRIENDS HIGH SCHOOL*

**Annual Report and Financial Statements For the six months ended 30<sup>th</sup> June 2021**

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Other Payments -Creditors	0.00	-	-	0	18,384,022	18,384,022	0.0%
<b>TOTAL</b>	<b>115040200.00</b>	<b>-</b>	<b>-</b>	<b>115,040,200</b>	<b>60,616,143</b>	<b>68,035,122</b>	<b>53.0%</b>



## 11. 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

### 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.



Officially recognized by the National Education Association

**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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**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 30<sup>th</sup> June 2021



12. Notes To The Financial Statements

1 Government Grants for Tuition

Reference Materials		
	606,855	
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	1,684,326	2,695,059
Stationery		71,500
<b>Total</b>	<b>2,291,180</b>	<b>2,766,559</b>

*\*Include others as per MOE circulars*

2 Government Grants for Operations

Description	30 June, 2021	
Personnel emoluments	-	4,155,812
Repairs and maintenance	104,127	6,341,500
Local transport / travelling	-	445,575
	-	2,185,710
Electricity and water		840,000
Smasse		274,200
Medical	-	1,015,995
Administration costs	6,156,500	
Other Voteheads	8,205,304	
Food stuffs	23,610	
Activity		1,028,250
<b>Total</b>	<b>14,489,542</b>	<b>16,287,042</b>

**3 Government Grants for infrastructure**

Description		
Maintenance & Improvement	xxx	xxx
Transition infrastructure grants	xxx	xxx
Administration Block	xxx	xxx
Economic stimulus grants	xxx	xxx
Other (specify) (NGCDF and County govt.	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**4 School Fund Income - Parents Contribution/Fees**

Description		
Fee on Boarding Equipment and Stores	21,100,494	33,270,678
Personnel emoluments	2,407,937	4,003,999
Repairs and maintenance	-	4,284,800
Local transport / travelling	601,400	1,306,258
Electricity and water	3,383,792	5,735,000
Administration cost	3,420,364	3,692,700
Medical	-	25,000
Infrastructure	-	3,252,240
Activity	-	242,480
<b>Total</b>	<b>30,913,986</b>	<b>55,813,155</b>

*\*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

## 5 Miscellaneous Incomes

Description	Jan-June 2021 KSh	2020-2021 KSh
Rent income	163,205.	240,400
Income from farming activities	133,950	21,300
Bakery	106,650	142,900
Uniform income		176,100
Income from Bus Hire	63,500	-
Income from IGA Account	420,000	-
examination income	-	12,800
Loss recovery	23,600	-
development fund-vihiga national government	-	1,575,549
<b>Total</b>	<b>910,905</b>	<b>2,169,049</b>

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

\*Ensure proper authorization from MOE before obtaining loans/borrowings.

\*Indicate what other income relates to including income arising from writebacks if any.



Notes to the Financial Statements (continued)

6 Tuition

Text books		5,530,196
Exercise books		976,984
Laboratory equipments and apparatus	342,318	1,603,899
Teaching/learning materials	67,360	-
chalks		307,500
Internal exams		70,000
Stationery	382,380	6,921
Bank charges	996	-
<b>TOTAL</b>	<b>793,054</b>	<b>8,495,500</b>

7 Operations

Personal Emoluments	7,057,877	3,973,419
Electricity Water and Conservancy	436,675	1,356,900
Administration Cost	2,595,852	3,328,511
Repairs and maintenance & improvements	1,499,760	
Local transport / travelling	978,879	2,153,262
Service Gratuity	440,290	-
Food stuff	9,780	
Equity savings account		40,295
Medical	-	2,366,671
Activity Expenses	381,500	2,482,180
construction of six class rooms & 24 door latrines	-	-
Covid-19 expenses	55,500	4,281
Bank Charges	1,943	-
ablution block	-	-
class rooms 2units	-	-
<b>TOTAL</b>	<b>13,458,056</b>	<b>15,705,519</b>

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Notes to the Financial Statements (continued)

8 Infrastructure

construction of six class rooms & 24 door latrines	1,639,668	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Others (specify)	-	-
<b>Total</b>	<b>1,639,668</b>	<b>-</b>

9 Boarding And School Fund

Activity		265,480
sale of borehole water	-	
Bus hire	-	
farm	26,670	69,300
Local transport / travelling	1,585,663	1,521,023
Personnel emoluments	1,003,313	8,216,263
development fund expenditure		-
Repairs and maintenance & Improvements	-	1,173,280
uniform expenses	-	-
Electricity and water	1,857,810	2,809,746
Medical Expenses	257,260	23,700
Administration costs	2,806,613	2,456,456
insurance expenses		-
bank charges	-	726
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	16,748,301	26,955,109
Rent Expenses	38,800	-
Construction of latrines	-	1,380,000
Equity savings account	-	12,550,000
Refunds	213,994	-
examination expense		-
<b>TOTAL</b>	<b>24,538,429</b>	<b>57,421,083</b>

(Expenses on income generating activities\*\* should include all costs relating to the school earnings on miscellaneous

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*VIHIGA FRIENDS HIGH SCHOOL*

**Annual Report and Financial Statements For the six months ended 30<sup>th</sup> June 2021**

**Notes to the Financial Statements (continued)**

**10 Bank Accounts**

Tuition Account	Active	1102368237	3,040	21,336
Operations Account	Active	1102382116	145,004	20,770
School Fund Account/Boarding	Active	1102382272	203,905	283,636
Savings Account/Gratuity	Active	1277873321	1,448,425	1,407,865
Infrastructural Account	Active	0960294579786	4,108,016	-
PMC Account	Dormant	1240065159	194,823.	194,823
Income Generating Activities Account	Active	1282360744	429,720	
<b>Total</b>			<b>6,532,935</b>	<b>1,928,433</b>

**11 Cash In Hand**

Tuition Account			758
Operation Account		-	74
School Fund account		109,420	832
<b>Total</b>		<b>109,420</b>	

**12 Short Term Investments**

Cooperative Shares		-	-
Treasury Bills		-	-
Fixed Deposit accounts		-	-
Other Investments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

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Notes to the Financial Statements (continued)

13 Accounts Receivable

Fees arrears	71,679,341	65,135,952
nssf	345,949	349,549
nhif	-	-
Union Dues	20,786	20,786
Salary advances	26,700	26,700
PAYE	4,243	-
Rent Arreas	767,000	767,000
HELB	36,863	36,863
<b>Total</b>	<b>72,880,882</b>	<b>66,336,850</b>

13 b Ageing Analysis of Accounts Receivable

Description	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,433,149	16 %	11,918,975	18 %
Between 1- 2 years	7,029,215	10 %	8,106,754	12 %
Between 2-3 years	53,216,977	74 %	45,110,223	69 %
<b>Total (should tie to note 13 a)</b>	<b>71,679,341</b>	<b>100%</b>	<b>65,135,952</b>	<b>100%</b>

**14 Accounts Payable**

Trade creditors (See ageing below and appendix i)	26,335,567	25,346,527
NHIF	1,780,238	1,780,238
Co-operative	2,718,232	2,718,232
Pocket Money	18,925	18,925
Prepaid fees	2,903,417	811,742
caution money	835,463	835,463
<b>Total</b>	<b>34,591,842</b>	<b>31,511,127</b>

**14a. Ageing Analysis of Accounts Payable**

Description	2021	% of the total	2020	% of the total
Less than 1 year	21,233,262	81 %	24,642,382	97 %
Between 1- 2 years	4,398,160	17 %	(1,217,700)	(5)%
Between 2-3 years	704,145	3 %	1,921,845	8 %
<b>Total (should tie to note 14)</b>	<b>26,335,567</b>	<b>100%</b>	<b>25,346,527</b>	<b>100%</b>

*VIHIGA FRIENDS HIGH SCHOOL*  
**Annual Report and Financial Statements For the six months ended 30<sup>th</sup> June 2021**

**15 Fund Balance Brought Forward**

Description		
Bank Balances	1,928,432	8,702,848
Cash Balances	832	368
Short Term Investments		-
Receivables	66,336,850	55,615,928
Payables	31,511,127	22,978,360
<b>Total</b>	<b>36,754,987</b>	<b>41,341,284</b>

**Other important disclosure notes**

IPSAS Cash Standard 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.

**16 Non-current Liabilities Summary**

Description		
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	-	-

**17 Biological assets**

Description		
Cattle	7	7
Goats		
Trees	50	50
Coffee Or Tea Plantation		
Poultry		
Others (specify)		
<b>Total</b>	<b>57</b>	<b>57</b>

**18 Borrowings**

Description		
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at the end of the year</b>	-	-



Other important disclosure notes

19 Stock/ Inventory

Stock/ inventory at beginning of the year	824,340	-
Stock/ inventory purchased during the year	30,020,654	-
Stock/ inventory issued during the year	28,061,744	-
<b>Balance at end of the year</b>	<b>1,958,910</b>	<b>824,340</b>

*(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)*

**20 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 Description (to Auditor)	Comments	Response	Resolution

-----  
Sign and Date  
Principal



### 13. Annexes

#### ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services						Comments
<b>Construction of buildings</b>						
1. N/A						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4. Sundry Creditors – Boarding a/c	21,570,600	2019 to 2021	12,213,655	9,356,945	4,583,100	
5. Sundry Creditors – Operations A/c	4,372,800	2020 to 2021	1,932,740	2,440,060	1,671,260	
6. Sundry Creditors – Tuition a/c	8,754,680	2019 to 2021	2,213,884	6,540,796	5,750,098	
<b>Sub-Total</b>	<b>34,698,080</b>		<b>16,360,279</b>	<b>18,637,801</b>	<b>12,004,458</b>	
<b>Supply of services</b>						
7. Bonmak Investment – Emptyng latrines	164,000	Jan to June 21	0	164,000	0	
8. Eurobec Services	272,000	“	0	272,000	0	
9. Sunshine Automobiles	567,866			567,866	0	
10. Retired Employees	1,344,595			1,344,595	0	
11. Jeremiah wabuti- Drama Coaching	210,000			210,000	210,000	
12. Chakra Co. Ltd – Security services	240,000			240,000	0	
<b>Sub-Total</b>	<b>2,798,461</b>			<b>2,798,461</b>	<b>210,000</b>	
<b>Grand Total</b>	<b>37,496,541</b>			<b>21,436,262</b>	<b>12,214,458</b>	

VIHIGA FRIENDS HIGH SCHOOL

Annual Report and Financial Statements For the six months ended 30<sup>th</sup> June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Land 1	1964		15,000,000	0	0	15,000,000
Land 2	1964		3,000,000	0	0	3,000,000
Buildings and structures			350,000,000	0	0	350,000,000
Motor vehicles :School Bus	23/3/2006	school	7,150,000	0	0	7,150,000
School Van	30/3/2012		2,513,823			2,513,823
Office equipment, furniture and fittings			30,000,000	4,200,000	0	34,200,000
ICT Equipment, and Other ICT Assets	2017	Computer lab	1,850,000	10	0	2,800,000
Tools and apparatus	2018		600,000	0	0	600,000
Textbooks			12,600,000	0	0	12,600,000
Other Machinery and Equipment: Generator 1	2008	school	1,800,000	0	0	1,800,000
Heritage and cultural assets						
Intangible assets- soft ware: Accounting Program	2018	Accounts Office	150,000	0	0	150,000
Zeraki Program for exams analysis	2021	Evaluation office	200,000			200,000
<b>Total</b>						

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

# VIHIGA FRIENDS HIGH SCHOOL

## LIST OF ASSETS 2022/2023

NO	ITEM	NO IN STORE
1	LAND	3.6Ha
2	SCHOOL BUS (ISUZU KAW 457Z)	1
3	SCHOOL VAN (TOYOTA HILUX KBR 335U)	1
4	GENERATOR (PA66GF30 204084379) (GASTON POWER MPLS100S-1-SR)	1 1
5	BAKERY	1
6	POSHO MILL	1
7	DOUBLE DECKER BEDS	988
8	STUDENTS DESKS	1970
9	STUDENTS CHAIRS	1970
10	DESK TOP COMPUTERS	59
11	LAP TOP	11
12	SAMSUNG PLASMA T.V (51" PSSIF)	1
13	SAMSUNG T.V 32"	1
14	KEYBOARD (YAMAHA 5700)	1
15	RADIO CASSETTE(TOSHIBA TX-DK 3000 DVD MPS - USB)	1
16	LG HIFI CD(CJ 98)	1
17	AMP MIXER (YAMAHA SMX - 12000D)	1
18	AHUJA AMPLIFIER(SSA - 250M)	1
19	BOX SPEAKER	2
20	WOOFER DELL SPEAKER	1
21	YAMAHA DRUM (5PCS)	1SET
22	PRS - 7000	1
23	PRS - 650	1
24	MICROPHONES (WIRELESS)	2
25	MICROPHONES (CORDED)	4
26	SPEAKER (PEAVEY 15")	1
27	TEACHERS CHAIRS	85
28	TEACHERS DESKS	85
29	EXECUTIVE CHAIRS	10
30	EXECUTIVE TABLES	1

**PRINCIPAL**  
VIHIGA FRIENDS HIGH SCHOOL

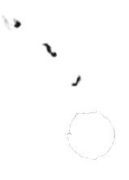
02 AUG 2024

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P. O. Box 140 - 50300, MARAGOLI

31	CONFERENCE TABLE	1
32	BOARD- ROOM TABLE	6
33	BOARD – ROOM CHAIRS	20
34	SOFASET	3
35	FRIDGE RAMTONS	1
36	DEEP FRIZER	1
37	PHOTOCOPY MACHINE (ECOSYS FS- 6525 MFP)	1
38	L.G T.V (232 24')	1
39	PRINTER (H.P PHOTOSMARR)	1
40	PRINTER (KYOCERA FS – 2100 DN)	1
41	PRINTER (HP LASERJET PRO 400)	1
42	PRINTER (KYOCERA FS4200DN)	2
43	PRINTER (EPSON L 850)	1
44	PRINTER (FS 1025MFP)	1
45	PHOTOPRINTER ( RISO SS2)	1
46	PROJECTOR (ACTR)	1
47	PRINTER LESER-JET PRO (M102A)	1
48	CAP BOARD	3
49	FILE CABINET (STEEL)	9
50	WELDING MACHINE (BIG)	1
51	WELDING MACHINE (SMALL)	1
52	DORMITORIES: LUVAI BLOCK – 3 STOREY INDIRE AGOI GOVERNMENT LITU SAFARICOM MUDAVADI	1 1 1 1 1 1 1 1
53	CLASS ROOMS	43
54	LIBRARY	1
55	MULTIPURPOSE HALL	1
56	DINING HALL	1
57	DINING TABLES	50
58	DINING CHAIRS	200

**PRINCIPAL**  
**VIHIGA FRIENDS HIGH SCHOOL**  
 02 AUG 2024  
 Sign: .....  
 P. O. Box 140 - 50300, MARAGOLI



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