

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 26 NOV 2024 DAY: TUE

TABLED	HON. NAOMI WARD MP
CLERK AT THE TABLE:	DEP. MAJORITY PARTY WHIP MERCY CHUMO

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**IKUU BOYS' HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**THARAKA NITHI COUNTY**



---

**IKUU BOYS' HIGH SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**

---

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

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

<b>Table of Contents</b>	<b>Page</b>
I. KEY SCHOOL INFORMATION AND MANAGEMENT .....	2
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	6
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY .....	9
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF IKUU BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022.....	10
V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022 .....	11
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 <sup>TH</sup> JUNE 2022.....	12
VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022 .....	25
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022 .....	11
IX. SIGNIFICANT ACCOUNTING POLICIES.....	15
X. NOTES TO THE FINANCIAL STATEMENTS .....	17

**IKUU BOYS HIGH SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

*[Customise the details in this section to suit your School]*

**(a) Background information**

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Tharaka Nithi County, Meru South Sub-County

The school was registered in 06/2022 under registration number 13800300803 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1040 number of students as at 30<sup>th</sup> June 2022. It has 5 streams and 51 teachers of which 11 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	DR.MUGAMBI KANGA	Chairman	July 2022
2	Mr. Joseph Mbae	Secretary - Principal	"
3	DR.VERY REV.JG MWAMBA	Member	"
4	MR. ADIEL NYANGE	Member	"
5	MRS. JOSPHINE MURITHI	Member	"
6	MR. FREDRICK MICHEN	Member	"
7	DR.GRACE GATUNE	Member	"
8	DR.ERIC MWENDA	Member – Rep CEB	"
9	MR.LAWRENCE MUTEGI	Member Rep Teachers	"
10	Rev. Njagi Mboore	Members - Sponsor	"
11	MS.AMAILLAH MULWA	Member - Community	"
12	MR.ASHFORD RUGENDO	MemberSpecial Needs	"
13		Rep Students	"

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The function of the School Board of Management include:**

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

**(c) Committees of the Board**

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof Adiel Magana Mr. Joseph Mbae Dr. Benjamin Mugambi Mrs Josphine Murithi		3
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Mrs Phiyllis Mbungu Mr. Jacob Kiragu Mr. Adiel Nyange Eng. Jasper Nkanya Rev. Julius Mwambs		3
4	Academic Committee	Dr. Benjamin Kanga Dr. Charity Kawira Mrs. Janejoy Gakenia Prof. John Kobia Mr. Philip Mumbere Mrs Purity Mbaabu Dr. Erick Mwenda		2
5	Development Committee	Prof. John Kobia Prof. Adiel Magana Mr. Joseph Mbae MR. Peter Gitonga Dr. Panyako Omukanga Mrs. Josephine Murithi Scde		5

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

6	Discipline and welfare Committee	Prof. Adiel Magana Mr. Joseph Mbae Dr. Benjamin Kanga Mrs Josephine Murithi		1
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended *30<sup>th</sup> June 2022* the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Joseph Mbae	323297
2			
3	Deputy Principal/Academics	Anderson k.Bundi	423584
4	School Bursar		

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 40-60400 Chuka  
Telephone: 0703 466 524  
E-mail: ikuuboy@gmail.com  
Website: www.ikuuboy.com  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Cooperative Bank  
Branch: Chuka  
Account Number: 0112905706000
2. Name of Bank: Equity Bank  
Branch: Chuka  
Account Number: 0210299928316
3. Name of Bank: Equity Bank  
Branch: Chuka  
Account Number: 0210291341145
4. Name of Bank: Equity Bank  
Branch: Chuka  
Account Number: 0210293514315
5. Name of Bank: KCB  
Branch: Chuka  
Account Number: 1103666975
6. Name of Bank: Cooperative Bank  
Branch: Chuka  
Account Number: 01139057006000
7. MPESA Pay Bill No. 400222 attached to Cooperative bank account
8. MPESA Pay Bill No. account no. 600316 attached to Equity Bank

**(g) Independent Auditors**

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

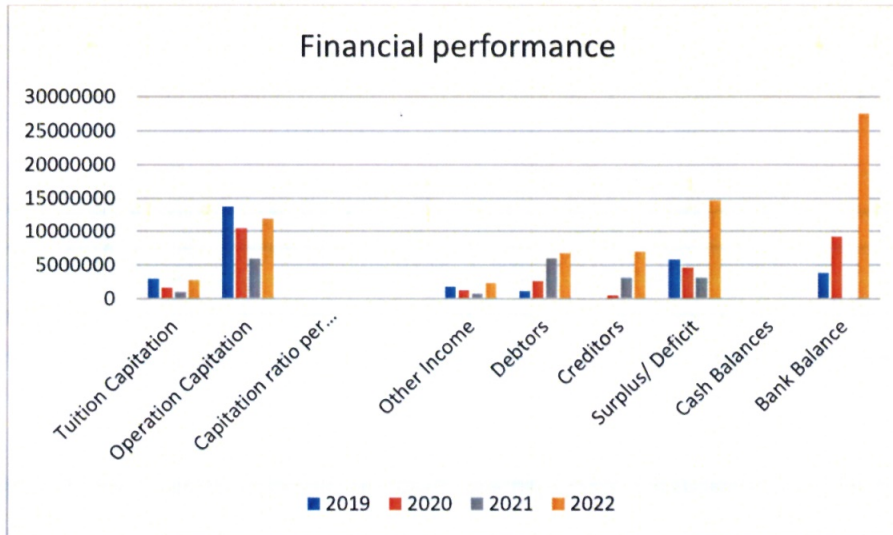
**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**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**

	2019	2020	2021	2022
Tuition Capitation	2,908,259.64	1,647,920	937,980	2,775,928
Operation Capitation	13,752,718.6	10,403,175	5,879,196	11,894,758
Capitation ratio per student	19,834.49	12,685.3	1,581.3	14,106
Other Income	1,773,346.78	1,224,518.85	831,384	2,371,851
Debtors	1,083,338.05	2668599	5,982,901	6,740,127
Creditors	0	472686	3,063,376	6,994,489.55
Surplus/ Deficit	5,811,641	4627966.2	3,110,128	15,259.590
Cash Balances	786.6	5,834	3751	15,749
Bank Balance	3,801,545.34	9,184,778	12.296,989.16	27,544,580.67



**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**b) Teacher Student ratio:**

NO. of students	965
No. of Teachers	45
No. of TSC teachers	33
No. of BOM Teachers	12
No of teachers Recruited	5
No.of teachers Transferred	2

**c) Mean score in the 2019 to 2022 KCSE**

YEAR	ENTRY	MEAN GRADE	UN ENTRY
2022			
2021	244	8.2077	207
2020	203	8.2118	175
2019	188	8.123	157
2018	207	7.2670	126

**d) Number of Candidates in the 2019 to 2022 KCSE:**

Year	entry
2022	
2021	244
2020	203
2019	188
2018	207

**e) Capacity of the school:**


NO. OF STUDENTS	FACILITY	NO OF FACILITIES	CAPACITY
965	DORMITORIES	9	860
	DINNING HALL	1	1200
	LABORATORIES	4	180
	TOILETS	63	990
	LIBRARY	1	100
	COMPUTER LAB	1	40


**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**f) Development projects carried out by the school:**

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

<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i>	<i>INITIAL COST-KSH</i>	<i>AMOUNT SPENT- KSH</i>	<i>EXPECTED COMPLETION TIME</i>
<i>CLASS ROOMS PHASE 1</i>	<i>MOE &amp; PARENTS</i>	<i>ONGOING</i>	<i>6,000,000</i>	<i>6,000,000</i>	<i>completed</i>
<i>DORMITORY PHASE 1</i>	<i>PARENTS</i>	<i>ONGOING</i>			
			<b>11,861,500</b>	<i>11,045,938.90</i>	

*Sign*  
  
**School Principal**



**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

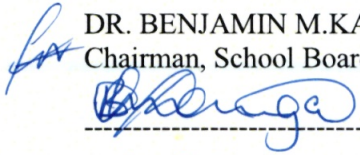
**III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

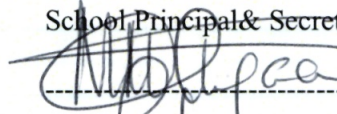
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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.

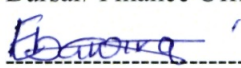
The Board of Management of *IKUU BOYS' HIGH SCHOOL* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

**Name:** DR. BENJAMIN M.KANGA  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 26/7/24

**Name:** MR. JOSEPH MBAE  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 28/7/24



**Name:** EURIDACE KAWIRA  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 26/07/2024

# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON IKUU BOYS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – THARAKA NITHI COUNTY**

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 Ikuu Boys' High School – Tharaka Nithi County set out on pages 11 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows, 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 Ikuu Boys' High School – Tharaka Nithi County 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unsupported Payments**

The statement of receipts and payments reflects boarding and School fund payments of Kshs.107,573,007 which includes payments for academic clusters and joint evaluation. However, payments vouchers amounting to Kshs.650,538 were not supported with proper documents such as LSO and invoices.

In the circumstances, the accuracy of the payments totalling Kshs.650,538 could not be confirmed.

#### **2. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities and Note 13 to the financial statements reflects a balance of Kshs.22,313,305 in respect to accounts receivables. Included in the balance are receivables amounting to Kshs.15,573,178 which have been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.22,313,305 could not be confirmed.

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

#### **1. Budgetary Control and Performance**

The statement of budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.91,327,278 and Kshs.134,843,944 respectively, resulting to over-collection of Kshs.43,516,666 or 48% of the approved budget. However, the

School spent an amount of Kshs.120,114,673 against receipts of Kshs.134,843,944 resulting to under -utilization of Kshs.14,729,271 or 11% of the actual receipts. Further, the School's budget was not balanced.

The under-utilization affected the planned activities and may have impacted negatively on the School's activities.

## **2. Undisclosed Revenue from Hire of School Bus**

In the year under review, revenue from hire of School bus was not disclosed in the financial statements. Management did not provide supporting documentation for the sampled journeys undertaken by the School bus as evidenced by the work tickets provided for audit.

My opinion is not modified in respect of these matters.

### **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. There were no key audit matters to report in the year under review.

### **Other Matters**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022

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

### **Conclusion**

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

### **Basis for Conclusion**

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

During the year under review, Management submitted the financial statements to the Auditor-General on 14 April, 2023 instead of the statutory deadline of

30 September, 2022. 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, 2022 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.

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

The statement of receipts and payments reflects boarding and school fund payments amounts of Kshs.107,573,007 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.829,400 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School principals only. The organization is not defined in government funding system and there is no assurance that it has implemented effective, efficient and transparent financial management and internal controls to manage the funds transferred by Schools.

In the circumstances, the School may not have received value for the Kshs.829,400 transferred to KESSHA and Management was in breach of the law.

## **3. Proposed Construction of Dormitory Block Ground Floor and First Floor (Right Wing)-Phase 1-Labour Only**

The School entered into a contract with a local contractor on 22 February, 2022 at a contract sums of Kshs.5,192,543.96 with project start date of 22 February, 2022 for the contract period of twenty (20) weeks to completion date of 12 July, 2022. Review of the contract administration and implementation of the Infrastructure Works for the proposed construction of Dormitory block ground floor and first floor (Right Wing)-Phase 1-Labour only Tender No. IBHS/RW/G&F/2022 revealed the following anomalies:

### **3.1 Lack of Professional Opinion**

The procurement for proposed construction of Dormitory block ground floor and First floor (Right Wing) lacked professional opinion contrary to Section 84(2), (3) of the Public Procurement and Asset Disposal Act, 2015.

### **3.2 Unsupported Extension of Contract Period**

The final approved certificate No.4 dated 23 November, 2022 (date of site meeting being 23 November, 2022) and certificate of practical completion was issued the same day implying that the contract period had lapsed and there was no evidence provided for audit for the approval of extension of contract period contrary to Regulation 32 of the Public Procurement and Asset Disposal Regulations, 2020.

### 3.3 Variances between Contract Sums and Works Certified

Comparison between the contract sum and the total of works certified as per the various certificates revealed that the amount certified was less than the contract sums as shown in the table below:

Contractor	Contract Sums (Kshs)	Certificate Number	Date of Certificate	Works Certified (Kshs)	Variance (Kshs)
Ripana Contractors and Designers		No.1	30-01-22	1,107,410	
		No.2	31-05-22	2,205,227	
		No.3	21-06-22	2,989,665	
	5,192,543	No.4	23-11-22	4,786,543	406,000

In view of the above, the works not certified may have been paid without the support of certificate of valuation of works issued by technical department of State Department of Public Works contrary to Section 150 (1) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 139(1) of the Public Procurement and Asset Disposal Regulations, 2020.

### 3.4 Misstatement of Retention Amount

Analysis of computation of retention monies on the various statement of payment on account (Certificates) issued by State Department of Public Works revealed that the reflected retention monies were incorrectly computed based on the retention limit of ten percent (10%) of the contract sum as shown below:

Certificate Number	Date of Certificate	Retention Deducted as per Certificate (Kshs)	Retention as per Contract (Audit Computed) (Kshs)	Variance (Kshs)
No.1	30-01-22	110,741	110,741	(0.00)
No.2	31-05-22	109,782	220,523	(110,741)
No.3	21-06-22	78,444	187,991	(109,547)
No.4	23-11-22	179,688		
		<b>478,655</b>	<b>519,254</b>	<b>(220,288)</b>

In the circumstances, the retention monies withheld were inadequate contrary to the requirement that retention monies of ten percent (10%) limit to be withheld for contracts.

### 3.5 Failure to Withhold Taxes

Review of payment vouchers and supporting works certificates revealed withholding taxes relating to income tax and Value added tax amounting to Kshs.897,616.06 were not withheld and remitted to the Commissioner of income tax as contrary to Section 35 of the Income Tax Act, Chapter 470 and Section 42A of the Tax Procedure Act, 2015 as shown below:

Certificate Number	Date of Certificate	WHT (Kshs)	WHVAT (Kshs)	Total (Kshs)
No.1	30-01-22	28,640	19,093	47,733
No.2	31-05-22	28,392	18,928	47,320
No.3	21-06-22	20,287	13,5235	33,812
No.4	23-11-22	46,471	30,981	--
		<b>123,790</b>	<b>82,527</b>	<b>128,865</b>

### 3.6 Misstatements of Contract Amounts Payables

Review of paid amount as per the payment vouchers and amount payable as per audit computation based on certified amount revealed the amounts paid were in excess as shown below:

Certificate Number	Amount Payable as per Audit Computation/Certified Amount (Kshs)	Amount Paid (Kshs)	Variance (Kshs)
No.1	948,936	553,705	395,231
No.2	829,975	553,705	276,270
No.3	562,636	549,388	13,248
No.4	1,719,427	595,254	1,124,173
		549,388	(549,388)
		808,595	(808,595)
		808,595	(808,595)
	<b>4,060,974</b>	<b>4,418,630</b>	<b>(357,657)</b>

In the circumstances, value for money in the management and administration of the projects 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the 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. Ineffectiveness in Management of Text Books**

Analysis of text book inventory list revealed that the School had not received textbooks for some subjects despite there being students enrolled in the respective subjects such as Building Construction, French and Drawing and Design. Failure to provide enough learning materials could have a negative impact on the performance of the students.

In the circumstances, efficiency and effectiveness of internal controls in place for management of distribution of books could not be confirmed.

#### **2. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary fixed asset register balance with total balance of Kshs.127,885,000. The assets include land valued at Kshs.30,000,000, buildings and structures valued at Kshs.87,100,000 and motor vehicles valued at Kshs.6,075,000. Further, title deed for the land is yet to be processed and log book for one vehicle is jointly owned by a financier despite the loan having been fully paid.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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**


**05 November, 2024**

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**


**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Description Of Vote Head	Note	2022	2021
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	2,775,928	937,980
Capitation grants for operations	2	7,761,758	4,439,196
Capitation grants for Infrastructure	3	4,133,000	1,440,000
School Fund Income- Parents' Contributions	4	117,801,407	31,257,428
Miscellaneous Income- Other receipts	5	2,371,851	831,384
<b>Total Receipts</b>		<b>134,843,944</b>	<b>38,905,988</b>
<b>Payments</b>			
Payments for Tuition	6	2,817,116	814,020
Payments for operations	7	6,714,212	1,810,060
Payment for Infrastructure	8	2,480,019	869,881
Boarding and school fund payments	9	107,573,007	32,301,898
<b>Total Payments</b>		<b>119,584,354</b>	<b>35,795,859</b>
<b>Surplus/Deficit</b>		<b>15,259,590</b>	<b>3,110,128</b>

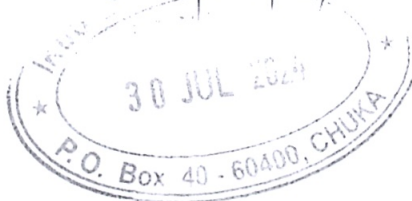
The school financial statements were approved on 26/07 2024 and signed by:

Sign:   
 Name B.M. Kwanaga  
 Chair BOM

Date xxxx 26/7/24

Sign:  Sign  
 Name Eunice Kening  
 Bursar/  
 Finance Officer

Date 28/07/24 Date 26/7/2024



**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

Description	Note	2022 Kshs	2021 Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	27,544,581	12,296,989
Cash balances	11	15,749	3,750
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>27,560,330</b>	<b>12,300,740</b>
Account's receivables	13	22,313,305	19,262,083
<b>Total financial assets</b>		<b>49,873,635</b>	<b>31,562,822</b>
<b>Financial liabilities</b>			
Accounts payables	14	(6,464,170)	(3,412,948)
<b>Net financial assets</b>		<b>43,409,465</b>	<b>28,149,874</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	28,149,874	25,039,746
Surplus/deficit for the year		15,259,590	3,110,128
<b>Net financial position</b>		<b>43,409,465</b>	<b>28,149,874</b>

The School's financial statements were approved on 26/07 2024 and signed by:

Name: B. M. KIKWA  
 Chairman, BoM

Sign: [Signature]

Date: 26/7/24

Name: Moses M. THIGA  
 School Principal/Secretary  
 to BoM

Sign: [Signature]

Date: 28/07/24

Name: Eunice HAWIRO  
 Bursar/Finance

Sign: [Signature]

Date: 26/07/2024



**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Description	Note	2022	2021
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	2,775,928	937,980
Capitation grants for operations	2	7,761,758	4,439,196
Capitation grants for Infrastructure	3	4,133,000	1,440,000
School Fund Income- Parents' Contributions	4	117,801,407	31,257,428
Miscellaneous Income- Other receipts	5	2,371,851	831,384
<b>Total receipts</b>		<b>134,843,944</b>	<b>38,905,988</b>
<b>Payments</b>			
Cash outflows for tuition	6	2,817,116	814,020
Cash outflows for operations	7	6,714,212	1,810,060
Cash outflows for Infrastructure	8	2,480,019	869,881
Cash outflows Boarding/lunch and school fund payments	9	107,573,007	32,301,898
<b>Total payments</b>		<b>119,584,354</b>	<b>35,795,859</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>15,259,590</b>	<b>3,110,128</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	-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>15,259,590</b>	<b>3,110,128</b>
Cash and cash equivalent at beginning of the FY		12,300,740	9,190,611
<b>Cash and cash equivalent at end of the FY</b>		<b>27,560,330</b>	<b>12,300,740</b>

*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.*

**IKUU BOYS HIGH SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials		-	-		-
Exercise Books	5,194,805	-	5,194,805	2,775,928	2,418,877
Laboratory Equipment	-	-	-		-
Internal Exams	-	-	-		-
Teaching / Learning Materials	-	-	-	-	-
Exams And Assessment	-	-	-		-
	<b>5,194,805</b>	<b>-</b>	<b>5,194,805</b>	<b>2,775,928</b>	<b>2,418,877</b>
<i>(2) Capitation Grant on Operations</i>	-				
Others (Personnel Emoluments, Lt, admin, Ewc)	12,502,080	-	12,502,080	7,572,958	61
Repairs And Maintenance	5,250,000	-	5,250,000	-	-
Local Transport / Travelling	-	-	-	-	#DIV/0!
Electricity And Water	-	-	-	-	#DIV/0!
Medical		-	-	188,800	#DIV/0!
Administration Costs	-	-	-	-	#DIV/0!
Activity		-	-	-	#DIV/0!
Gratuity		-	-	-	-
SMASSE	95,000	-	95,000	-	-
	<b>17,847,080</b>	<b>-</b>	<b>17,847,080</b>	<b>7,761,758</b>	<b>#DIV/0!</b>
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE	-	-	-	4,133,000	#DIV/0!
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
	-	-	-	<b>4,133,000</b>	<b>#DIV/0!</b>
<b>(4) Fees Charged on Parents</b>					-
Others(Personnel Emoluments,Ltt, admin,Ew)	24,491,158	-	24,491,158	26,178,560	107
Parent contributions other receipts**				41,474,056	#DIV/0!
Repairs And Maintenance	3,130,223	-	3,130,223	3,443,033	110
Local Transport / Travelling		-	-	-	#DIV/0!
Electricity And Water		-	-	-	#DIV/0!
Medical	971,500	-	971,500	-	-
Administration Costs		-	-	-	#DIV/0!
Activity	1,975,772	-	1,975,772	1,195,002	60
SMASSE		-	-	-	#DIV/0!
Fee On Boarding Equipment and Stores	35,545,641	-	35,545,641	45,510,756	128
	<b>66,114,293</b>	-	<b>66,114,293</b>	<b>117,801,407</b>	<b>#DIV/0!</b>
<b>5) Miscellenous Income</b>					
Loans / Borrowing	-	-	-	-	-
Rent income	97,800	-	97,800	111,050	
Income From Farming Activities	2,073,300	-	2,073,300	2,102,751	
Canteen	-	-	-	158,050	
Income From Posho Mill	-	-	-	-	
Income From Bus Hire	-	-	-	-	
Fee For Hire of Ground and Equipment	-	-	-	-	
Interest Income	-	-	-	-	
Income From Any Other Investment	-	-	-	-	#DIV/0!
	<b>2,171,100</b>	-	<b>2,171,100</b>	<b>2,371,851</b>	<b>#DIV/0!</b>
<b>Total Income</b>	<b>91,327,278</b>	-	<b>91,327,278</b>	<b>134,843,944</b>	<b>#DIV/0!</b>
<b>(6) Expenditure For Tuition</b>					
Textbooks	-	-	-	-	
Reference Materials	5,194,805	-	5,194,805	2,813,396	
Exercise Books	-	-	-	-	
Laboratory Equipment	-	-	-	-	

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

Internal Exams	-	-	-	-	
Teaching / Learning Materials	-	-	-	-	#DIV/0!
Chalks	-	-	-	-	
Exams And Assessment	-	-	-	-	
Teachers Guides	-	-	-	-	
Administration Costs	-	-	-	-	
Bank Charges	-	-	-	3,720	
	<b>5,194,805</b>	-	<b>5,194,805</b>	<b>2,817,116</b>	<b>#DIV/0!</b>
<b>(7) Expenditure For Operations</b>					
Others(Personnel Emoluments,Ltt, admin,Ew)	12,502,080	-	12,502,080	-	-
Repairs And Maintenance	5,250,000	-	5,250,000	6,667,273	127
Local Transport / Travelling	-	-	-	-	#DIV/0!
Electricity And Water	-	-	-	-	#DIV/0!
Medical	-	-	-	42,225	#DIV/0!
Administration Costs	-	-	-	-	#DIV/0!
Activity	-	-	-	-	#DIV/0!
Gratuity	-	-	-	-	
SMASSE	95,000	-	95,000	-	
Bank Charges	-	-	-	4,714	
	<b>17,847,080</b>	-	<b>17,847,080</b>	<b>6,714,212</b>	<b>#DIV/0!</b>
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	-	-	-	2,480,019	#DIV/0!
Construction of LAB	-	-	-	-	
Construction of DORMS	-	-	-	-	
Purchase of furniture	-	-	-	-	
Purchase of equipment	-	-	-	-	
Purchase of machinery	-	-	-	-	
	-	-	-	<b>2,480,019</b>	<b>#DIV/0!</b>
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Others(Personnel Emoluments,Ltt, admin,Ew)	24,491,158	-	24,491,158	39,587,155	162
Parent contributions other Payments	-	-	-	24,551,017	#DIV/0!
Other payments	-	-	-	5,111,429	#DIV/0!

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

Repairs And Maintenance	3,130,223	-	3,130,223	2,425,821	77
Local Transport / Travelling				-	
Electricity And Water				-	
Medical	971,500			-	
Administration Costs		-	-	-	#DIV/0!
Activity	1,975,772	-	1,975,772	356,253	18
SMASSE		-	-	-	#DIV/0!
Fee On Boarding Equipment and Stores	35,545,641	-	35,545,641	34,476,364	97
Gratuity		-	-	-	
Lunch Programme		-	-	-	
Expenditure For Income Generating Activity	1,518,878	-	1,518,878	1,595,288	105
Insurance Costs		-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	15,000	-	15,000	-	-
Loan Interest Repayment		-	-	-	-
Loan Principal Repayment		-	-	-	-
Acquisition Of Assets		-	-	-	-
	<b>67,648,171</b>	-	<b>66,676,671</b>	<b>108,103,326</b>	<b>#DIV/0!</b>
<b>Totals</b>	<b>90,690,056</b>	-	<b>89,718,556</b>	<b>120,114,673</b>	<b>#DIV/0!</b>

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

- i. *Due to closer of school because of corona, all fees payment for term 1&2 2020 was converted to fee arrears where by in January to june we only receipted term 3 fees&12021.  
In January 2021 the administration used more funds in motivational talks and counselling to students due to long holidays effects.*

## **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.

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

Description	2022	2021
	Kshs	Kshs
Reference Materials	2,775,928.40	689,580.00
Exercise Books	-	248,400.00
Laboratory Equipment	-	-
Internal Exams		
Teaching / Learning Materials	-	-
Others ( <i>specify</i> )*	-	-
<b>Total</b>	<b>2,775,928.40</b>	<b>937,980.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

Description	2022	2021
	Kshs	Kshs
Repairs and Maintenance	-	1,260,000.00
Local Transport / Travelling		
Electricity And Water	-	-
Medical	188,800.00	-
Administration Costs	-	-
Activity	-	-
Others (lt.&t ewc personal emol & adm costs)	7,572,957.80	3,179,196.00
<b>Total</b>	<b>7,761,757.80</b>	<b>4,439,196.00</b>

**3 CAPITATION GRANT FOR INFRASTRUCTURE**

Description	2022	2021
	Kshs	Kshs
Maintenance & Improvement	4,133,000.00	1,440,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other ( <i>specify</i> )(NGCDF and County govt.	-	-
<b>Total</b>	<b>4,133,000.00</b>	<b>1,440,000.00</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**4 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

Description	2022	2021
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	3,443,033.00	436,180.00
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	1,195,002.00	264,073.00
Fee on Boarding Equipment and stores	45,510,755.75	10,239,162.00
Parent contributions other receipts**	41,474,055.90	12,704,677.55
Others (ltt, ewc, adm costs & p/emol)	26,178,560.10	7,613,335.00
<b>Total</b>	<b>117,801,406.75</b>	<b>31,257,427.55</b>

Parent contributions other receipts\*\*\*(uniform, PA fund, Un reg, losses recovery pocket money)

**5 MISCELLANEOUS INCOMES**

Description	2022	2021
	Kshs	Kshs
Rent Income	111,050.00	39,100.00
Income from Farming Activities	2,102,750.86	792,284.00
Canteen	158,050.00	-
Income from Posho Mill	-	-
Income from Bus Hire	-	-
Fee for Hire of Ground and Equipment	-	-
Income from Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
<b>Total</b>	<b>2,371,850.86</b>	<b>831,384.00</b>

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

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**6 PAYMENTS FOR TUITION**

Description	2022	2021
	Kshs	Kshs
Exercise Books	2,179,180.00	324,570.00
Textbooks	634,216.00	488,130.00
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	3,720.00	1,320.00
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>2,817,116.00</b>	<b>814,020.00</b>

**7 PAYMENTS FOR OPERATIONS**

Description	2022	2021
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Administration Cost	-	-
Repairs and Maintenance & Improvements	-	-
Medical	42,225	-
Activity Expenses	-	-
Bank Charges	4,714	-
Others (Ewc, personal emol, L.t&t & Adm costs)	6,667,273	1,810,060
<b>Total</b>	<b>6,714,212</b>	<b>1,810,060</b>

**8 PAYMENTS FOR INFRASTRUCTURE**

Description	2021	2020
	Kshs	Kshs
Construction of classrooms	2,476,059	869,881
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others ( <i>specify</i> )	3,960	-
<b>Total</b>	<b>2,480,019</b>	<b>869,881</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9 PAYMENTS FOR BOARDING AND SCHOOL FUND PAYMENTS**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs and Maintenance & Improvements	2,425,821.00	776,068.00
Local Transport / Travelling	-	-
Uniform	4,597,299.00	-
Fees Refundable	54,910.00	-
Pocket money	459,220.00	-
Canteen	40,990.00	-
Bank Charges	-	-
Expenses on Income Generating Activities**	1,554,297.52	688,154.29
Fee on Boarding Equipment and Stores	34,476,364.00	12,335,847.00
Rent Expenses	-	-
Activity	356,253.00	
Other Payment-Parent Contribution	39,056,835.00	7,596,023.10
Others-payments	24,551,017.20	10,905,806.00
<b>Total</b>	<b>107,573,006.72</b>	<b>32,301,898.39</b>

*Expenses on income generating activities\*\* should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10 BANK ACCOUNTS**

Account Name & Currency	Status	Bank Account Number	2022	2021
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	0210291341145	224,843.49	263,031.09
Operations Account	Active	1103666975	4,153,929.05	4,546,383.25
School Fund Account/Boarding	Active	0210299928316 & 01129057006000	15,415,885.69	3,390,321.79
Farm Account (equity)	Active	0210293514315	362,106.15	2,517,359.35
Farm Account ( sss)	Active	502000975200	2,805,514.69	90,573.08
Infrastructural Account	Active	01139057006000	4,582,301.60	1,489,320.60
<b>Total</b>			<b>27,544,580.67</b>	<b>12,296,989.16</b>

**11 CASH IN HAND**

Description	2022	2021
	Kshs	Kshs
Notes and Coins	15,749.00	3,750.42
<b>Total</b>	<b>15,749.00</b>	<b>3,750.42</b>

**12 SHORT TERM INVESTMENTS**

Description	2022	2021
	Kshs	Kshs
Cooperative shares	0	xxx
Treasury Bills	0	xxx
Fixed deposit	0	xxx
Equity stock	0	xxx
Other investments	0	xxx
<b>Total</b>	<b>00</b>	<b>xxx</b>

**13 ACCOUNTS RECEIVABLE**

Description	2022	2021
	Kshs	Kshs
Fees Arrears	22,313,304.85	19,242,082.85
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	20,000.00
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Loan Savings Provision Account		
<b>Total</b>	<b>22,313,304.85</b>	<b>19,262,082.85</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

Description	2022		2021	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	6,740,127.00	30.21	1,051,192.00	5.46
Between 1- 2 years	-	-	-	-
Between 2-3 years	15,573,177.85	69.79	18,190,890.85	94.54
Over 3 years	-	-	-	-
<b>Total (should tie to note 13 a)</b>	<b>22,313,304.85</b>	<b>100.00</b>	<b>19,242,082.85</b>	<b>100.00</b>

**14 ACCOUNTS PAYABLE**

Description	2022	2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,973,769.00	3,367,559.00
Prepaid fees	2,452,062.00	
Bursary	37,239.00	37,239.00
Retention Monies	-	-
Salary Advance	-	-
Caution money	-	-
Other payables -Club	1,100.00	8,150.00
<b>Total</b>	<b>6,464,170.00</b>	<b>3,412,948.00</b>

**14(b) Ageing Analysis of Trade payables**

Description	2022		2021	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,973,769.00	100.00	2,217,524.00	65.85
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	1,150,035.00	34.15
Over 3 years	-	-	-	-
<b>Total (should tie to note 14)</b>	<b>4,504,088.55</b>	<b>100.00</b>	<b>3,367,559.00</b>	<b>100.00</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash Balances	3,750.42	5,833.42
Bank Balances	12,296,989.16	9,184,778.00
Short Term Investments	-	-
Receivables	19,262,082.85	16,958,327.85
Payables	(3,412,948.00)	(1,109,193.00)
<b>Total</b>	<b>28,149,874.43</b>	<b>25,039,746.27</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**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.

**16 Non-current Liabilities Summary**

Description	2022	2021
	Kshs	Kshs
Bank loan(s)	xxx	xxx
Outstanding Leases	xxx	xxx
Hire purchase	xxx	xxx
Gratuity and leave provision	xxx	xxx
<b>Total</b>	<b>xxxx</b>	<b>xxx</b>

**17 Biological assets**

Description	Numbers	2022	2021
		Kshs	Kshs
Cattle	5	500,000.00	395,000.00
Goats	22	44,000.00	108,000.00
bulls	2	70,000.00	-
Trees	3125	6,575,000.00	8,970,000.00
Coffee Or Tea Plantation	3456	2,875,000.00	2,875,000.00
Poultry /Rabbits	7	9,000.00	7,000.00
Banana plantation	500	450,000.00	301,500.00
fish	150	150,000.00	140,000.00
pigs	67	1,015,000.00	1,352,000.00
<b>Total</b>		<b>11,688,000.00</b>	<b>14,148,500.00</b>

**18 Borrowings**

Description	2022	2021
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	0	xxx
Borrowings during the year	0	xxx
Repayments of during the year	0	(xxx)
<b>Balance at end of the year</b>	<b>0</b>	<b>xxx</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**Other important disclosure notes**

**19 Stock/ Inventory**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year	918,575	9,436,016
Stock/ inventory purchased during the year	46,471,505	12,240,847
Stock/ inventory issued during the year	(42,264,661)	(20758288)
<b>Balance at end of the year</b>	<b>4,206,844</b>	<b>918,575</b>

**IKUU BOYS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**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.

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

**IKUU BOYS HIGH SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Land 1			30,000,000			30,000,000
Land 2			0			0
Buildings and structures	2014		87,100,000			87,100,000
Motor vehicles (KBW 603V)	8/7/2013		4,850,000			4,850,000
Motor vehicle KAJ 986J)	30/7/1999		1,225,000			1,225,000
Office equipment, furniture and fittings	2016		1200000			1200000
ICT Equipment, and Other ICT Assets	2020		1120000			1120000
Tools and apparatus	2018		70000			70000
Textbooks	2021		1350000			1350000
Other Machinery and Equipment	2019		755000			755000
Heritage and cultural assets	1982		70000			70000
Intangible assets- soft ware	2009		150000			150000
<b>Total</b>			<b>127,885,000</b>			<b>127,885,000</b>

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