REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

SIPALA FRIENDS BOYS HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

BUNGOMA COUNTY

Revised 30th June 2022.

SIPALA FRIENDS BOYS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

(Leave this it Blank)

12,938,674

Table of Contents Page

I. Key School Information And Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Bungoma County, Webuye East Sub-County

The school was registered in 11/3/09 under registration number GP/A/5809/09 and is currently categorized as a COUNTY public school established, owned or operated by the Government.

The school is a Boarding school and had 284 number of students as at *30th June 2022.*It has 2 streams and 21 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Amb Simon Nabukwesi	Chairman	2019
2	Mr.Henrey Ogombe	Secretary- Principal	2019
3	Mr.Nyongesa Watulo	Member	2019
4	Mr. Elijah Muga	Member	2019
5	Mr.Johnstone Nakitari	Member	2019
6	Mrs.Rhoda Lusaka	Member	2019
7	Mr. Antony Chebulobi	Member	2019
8	Mr. Humphrey Silungi	Member	2019
9	Mrs Melda Nakhurenya	Member	2019
10	Mrs. Nasimiyu Mulari	Member	2019
11	Dr.David Wamamili	Member	2019
12	Mr. Alfred Walubengo	Member Rep Teachers	2019
13	Mr.Collins Namaswa		2019
14	Mrs.Florence Mwenya		2019
15	Mrs.Selah Liko	3 Members - Sponsor	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 pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during theyear
1	Executive Committee	1.Dr,David Wamamili 2.Mr.Henrey Ogombe 3.Mr.Elijah Moga 4.Mrs.Nasimiyu Mulari 5.Mr.Nyongesa Watulo	chair Principal Member Member Member	**1**
2	Audit Committee	1.Mr.Watulo Nyongesa 2.Mr.Elijah Moga 3.Mr.Henrey Ogombe	Chair Member Member	
3	Finance,procurement and general purposes Committee	1.Mr,Antony Chebulobi 2.Mrs.Selah Liko 3.Mr.Henrey Ogombe	Chair Member Member	1
4	Academic Committee	1.Mr.Elijah Moga 2.Mrs.Nasimiyu Mulari 3.Mr.Henrey Ogombe	Chair Member Member	3
5	Development Committee	Mrs,Nasimiyu Mulari Dr.David Wamamili Mr.Nyongesa Watulo Mrs.Florence Mwenya Mr.Henrey Ogombe	Chair Member Member Member principal	1
6	Discipline and welfare Committee	Mrs.Selah Liko Mr.Johnstone Nakitari Mrs.Rhoda Lusaka Mr.Henrey Ogombe	Chair Member Member principal	2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr.Henrey Ogombe	361357
2	Deputy Principal	Mr.Henrey Onyango	372871
3	School Bursar	Mrs Elizabeth Mupalia	

(e) Schools contacts

Post Office Box: PRIVATE BAG
Telephone: 0722978907
E-mail: sipalafriendsboyswebuye@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The school operated 7 bank accounts in the following banks:

1. Name of Bank: KCB
   Branch: WEBUYE
   Account Number: 1107167248

2. Name of Bank: KCB
   Branch: WEBUYE
   Account Number: 1124357645

3. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1108082734

4. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1212065026

5. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1109632479

6. Name of Bank: K.C. B
   Branch: WEBUYE
   Account 1130095630

7. MPESA PayBill No.522123, account No.50045k attached to account no.1107167248

(g) Independent Auditors

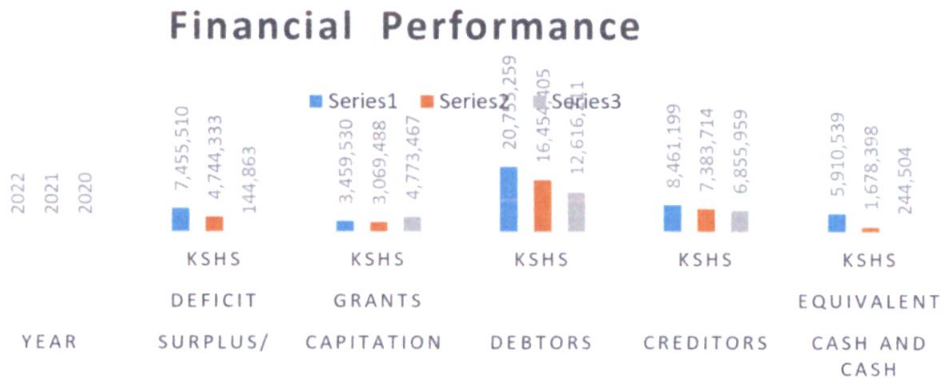
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. Summary Report Of Performance Of The School

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

a). Financial performance:

YEAR	SURPLUS/ DEFICIT	CAPITATION GRANTS	DEBTORS	CREDITORS	CASH AND CASH EQUIVALENT
	Kshs	Kshs	Kshs	Kshs	Kshs
2022	7,455,510	3,459,530	20,755,259	8,461,199	5,910,539
2021	4,744,333	3,069,488	16,454,405	7,383,714	1,678,398
2020	144,863	4,773,467	12,616,211	6,855,959	244,504



b). Teacher Student ratio:

Year	Teacher: Student Ratio	Total Teachers	TSC Teacher	Bom Teachers	Recruited Teachers	Retired Teachers
2022	23: 310	23	16	6	1	0
2021	22:300	22	15	8	0	0
2020	19: 310	10	13	6	0	0

Ts/ Sub.	Mat.	Eng.	Kis.	Bio.	Chem. Phy.	His.	Geo.	Cre.	Bus.	Hom/sc	comp	AR	Agr
2022	3	4	2	2	2	1	4	2	-	-	1	-	1
2021	3	4	2	2	2	1	3	2	-	-	1		1
2020	2	2	2	2	2	1	4	2	-	-	1		1

e) Mean Score in the 2021 KCSE

YEAR	2022	2021	2020
Entry	81	71	54
NO. of University Entry	10	6	2
Mean	4.497	4.019	3.67

f). Capacity of the school:

NO.	FACILITY	NO	STD CAPACITY	NO.OF STUDENT	REMARKS
1.	DINING HALL	1	1000	310	Enough
2.	DORMITORIES	3	300	310	Not enough
3.	LABORATORIES	2	50	310	not enough
4.	TOILETS	20	300	310	Not Enough
5.	CLASSROOMS	8	320	310	Enough
6.	LIBRARY	1	20	310	Not Enough

g). Development projects carried out by the school:

NO.	***PROJECT***	***STATUS***	***PROJECT FUND***
1.	*DORMITORY*	*ONGOING*	*CDF*
2.	*DINNING HALL RENOVATION*	*ON-GOING*	*MOEST(M&I)*

....

School Principal

III. Statement Of School Management Responsibility

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

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

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

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

Name: Amb Simon Nabukwesi
Designation: Chairman, School Board of Management

Sign: ....

Date: ....07/04/2026.........

Name: Mr.Henrey Ogombe
Designation: School Principal& Secretary to Board of Management

Sign: ....

Date: ......07-04-2026.............

Name: Mrs.Elizabeth Mupalia
Designation: Bursar/ Finance Officer

Sign: ....

Date: ....7/4/2026.........

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON SIPALA FRIENDS BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – BUNGOMA COUNTY

PREAMBLE

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

A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sipala Friends Boys High School set out on pages 1 to 11, which comprise the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year 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 Sipala Friends Boys High School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects total receipts of Kshs.25,183,929. However, the ledgers reported the amount as Kshs.18,686,156 resulting in an unexplained variance of Kshs.6,497,773.

Further, the statement reflects total payments of Kshs.17,427,919 while the ledgers indicated the balance as Kshs.9,782,355 resulting in an unexplained variance of Kshs.7,645,564.

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

2. Unsupported Payments

The statement of receipts and payments reflect tuition, operations, boarding and school fund payments of Kshs.1,368,564 Kshs.2,461,324 and Kshs.13,598,031 respectively as disclosed in Notes 5, 6 and 7 to the financial statements. However, examination of sampled payment vouchers amounting to Kshs.649,000 revealed that Management made payments without proper support documents as such as invoices, local purchase orders and goods received notes.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations and school fund payments of Kshs.1,368,564 Kshs.2,461,324 and Kshs.13,598,031 respectively could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects a balance of Kshs.5,910,539 in respect of cash and cash equivalents. However, the bank and cash balances were not supported by bank reconciliation statements and board of survey report.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.5,910,539 could not be confirmed.

4. Unsupported/Variance in Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.20,953,856. However, the schedules provided for audit amounted to Kshs.5,576,559 resulting in unsupported balance of Kshs.15,377,297. Further, Note 11 to the financial statements reported the accounts receivable balance as Kshs.20,755,259 resulting in an unexplained variance of Kshs.198,597.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.20,953,856 could not be confirmed.

5. Variance in Accounts Payable

The statement of financial assets and financial liabilities reflect accounts payable of Kshs.8,461,199 as disclosed in Note 12 to the financial statements. However, the balance differs with the amount of Kshs.2,774,102 reflected in the ledger resulting in an unexplained variance of Kshs.5,687,097.

In the circumstances, the accuracy, existence and completeness of accounts payable balance of Kshs.8,461,199 could not be confirmed.

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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.19,937,600 and Kshs.6,532,669 respectively resulting to an under-funding of Kshs.13,404,931 or 67% of the budget.

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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Unconfirmed Student Enrollment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.3,459,531. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year ended 30 June, 2022, NEMIS reflected three hundred and thirty eight (338) students while records from the County Director of Education had three hundred and nineteen (319) students, resulting in an overfunding of the School by an amount of Kshs.109,157. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, over-funding of the School may have affected service delivery to other students.

2. Long Outstanding Accounts Payable

The statement of financial assets and financial liabilities reflect accounts payable of Kshs.8,461,199 as disclosed in Note 12 to the financial statements. However, included in the balance are trade payables of Kshs.5,507,583 which had been outstanding for more than two (2) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The School received operations capitation grant of Kshs.2,800,137 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,080,500 in respect of infrastructure grants which was supposed to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.774,900 was transferred to infrastructure account, leaving a balance of Kshs.305,600 as at 30 June, 2022. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Government Guidelines.

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

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

i. Pages in the financial statements were misaligned.

ii. Management did not provide commentary on significant under/overutilization in the statement of budgeted versus actual amounts.

iii. Annex 1 on analysis of pending accounts payable was incomplete while Annex 2 on summary of fixed assets register was not attached to the financial statements.

Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management did not comply with the PSASB guidelines.

5. Late Submission of Financial Statements for Audit

During the year under review, the School Management submitted the financial statements to the Auditor-General on 15 February, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Receivable

Note 11 to the financial statements reflects accounts receivable balance of Kshs.20,755,259. Included in the balance is Kshs.12,031,005 which had been outstanding more than two (2) years. However, there was no policy on the impairment of long outstanding fees casting doubt on full recoverability of the accounts receivable balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Weaknesses in Management of Assets

Although the School is situated in a specific parcel of land, the land title deed was not provided for audit and therefore no proof of legal ownership. In addition, the log book for the school bus which has been in a garage for over five (5) years was not provided for audit. The School Management explained that the bus was co-owned by a Commercial Bank and Sipala Secondary School.

Further, the School Management did not maintain an updated fixed asset register.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 May, 2026

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

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,058,493	378,064
Capitation grants for operations	2	2,401,038	2,691,424
School Fund Income- Parents' Contributions	3	6,326,874	7,746,524
School Fund Income- Other receipts	4	15,397,525	500,000
Proceeds from borrowings		-	-
TOTAL RECEIPTS		**25,183,929**	**11,316,012**
PAYMENTS			
Payments for Tuition	5	1,368,564	541,798
Payments for operations	6	2,461,324	2,434,452
Boarding and school fund payments	7	13,598,031	3,595,429
TOTAL PAYMENTS		**17,427,919**	**6,571,679**
SURPLUS/DEFICIT		**7,756,010**	**4,744,333**

The school financial statements were approved on 07/04/ 2026 and signed by:

....	....	....
Name: MARTIN KIVEU	**Name:** FRANCIS JUMA	**Name:** Elizabeth Khaparip
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 07/04/2026	**Date:** 07/04/2026	**Date:** 7/4/2026

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
			-
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	5,873,671	1,675,724
Cash Balances	9	36,868	2,674
Short term Investment	10	-	-
Total Cash and Cash Equivalents		**5,910,539**	**1,678,398**
		20,953,856	16,352,502
Account's receivables	11		
		26,864,395	**18,030,900**
TOTAL FINANCIAL ASSETS			
FINANCIAL LIABILITIES			
		8,461,199	7,383,714
Accounts Payable	12		
NET FINANCIAL ASSETS		**18,403,196**	**10,647,186**
REPRESENTED BY			
Fund balance b/fwd...	**13**	10,647,186	5,902,853
Surplus/Deficit for the year		7,756,010	4,744,333
NET FINANCIAL POSITION		**18,403,196**	**10,647,186**

The school's financial statements were approved on 07/04/ 2026 and signed by:

…………………………	…………………………	…………………………
Name: MARTIN KIVEU	**Name:** FRANCIS JUMA	**Name:** Elizabeth Mupalo
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 07/04/2026	**Date:** 07/04/2026	**Date:** 7/4/2026

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description		2021-2022	2020-2021
		Kshs	Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Capitation grants for tuition		1,058,493	378,064
Capitation grants for operations		2,401,038	2,691,424
School fund income- Parents contributions/ fees		6,326,874	7,746,524
School fund income- other receipts		15,397,525	500,000
Total receipts		**25,183,929**	**11,316,012**
Payments			
Payments for Tuition		1,368,564	541,798
Payments for operations		2,461,324	2,434,452
Boarding and school fund payments		13,598,031	3,595,429
Total Payments		**17,427,919**	**6,571,679**
Cash flow from operating activities before working capital adjustments		**7,756,010**	**4,744,333**
Add/less decrease/increase in receivables		(4,601,354)	(3,736,592)
Add/less increase/decrease in payables		1,077,485	528,051
Net cash flows from Operating Activities		**4,232,141**	**1,535,792**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		**-**	**-**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flows from borrowing Activities		**-**	-
Net Increase In Cash And Cash Equivalent		**4,232,141**	**1,535,792**
Cash and cash equivalent at BEGINNING of the year	**10**	1,678,398	142,606
Cash and cash equivalent at END of the year		**5,910,539**	**1,678,398**

VIII. Statement of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expense 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.	
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials		-	-	-	-	0
Exercise books	200,000		200,000	168,066	(68,066)	168%
Laboratory equipment	300,000		300,000	100,000	50,000	67%
Internal exams	300,000		300,000	50,000	100,000	33%
Teaching / learning materials	200,000		200,000	30,000	70,000	30%
Chalks	100,000		100,000	10,000	40,000	20%
Exams and assessment	100,000		100,000	10,000	40,000	20%
reference/Library	237,600		237,600	40,000	78,800	
TOTALS	**1,437,600**		**1,437,600**	**408,066**	**310,734**	**57%**
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,500,00		2,500,000	1,400,000	(150,000)	112%

Receipt/Expense 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.	
Repairs and maintenance	1,750,000		1,750,000	1,454,450	(579,450)	166%
Local transport / travelling	400,000		400,000	100,000	100,000	50%
Electricity and water	450,000		450,000	119,547	105,453	53%
Medical	70,000		70,000	60,000	(25,000)	171%
Administration costs	800,000		800,000	300,000	100,000	75%
Activity	300,000		300,000	114,800	35,200	77%
Gratuity						0%
SMASSE						0%
TOTALS	**6,270,000**		**6,270,000**	**3,548,797**	**(413,797)**	**113%**
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,800,000		1,800,00	256,356	643,644	28%
Repairs and maintenance	1,600,000		1,600,000	48,363	751,637	6%
Local transport / travelling	800,000		800,000	34,262	365,738	8%
Electricity and water	350,000		350,000	14,481	160,519	8%
Medical	50,000		50,000		25,000	25%

Receipt/Expense 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.	
Administration costs	400,000		400,000	19,496	180,504	9%
Activity	380,000		380,000	375	189,625	0.2%
SMASSE	-	-	-	-	-	0%
Fee on Boarding Equipment and Stores	6,850,000		3,425,000	2,202,473	1,222,527	64%
TOTAL	**12,230,000**		**12,230,000**	**2,575,806**	**3,539,194**	**42%**
					-	
OTHER INCOME					-	
Rent income	0		0	0	0	0%
Income from farming activities	0		0	0	0	0%
Insurance compensation	0		0	0	0	0%
Income from Posho mill	0		0	0	0 0	0%
Income from Bus Hire	0		0	0	0	0%
Tender fees	0		0	0	0	0%
Interest income	0		0	0	0	0%
Bakery	0		0	0	0	0%

Receipt/Expense 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.	
Seminar	0		0	0	0	0%
TOTALS	**0**		**0**	**0**	**0**	**0%**
TOTAL INCOME	**19,937,600**		**19,937,600**	**6,532,669**	**3,436,131**	**33%**
					-	
(1) EXPENDITURE FOR TUITION					-	
Textbooks and reference materials	-	-	-	-	-	0%
Exercise books	200,000		200,000	342,000	(242,000)	342%
Laboratory equipment	300,000		300,000	84,000	66,000	56%
Internal exams	300,000		300,000	186,544	(36,544)	124%
Teaching / learning materials	200,000		200,000	195,588	(95,588)	130%
Chalks	100,000		100,000		50,000	50%
Exams and assessment	100,000		100,000		50,000	50%
Teachers guides	237,600		237,600		118,800	43%
Administration costs						0%
Bank Charges						0%
TOTALS	**1,437,600**		**1,437,600**	**808,132**	**(89,332)**	**112%**
					-	

Receipt/Expense 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.	
(2) EXPENDITURE FOR OPERATIONS					-	
Personnel emoluments	2,500,000		2,500,000	1,190,757	59,243	95%
Repairs, maintenance & improvements	1,750,000		1,750,000	1,512,000	(637,000)	172%
Local transport / travelling	400,000		400,000	148,000	52,000	74%
Electricity, water and conservancy	450,000		450,000	98,000	127,000	44%
Medical	70,000		70,000	50,000	(15,000)	142%
Administration costs	800,000		800,000	447,661	(47,661)	112%
Activity Expenses	300,000		300,000	100,000	50,000	67%
Gratuity	-		-		-	0%
SMASSE	-		-		-	%
TOTALS	**6,270,000**		**6,270,000**	**3,546,418**	**(441,418)**	**113%**
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,800,000		1,800,000			156%

Receipt/Expense 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.	
Repairs, maintenance and improvements	1,600,000		1,600,000			236%
Local transport / travelling	800,000		800,000			191%
Electricity, water and conservancy	350,000		350,000			76%
Medical Expenses	50,000		50,000			0%
Administration costs	400,000		400,000			210%
Activity	380,000		380,000			182%
Gratuity					-	100%
Lunch programme			-	-	-	0%
Boarding Equipment and Stores	6,850,000		6,850,000			154%
Expenditure for Income Generating Activity						100%
Insurance costs						0%
Other expenses on investments						0%
Rent Expenses						27%
Bank Charges			-			0%
Acquisition of Assets						100%
TOTALS	**12,230,000**		**12,230,000**	**2,039,621**	**4,076,245**	**144%**

Receipt/Expense 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.	
TOTAL EXPENDITURE	19,937,600		19,937,600	6,394,171	3,545,495	132%

IX. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the school and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school.

3. In-kind contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the school includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

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 retreated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description		2021-2022	2020-2021
		Kshs	Kshs
Textbooks and reference materials		-	-
Exercise books		101,684	168,064
Laboratory equipment		141,347	100,000
Internal exams		38,614	50,000
Teaching / learning materials		737,169	30,000
Chalks		10,391	10,000
Exams and assessment			10,000
Reference/Library		29,288	
Teachers guides			10,000
Total		**1,058,493**	**378,064**

2 Capitation Grant for Operations

Description		2021-2022	2020-2021
		Kshs	Kshs
Personnel emolument		770,000	830,000
Maintenance and Improvement			566,000
Local transport/travelling		70,000	300,000
Electricity and water		150,000	200,000
Administration costs		40,000	
Repair maintenance and improvement		200,000	320,000
		20,217	275,424
Medical			200,000
Activity		1,150,820	
Total		**2,401,038**	**2,691,424**

3 Parents Contribution/Fees - School Fund Account

Description		2021-2022	2020-2021
		Kshs	Kshs
Personnel emoluments		1,366,634	1,356,936
Fee on Boarding Equipment and Stores		3,337,859	5,002,793
Maintenance and Improvement		240,851	447,775
Local transport / travelling		222,440	314,262
Electricity and water		320,666	234,487
Medical		5,100	

Description		2021-2022	2020-2021
		Kshs	Kshs
Administration costs		766,632	389,896
Activity		66,692	375
Excess Fees		14,515	
Farm		2,385	
Text Books		4,900	
TOTAL		**6,338,674**	**7,746,524**

4 Other Receipts – School Fund Account

Description		2021-2022	2020-2021
		Kshs	Kshs
Rent income		-	-
Income from farming activities		-	-
Insurance compensation		-	-
Income from Posho mill		-	-
Income from Bus Hire		-	-
Income from grants and donations		-	-
Fee for hire of ground and equipment		-	-
Income from grants-infrastructure grants		1,518,500	
Tender fees		-	-
CDF		13,857,225	500,000
Disposal		-	-
scrap metal		-	-
Total		**15,375,725**	**500,000**

5 Payments for Tuition

Description		2021-2022	2020-2021
		Kshs	Kshs
Textbooks and reference materials		-	-
Exercise books		494,218	344,318
Laboratory equipment		246,310	11,000
Internal exams		237,760	33,500
Teaching / learning materials		390,276	141,060
Chalks			19,100
Exams and assessment			49,100
Teachers guides		-	-
Library& Reference Material			40,000
Bank Charges			3,720
Total		**1,358,564**	**541,798**

6 Payments for Operations

Description		2021-2022	2020-2021
		Kshs	Kshs
Personnel emoluments		791,000	753,382
Service Gratuity		143,000	
Administration Cost		686,540	336,000
Maintenance and Improvement			500,000
Local transport / travelling		100,000	190,000
Electricity and water		570,420	208,000
Medical		80,912	
Insurance Cost		-	-
Others			366,213
Bank Charges		-	-
Activity Expenses			80,857
Welfare		89,452	
TOTAL		**2,461,824**	**2,434,452**

7 Boarding and School Fund Payments

Description		2021-2022	2020-2021
		Kshs	Kshs
Personnel emoluments		133,510	117,176
Service Gratuity		32,655	
Maintenance & Improvements		113,930	65,110
Local transport / travelling		468,445	112,190
Electricity and water		213,800	99,544
Medical Expenses		12,800	
Lunch		-	485,000
Administration costs		1,199,895	255,491
Others			209,160
Computer		-	-
Bank Charges		-	-
Expenses on Income Generating Activities		-	-
Fee on Boarding Equipment and Stores		4,159,940	2,251,758
Excess		3,360	-
Activity Expenses		108,571	-
Medical Expenses		-	-
Loan Interest repayment		-	-
Acquisition of Assets		7,151,125	
TOTAL		**13,598,031**	**3,595,429**

8 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1108082734	2,476	41,960
Operations Account	1124357645	13,676	81,683
School Fund Account/Boarding	1107167248	30,340	98,778
CDF Account	1109632479	5,812,154	272,172
Bus account	1130095630	-	536,000
Infrastructural Account	1212065026	15,024	645,132
Total		**5,873,671**	**1,675,725**

9 Cash in Hand

Description		2021-2022	2020-2021
		Kshs	Kshs
School Fund account		36,868	2,674
Total		**36,868**	**2,674**

10 Short term Invstments

Description		2021-2022	2020-2021
		Kshs	Kshs
Cooperative shares		-	-
Treasury Bills		-	-
Fixed deposit		-	-
Equity stock		-	-
Other investments		-	-
Total		**-**	**-**

11 Accounts Receivable

Description		2021-2022	2020-2021
		Kshs	Kshs
Fees arrears		20,499,259	16,283,526
Other non-fees receivables		256,000	-
Inter-borrowing-School fund		-	-
Tuition(to school fund account)		-	-
operation a/c(to School fund)		-	-
Nssf		-	65,096
Advance		-	4,774
welfare		-	101,009
Suspense a/c(Beryl Nabwile)		-	-
Total		**20,755,259**	**16,454,405**

Ageing of the fees / non fees arrears

Description		2021-2022	2020-2021
		Kshs	Kshs
Fees arrears for current year		5,576,559	4,252,521
Fees arrears for the previous year		2,891,695	7,673,327
Fees arrears for prior periods (over two years)		12,031,005	4,357,678
Total		**20,499,259**	**16,283,526**

12 Accounts Payable

Description		2021--2022	2020--2021
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		8,327,385	6,720,838
Inter-borrowing-(Infrastructure a/c (by school fund a/c)		133,814	662,876
Retention monies		-	-
Total		**8,461,199**	**7,383,714**

Ageing of the creditor's arrears

Description		2021--2022	2020--2021
		Kshs	Kshs
Trade creditors for current year		2,774,102	1,213,255
Trade creditors for the previous year		45,700	466,583
Trade creditors for prior periods (over two years)		5,507,583	5,041,000
Total		**8,327,385**	**6,720,838**

13 Fund Balance Brought Forward

Description		2021--2022	2020--2021
		Kshs	Kshs
Bank balances		1,675,724	223,775
Cash balances		2,674	20,729
Short Term Investments		-	-
Receivables		16,454,405	12,616,210.60
Payables		(7,383,714)	(6,855,959)
Total		**10,749,089**	**6,004,756**

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description		2021-2022	2020-2021
		Kshs	Kshs
Bank loan(s)		-	-
Outstanding Leases		-	-
Total		**-**	**-**

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	1	-	-
Pigs		-	-
Trees	79	-	-
oranges		-	-
Bananas		-	-
Total	**80**	**-**	**-**

16 **Borrowings**

Description		2021-2022	2020-2021
		KShs	KShs
a). Borrowings			
Borrowing at beginning of the year		-	-
Borrowings during the year		-	-
Repayments of during the year		-	-
Balance at end of the year		-	-

17 **Stock/ Inventory**

Description		2021-2022	2020-2021
		KShs	KShs
Stock/Inventory		-	-
Stock/ inventory at beginning of the year			-
Stock/ inventory purchased during the year			-
Stock/ inventory issued during the year			-
Balance at end of the year			-

18 . PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

School Principal

Annex 1 - **Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
Sub-Total						
Supply Of Goods						
3.						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						