


REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 04 MAR 2025	<b>DAY:</b> Tuesday
<b>TABLED OR BY:</b>	Deputy. chief whip Majority Party Hon. Naomi Jillo
<b>CLERK-AT THE-TABLE:</b>	Benson Inzofu

**THE AUDITOR-GENERAL**

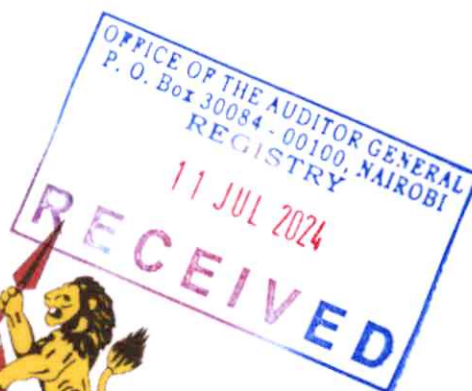
**ON**

**KAJEMBE HIGH SCHOOL**

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

**MOMBASA COUNTY**

Revised 30<sup>th</sup> June 2021.



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**(KAJEMBE HIGH SCHOOL)  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

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

(KAJEMBE HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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**PUBLIC SECONDARY SCHOOLS - KAJEMBE HIGH SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**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 Mombasa County, Jomvu Sub-County

The school was registered in May/2005 under registration number GP/A/3267/2005 and is currently categorized as a Sub county public school established, owned or operated by the Government.

The school is a Day school and had 816 number of students as at 30<sup>th</sup> June 2021. It has 16 streams and 28 teachers of which 7 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	JOYCE KAZUNGU	Chairperson	18/07/2019
2	JOSEPHINE NDIVO	Secretary - Principal	18/07/2019
3	STEPHEN CHEPKECH	Member	18/07/2019
4	HELLEN MBOYA	Member	18/07/2019
5	JOSPHAT MRUTU	Member	18/07/2019
6	REBECCA ANDALYA	PA Member	18/07/2019
7	GORET SAMBA	Member	18/07/2019
8	EDWIN KEYA OSORE	Member – Rep CEB	18/07/2019
9	JULIANA AZEY	Member Rep Teachers	18/07/2019
10	KENNEDY MOMANYI	3 Members - Sponsor	18/07/2019
11	AMINA ABDALLA	Member - Community	18/07/2019
12	CLEOPAS MWAWASI	MemberSpecial Needs	18/07/2019
13	MILDRED ADHIAMBO	Rep Students	18/07/2019

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

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

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

**(c) Committees of the Board**

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>1</b>	<b>Executive Committee</b>			
	1.	Joyce Kazungu	BOM Chairperson	<b>2/2</b>
	2.	Rebecca Andalya	P.A Chairperson	<b>2/2</b>
	3.	Stephen Chepkech	Member	<b>2/2</b>
	4.	Amina Abdallah	Member	<b>1/2</b>
<b>2</b>	<b>P.A Committee</b>			<b>Once</b>
		Rebecca Andalya	P.A Chairperson(4R)	1/1
	1.	Irene moraa	4B	1/1
	2.	Raymond Orwa	4G	1/1
	3.	Hellen Mboya	4Y	1/1
	4.	Florence Opondo	3Y	0/1
	5.	Meshack Odeny	3R	0/1
	6.	Maimuna Azizi	3B	1/1
	7.	Nelly Marriam	3G	1/1
	8.	Lawrence Masha	2Y	1/1
	9.	Narsisi Mwasani	2R	0/1
	10.	Anastacia Mbogholi	2B	1/1
	11.	Triphon Karori	2G	1/1
	12.	Risper Mounde	1G	1/1
	13.	Ignitius Sudi	1W	0/1
	14.	Nicholas Omondi	1B	1/1
	15.	Shillah Mukomari	1Y	0/1
	16.	Millicent Awino	1R	1/1
	17.	Amuhaya S.O	Teacher	1/1

(KAJEMBE HIGH SCHOOL)  
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<b>3</b>	<b>Academic Committee</b>			
		Joyce Kazungu	BOM Chairperson	2/2
	1.	Josephat Mruttu	Vice-Chair	2/2
	2.	Rebecca Andalya	P.A Chairperson	2/2
	3.	Robin Mwenda	Member	1/2
	4.	Kennedy Momanyi	Member	2/2
<b>4</b>	<b>Development Committee</b>			
		Joyce Kazungu	BOM Chairperson	4/4
	1.	Josephine Ndivo	Principal/Secretary BOM	4/4
	2.	Rebecca Andalya	P.A Chairperson	4/4
	3.	Stephen Chepkech	Member	3/4
	4.	Robin Mwenda	Member	2/4
	5.	Amuhaya S.O	Member	4/4
	6.			
<b>5</b>	<b>Discipline and welfare Committee</b>			
		Joyce Kazungu	BOM Chairperson	3/3
	1.	Josephat Mruttu	Vice-Chair	3/3
	2.	Rebecca Andalya	P.A Chairperson	3/3
	3.	Cleoppar mwawasi	Member	3/3
	4.	Hellen mboya	Member	3/3
	5.	Mohamed Ali	Member	3/3

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	JOSEPHINE NDIVO	304206
2	Deputy Principal	HENRY GITAU	233395
3	School Bursar	JEREREMIAH KITAVI	ID NO. 30028243

(KAJEMBE HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 90487  
 Telephone: +254720801853  
 E-mail: kajembehigschoo@gmail.com  
 Website: www.kajembehigschool.com  
 Facebook: KAJEMBE HIGH SCHOOL FORUM  
 Twitter: #kajembehigschool

**(f) School Bankers**

The following school operated 12 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

<b><u>BANK NAME</u></b>	<b><u>ACCOUNT NAME</u></b>	<b><u>ACCOUNT NUMBER</u></b>
KCB BANK	Tuition Account	1108914136
KCB BANK	Operations Account	1108915019
KCB BANK	School Fund Account/Boarding	1108479456
EQUITY BANK	Equity fees Account	1200263925995
EQUITY BANK	Infrastructural Account	1200279288849
	<b>Savings Accounts;</b>	
KCB BANK	Gratuity account	1115136828
KCB BANK	Development account	1124156712
KCB BANK	Bus account	1115136992
KCB BANK	Cdf project account	1108480284
KCB BANK	Exam/caution account	1108795595
EQUITY BANK	Equity account 2	1200299956000
EQUITY BANK	Equity Cdf account	1200299291500

**(g) Independent Auditors**

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

(KAJEMBE HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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**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:**

**Surplus/ deficit for the year and a comparison of the same for the last three years**

<b>DESCRIPTION</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>SURPLUS/DEFICIT</b>	7,288,825.90	(489,757.00)	2,481,992.25

**Capitation grants from the Ministry of Education for the last three years**

<b>DESCRIPTION</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Capitation grants for tuition	1,033,848.25	1,247,455.00	2,622,143.00
Capitation grants for operations	7,335,426.95	7,708,825.00	9,893,931.10
<b>TOTALS</b>	<b>8,369,275.20</b>	<b>8,956,280.00</b>	<b>12,516,074.10</b>

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

<b>- DESCRIPTION</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
School Fund Income- Other receipts	4,105,151.00	378,167.00	
School Fund Income- Parents contribution	5,551,500.00	7,424,868.00	

(KAJEMBE HIGH SCHOOL)  
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**A three-year overview of growth in expenditure of the school**

DESCRIPTION	2020-2021	2019-2020	2018-2019
PAYMENTS	Kshs	Kshs	Kshs
Payments for Tuition	428,962.00	2,643,414.00	1,568,689.10
Payments for operations	5,158,563.30	8,871,745.00	8,719,478.25
<b>TOTAL PAYMENTS</b>	<b>5,587,525.30</b>	<b>11,515,159.00</b>	<b>10,288,167.35</b>

**Movement of debtors and creditors of the school over the last three years**

**ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020	2018-2019
	Kshs	Kshs	Kshs
Fees arrears	14,749,041.35	14,749,041.35	10,616,976.55
Other non-fees receivables			
Salary advances	17,500.00	17,500.00	
Imprest			
<b>Total</b>	<b>14,766,541.35</b>	<b>14,766,541.35</b>	<b>10,616,976.55</b>

**ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020	2018-2019
	Kshs	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)			
Prepaid fees	394,268.00	194,076.00	507,441.00
Retention monies			
<b>Total</b>	<b>394,268.00</b>	<b>194,076.00</b>	<b>507,441.00</b>

(KAJEMBE HIGH SCHOOL)  
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**Movement of cash and bank balances over the last three years.**

	Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020	2018-2019
			Kshs	Kshs	Kshs
1	Tuition Account	1108914136	2,384,201.05	1,779,314.80	3,175,273.80
2	Operations Account	1108915019	6,046,449.90	2,640,193.25	4,416,120.25
3	School Fund Account/Boarding	1108479456	192,155.12	590,878.12	674,241.12
4	Equity fees Account	1200263925995	1,984,659.90	2,637,604.90	2,231,879.90
5	Infrastructural Account	1200279288849	2,733,148.00	3,526,318.00	2,432,750.00
	<b>Savings Accounts;</b>		-		
6	Gratuity account	1115136828	2,060,069.25	2,060,069.25	2,060,069.25
7	Development account	1124156712	56,776.00	56,776.00	56,776.00
8	Bus account	1115136992	108,395.84	108,395.84	108,395.84
9	Cdf project account	1108480284	1,160,389.60	1,160,389.60	1,160,389.60
10	Exam/caution account	1108795595	726,141.10	726,141.10	726,141.10
11	Equity account 2	1200299956000	2,163.50	2,163.50	2,163.50
12	Equity Cdf account	1200299291500	4,158,665.00	159,115.00	158,815.00
	<b>Total</b>		<b>21,613,214.22</b>	<b>15,447,359.36</b>	<b>17,203,015.36</b>

**CASH IN HAND**

Description	2020-2021	2019-2020	2018-2019
	Kshs	Kshs	Kshs
Tuition Account	0	0	0
Operation Account	13,745.00	6,468.00	2,029.00
School Fund account	1,011.00	4,800.00	1,949.00
<b>Total</b>	<b>14,756.00</b>	<b>11,268.00</b>	<b>3,978.00</b>

(KAJEMBE HIGH SCHOOL)  
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b) **Teacher Student ratio:**

714/25 Ratio 1:30

c) **KCSE Mean score for last three years / Number of Candidates**

<u>YEAR</u>	<u>ENTRY</u>	<u>MEAN</u>	<u>DEV</u>
2018	130	3.12	+0.14
2019	135	3.25	+0.13
2020	165	2.87	-0.38

d) **Capacity of the school vs School Facilities**

<u>FACILITIES</u>	<u>DORMITORY</u>	<u>DIN.HALL</u>	<u>LABORATORIES</u>	<u>TOILETS</u>	<u>STUDENTS</u>
TOTAL	0	1	3	20	842

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

<u>COMPLETED PROJECT</u>	<u>FUND SOURCE</u>	<u>AMOUNT</u>
KITCHEN TILING&REPAIR	M & I	372,200.00
DINNING TABLES & BENCHES	M & I	418,800.00
<b>TOTAL</b>		<b>791,000.00</b>

Sign

School Principal

(KAJEMBE HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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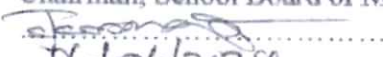
**III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**



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

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

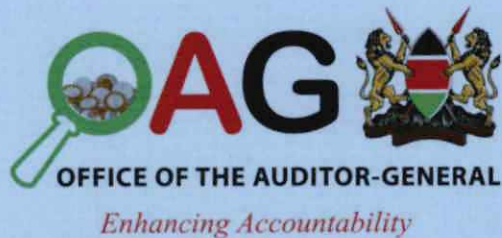
Name: JOYCE KAZUNGU  
Designation: Chairman, School Board of Management  
Sign:   
Date: 06/06/2021

Name: JOSEPHINE NDIVO  
Designation: School Principal & Secretary to Board of Management  
Sign:   
Date: 

Name: JEREMIAH KITAVI  
Designation: Bursar/ Finance Officer  
Sign:   
Date: 06/24  
Bursa  
KAJEMBE HIGH SCHOOL  
P.O. BOX 90487-80100, MUMBASA

# REPUBLIC OF KENYA

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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KAJEMBE HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - MOMBASA COUNTY**

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kajembe High School – Mombasa County set out on pages 12 to 24, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kajembe High School – Mombasa County as at 30 June, 2021, 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. Inaccuracies in the Financial Statements**

Review of the financial statements revealed unreconciled variances between the statement of receipts and payments and statement of cash flows as outlined below;

	<b>Statement of Receipts and Payments (Kshs)</b>	<b>Statement of Cash Flows (Kshs)</b>	<b>Variance (Kshs)</b>
<b>Receipts</b>			
Capitation Grants for Operations	7,335,426	4,955,681	2,379,745
School Fund Income-Parents Contribution	5,551,500	5,395,399	156,101
School Fund Income-Other receipts	4,105,157	4,000,000	105,157
<b>Payments</b>			
Payments for Operations	5,158,563	4,513,568	644,995
Boarding and School Fund Payments	5,149,575	6,451,306	1,301,731

Further, the statement of receipts and payments reflects boarding and school fund payments totalling Kshs.5,149,575 which as disclosed in Note 7 to the financial statements includes transfer from Equity Account amount of Kshs.306,924. However, the amount was not a payment hence overstating the expenditure amount.

In addition, review of the statement of cash flows revealed variances with the notes to the financial statements as analyzed below;

<b>Component</b>	<b>Statement of Cash Flows Balance (Kshs.)</b>	<b>Note</b>	<b>Note to the Financial Statements (Kshs.)</b>	<b>Variance (Kshs.)</b>
Capitation Grants for Operations	4,955,682	2	7,335,426	2,379,744
School Fund Income-Parents Contributions	5,395,399	3	5,551,500	156,101
School Fund Income-Other Receipts	4,000,000	4	4,105,151	105,151
Payments for Operations	4,513,568	6	5,158,563	644,995
Boarding and School Fund Payments	6,451,306	7	5,149,595	1,301,711

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

## **2. Inconsistencies in Capitation Grants**

The statement of receipts and payments and Note 2 to the financial statements reflects capitation grants for operation totalling Kshs.7,335,427. However, review of the National Education Management Information System (NEMIS) revealed total disbursement of Kshs.10,514,211 resulting to an unreconciled variance of Kshs.3,178,784. Further, the NEMIS statement reflects transfers to infrastructure account totalling Kshs.3,445,500 whereas the financial statements reflect total disbursements of Kshs.2,969,250. The variance of Kshs.476,250 was not explained or supported.

In addition, the NEMIS statement reflects total enrollment of seven hundred ninety-five (795) students during the year under audit against eight hundred and twenty five (825) students reflected in the School's physical students' records. Similarly, the inconsistencies were not explained or supported.

In the circumstances, the accuracy of the capitation grants could not be confirmed.

## **3. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities and Note 13 to financial statements reflects accounts receivables balance of Kshs.13,724,635, which increased from an amount of Kshs.12,404,960 in the financial year 2019/2020. Further, included in this amount is fees arrears of Kshs.9,834,846 which as per the records has been outstanding for a period of over two (2) years. In addition, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.13,724,635 could not be confirmed.

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

accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final revenue budget and actual on comparable basis totalling Kshs.21,784,924 and Kshs.18,025,926 respectively, resulting to an under-funding amounting to Kshs.3,758,998 or 17% of the budget. However, the School spent a balance of Kshs.10,737,100 against actual receipts of Kshs.18,025,926, resulting to an under-utilization of Kshs.7,288,826 or 40% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) 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. The statement of cash flows and the statement of budgeted versus actual amounts are incorrectly numbered.
- ii. The statement of cash flows has missing reference notes.
- iii. The statement of financial assets and financial liabilities reflects accounts payables totalling Kshs.394,268 as disclosed in Note 12 to the financial statements. However, Annexure 1 under analysis of pending accounts payable is blank.
- iv. Annexure 2 on summary of fixed assets register contains incomplete fields.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

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

During the year under review, Management submitted the financial statements to the Auditor-General on 28 February, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **3. Lack of Effective Management of Textbooks**

In the year under review, it was observed that confirmation of the status of textbooks issued to students in the various classes was not carried out. Further, examination of records provided for audit revealed that stock taking of books was only done for students who had cleared form four, in December, 2021. However, the records were not signed or dated to show the person or persons who carried out the stock taking or confirmed the same. The School had not therefore implemented mechanisms to control movement of textbooks.

In the circumstances, the School Management is exposed to loss of textbooks.

## **4. Failure to Establish an Audit Committee**

During the year under review, the Board of Management did not establish an audit committee. No satisfactory reason was provided for failure to establish the committee which was contrary to Section 61(2) of the fourth schedule of the Basic Education Act, 2013 which requires the Board of Management to establish: - (a) finance, procurement and general purposes committee; (b) academic standards, quality and environment committee; (c) discipline, ethics and integrity committee; (d) audit committee; and (e) human rights and student welfare committee.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Incomplete Assets Register and Lack of Land Ownership Documents**

Annex 2 to the financial statements reflects a summary of fixed assets register which does not indicate the purchase date, cost price, current condition and current valuation of the School assets. Further, the assets register indicates that the land was acquired on 1 August, 2004, while the allotment letter revealed the plot and register numbers and the size of the land. However, the land ownership documents were not provided for audit and the value of the land could not be established.

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 to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, 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 sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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

10 September, 2024

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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,033,848.25	1,247,455.00
Capitation grants for operations	2	7,335,426.95	7,708,825.00
School Fund Income- Parents` Contributions	3	5,551,500.00	7,424,868.00
School Fund Income- Other receipts	4	4,105,151.00	378,167.00
Proceeds from borrowings		0	0
<b>TOTAL RECEIPTS</b>		<b>18,025,926.20</b>	<b>16,759,315.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	428,962.00	2,643,414.00
Payments for operations	6	5,158,563.30	8,871,745.00
Boarding and school fund payments	7	5,149,575.00	5,733,913.00
<b>TOTAL PAYMENTS</b>		<b>10,737,100.30</b>	<b>17,249,072.00</b>
<b>SURPLUS/DEFICIT</b>		<b>7,288,825.90</b>	<b>(489,757.00)</b>
		<b>18,025,926.20</b>	<b>16,759,315.00</b>

The school financial statements were approved on 28<sup>TH</sup> OCTOBER, 2021 and signed by:

Sign: 

Name JOYCE KAZUNGU

Chair BOM

Date

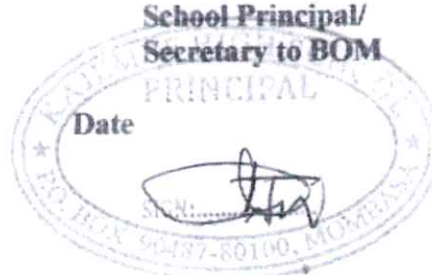
06/06/2024

Sign

Name JOSEPHINE NDIVO

School Principal/  
Secretary to BOM

Date



Sign

Name: JEREMIAH KITAVI

Bursar/  
Finance Officer

**BURSAI**  
KAJEMBE HIGH SCHOOL  
P.O. BOX 90487-80100, NAKURU  
Date: 06/06/2024 Sign: 

(KAJEMBE HIGH SCHOOL)  
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**VI STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	21,613,214.22	15,447,359.32
Cash Balances	9	14,756.00	11,268.00
Short term Investment	10		
<b>Total Cash and cash equivalent</b>		<b>21,627,970.22</b>	<b>15,458,627.32</b>
Account's receivables	11	13,724,635.35	12,404,960.35
<b>TOTAL FINANCIAL ASSETS</b>		<b>35,352,605.57</b>	<b>27,863,587.67</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	394,268.00	194,076.00
<b>NET FINANCIAL ASSETS</b>		<b><u>34,958,337.57</u></b>	<b><u>27,669,511.67</u></b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	27,669,511.67	29,636,735.91
Surplus/Deficit for the year		7,288,825.90	(489,757.00)
<b>NET FINANCIAL POSSITION</b>		<b><u>34,958,337.57</u></b>	<b><u>27,669,511.67</u></b>

The School's financial statements were approved on 28<sup>TH</sup> OCTOBER, 2021 and signed by:

Sign: 

Name: JOYCE KAZUNGU

Chair BOM

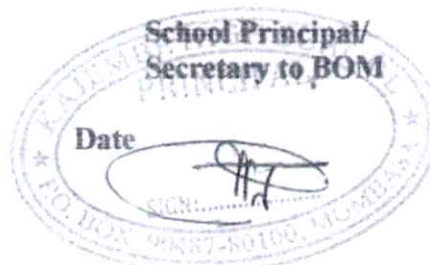
Date: 6/6/2024

Sign

Name: JOSEPHINE NDIVO

School Principal/  
Secretary to BOM

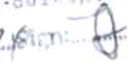
Date



Sign

Name: JEREMIAH KITAVI

Bursar/  
Finance Officer

**BURSAR**  
 KAJEMBE HIGH SCH  
 P.O. BOX 90487-80100, MOI  
 Date: 6/6/2024 Sign: 

(KAJEMBE HIGH SCHOOL)  
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**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		2020-2021	2019-2020
		Kshs	Kshs
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,033,848.25	1,247,455.00
Capitation grants for operations	2	4,955,681.95	5,754,136.00
School fund income- Parents contributions/ fees	3	5,395,399.00	6,560,726.00
School fund income- other receipts	4	4,000,000.00	0
<b>Total receipts</b>		<b>15,384,929.20</b>	<b>13,562,317.00</b>
<b>Payments</b>			
Payments for Tuition		428,962.00	2,643,414.00
Payments for operations		4,513,568.30	8,010,624.00
Boarding and school fund payments		6,451,306.00	5,750,333.00
<b>Total payments</b>		<b>11,393,836.30</b>	<b>16,404,371.00</b>
<b>Net cash flow from operating activities</b>		<b>3,991,092.90</b>	<b>(2,842,054.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts from investing activities</b>			
Maintenance & improvement		2,969,250.00	1,973,600.00
Acquisition of Assets			
<b>Tota Receipts</b>		<b>2,969,250.00</b>	<b>1,973,600.00</b>
<b>Payment from investing activities</b>			
Acquisition of assets-Dinning tiles, Benches & tables		(791,000.00)	(879,912.00)
<b>Total payments</b>		<b>(791,000.00)</b>	<b>(879,912.00)</b>
<b>Net cash flows from Investing Activities</b>		<b>2,178,250.00</b>	<b>1,093,688.00</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>6,169,342.90</b>	<b>(1,748,366.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>15,458,627.32</b>	<b>17,206,993.32</b>
<b>Cash and cash equivalent at END of the year</b>		<b>21,627,970.22</b>	<b>15,458,627.32</b>

**PUBLIC SECONDARY SCHOOLS - KAJEMBE HIGH SCHOOL**  
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**VI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks and reference materials	1,955,124.00		1,955,124.00	1,033,848.25	921,276.00	53%
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials						
Chalks						
Exams and assessment						
Teachers guides						
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Bom teachers	1,164,200.00		1,164,200.00	864,200.00	300,000.00	74%
Maintainace and maintenance	2,105,000.00		2,105,000.00	2,969,250.00	(864,250.00)	141%
Other Voteheads	5,304,600.00		5,304,600.00	3,501,976.95	1,802,623.00	66%
Local transport / travelling						
Electricity and water						
Medical						

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on	Budget Utilization	% of Utilization
	Kshs	Kshs	Kshs	Comparable Basis	Kshs	Kshs
	1	2	3=1+2	4	5=3-4	6=4/3
Administration costs						
<b>(3) FEES CHARGED ON PARENTS</b>						
Lunch programme	5,743,000.00		5,743,000.00	4,342,311.00	1,130,689.00	79%
BOM teachers	1,263,000.00		1,263,000.00	1,209,189.00	53,811.00	96%
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
SMASSE						
Fee on Boarding Equipment and Stores						
<b>OTHER INCOME</b>						
Saving account	4,000,000.00		4,000,000.00	4,000,000.00	0	100%
Hire of Facilities	100,000.00		100,000.00	73,000.00	27,000.00	73%
Caution Money	20,000.00		20,000.00	4,570.00	2,570.00	23%
Tender Fees	100,000.00		100,000.00	13,000.00	87,000.00	13%
Text Books	30,000.00		30,000.00	14,581.00	15,419.00	49%
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
<b>TOTAL INCOME</b>	<b>21,784,924.00</b>		<b>21,784,924.00</b>	<b>18,025,926.20</b>	<b>3,476,138.00</b>	<b>82.74%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						



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Receipts/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e=d-d Kshs	% of Utilization f=d/c*100 Kshs
SMASSE						
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Lunch Programme	5,743,000.00		5,743,000.00	2,028,583.00	3,714,417.00	35%
Bom Teachers	1,263,000.00		1,263,000.00	1,543,299.00	(280,299.00)	122%
Bus Hire	200,000.00		200,000.00	186,100.00	13,900.00	93%
Tender Fees	30,000.00		30,000.00	8,500.00	21,500.00	28%
Hire of Facilities	100,000.00		100,000.00	15,000.00	85,000.00	15%
Repairs & Maintenance	300,000.00		300,000.00	244,990.00	55,010.00	82%
Electricity and Water	200,000.00		200,000.00	116,000.00	84,000.00	58%
Other expenses	3,420,000.00		3,420,000.00	1,007,103.00	2,412,897.00	29%
Expenditure for Income Generating Activity						
Loan Principal Repayment						
Acquisition of Assets						
<b>TOTALS</b>	<b>21,784,924.00</b>		<b>21,784,924.00</b>	<b>10,737,100.00</b>	<b>11,047,824.00</b>	<b>49%</b>

Recommendation on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. There was no full utilisation of total income because of the Corona Pandemic which also affected the six months budget.
- ii. Most of the expenses were not utilized because of the Corona outbreak.

## **VII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

(KAJEMBE HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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**VIII. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	1,033,848.25	1,247,455.00
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials		
Chalks		
Exams and assessment		
Teachers guides		
<b>Total</b>	<b>1,033,848.25</b>	<b>1,247,455.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Other voteheads	3,501,976.95	4,030,925.00
Bom teachers	864,200.00	300,000.00
Maintenance & Improvement	2,969,250.00	2,973,500.00
Activity		269,600.00
insurance		134,800.00
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
<b>Total</b>	<b>7,335,426.95</b>	<b>7,708,825.00</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
Lunch programme	4,342,311.00	6,019,122.00
BOM teachers	1,209,189.00	1,405,746.00
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		
<b>Total</b>	<b>5,551,500.00</b>	<b>7,424,868.00</b>

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

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Saving Account	4,000,000.00	0
Hire of Facilities	73,000.00	118,000.00
Caution Money	4,570.00	134,500.00
Tender Fees	13,000.00	31,000.00
Text Books	14,581.00	14,035.00
Fee for hire of ground and equipment		80,632
Income from grants and donations*		
Interest income		
Dividends income		
<b>Total</b>	<b>4,105,151.00</b>	<b>297,835.00</b>

**NOTES.**

- **Saving account** Received from CDF for Construction of 2NO.classrooms.

**5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	428,092.00	2,642,040.00
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials		
Chalks		
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	870.00	1,374.00
<b>Total</b>	<b>428,962.00</b>	<b>2,643,414.00</b>

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**6 PAYMENTS FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,505,346.00	2,819,598.00
Bom teachers		300,000.00
Administration Cost	992,792.20	1,232,792.00
Maintenance & improvements	647,134.00	1,340,153.00
Local transport / travelling	119,830.00	240,280.00
Electricity and water	551,739.00	547,965.00
Medical	209,837.10	169,675.00
Infrastructure	791,000.00	879,912.00
Activity Expenses	336,155.00	1,273,270.00
Covid-19 Expenses		63,700.00
Bank Charges	4,730.00	4,400.00
Acquisition of Assets		
<b>TOTAL</b>	<b>5,158,563.30</b>	<b>8,871,745.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Lunch programme	2,028,583.00	1,494,110.00
BOM Teachers	1,543,299.00	2,594,655.00
Caution Money		4,500.00
Bus Hire	186,100.00	617,710.00
Tender Fees	8,500.00	17,950.00
Hall hire maintenance	15,000.00	20,000.00
Electricity and water	116,000.00	57,020.00
Medical Expenses-Covid 19		80,150.00
Administration costs	695,465.00	238,460.00
Repairs and maintenance & Improvements	244,990.00	551,200.00
Activities		54,500.00
Bank Charges	4,714.00	3,658.00
Transfer from Equity Account	306,924	
Acquisition of Assets		
<b>TOTAL</b>	<b>5,149,575.00</b>	<b>5,733,913.00</b>

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**8 BANK ACCOUNTS**

	Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020	2018-2019
			Kshs	Kshs	Kshs
1	Tuition Account	1108914136	2,384,201.05	1,779,314.80	3,175,273.80
2	Operations Account	1108915019	6,046,449.90	2,640,193.25	4,416,120.25
3	School Fund Account/Boarding	1108479456	192,155.12	590,878.12	674,241.12
4	Equity fees Account	1200263925995	1,984,659.90	2,637,604.90	2,231,879.90
5	Infrastructural Account	1200279288849	2,733,148.00	3,526,318.00	2,432,750.00
	<b>Savings Accounts;</b>		-		
6	Gratuity account	1115136828	2,060,069.25	2,060,069.25	2,060,069.25
7	Development account	1124156712	56,776.00	56,776.00	56,776.00
8	Bus account	1115136992	108,395.84	108,395.84	108,395.84
9	Cdf project account	1108480284	1,160,389.60	1,160,389.60	1,160,389.60
10	Exam/caution account	1108795595	726,141.10	726,141.10	726,141.10
11	Equity account 2	1200299956000	2,163.50	2,163.50	2,163.50
12	Equity Cdf account	1200299291500	4,158,665.00	159,115.00	158,815.00
	<b>Total</b>		<b>21,613,214.22</b>	<b>15,447,359.36</b>	<b>17,203,015.36</b>

**9 CASH IN HAND**

Description	2020-2021	2019-2020	2018-2019
	Kshs	Kshs	Kshs
Tuition Account	0	0	0
Operation Account	13,745.00	6,468.00	2,029.00
School Fund account	1,011.00	4,800.00	1,949.00
<b>Total</b>	<b>14,756.00</b>	<b>11,268.00</b>	<b>3,978.00</b>

**10 SHORT TERM INVESTMENTS**

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed deposit	xxx	xxx
Equity stock	xxx	xxx
Other investments	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

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**11 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	13,707,135.35	11,903,960.35
Other non-fees receivables		485,000.00
Salary advances	17,500.00	16,000.00
Imprest		
<b>Total</b>	<b>13,724,635.35</b>	<b>12,404,960.25</b>

An ageing of the fees / non fees arrears

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	2,306,660.00	1,993,591.00
Fees arrears for the previous year	1,565,629.00	862,570.00
Fees arrears for prior periods (over two years)	9,834,846.35	9,047,799.35
<b>Total</b>	<b>13,707,135.35</b>	<b>11,903,960.35</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		
Prepaid fees	394,268.00	194,076.00
Retention monies		
<b>Total</b>	<b>394,268.00</b>	<b>194,076.00</b>

An ageing of the creditor's arrears(appendix 1)

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year		
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		
<b>Total</b>		

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**13 FUND BALANCE BROUGHT FORWARD**

Description	2020-2021	2019-2020	2018-2019
	Kshs	Kshs	Kshs
Bank balances	21,613,214.26	15,447,359.32	17,203,015.32
Cash balances	14,756.00	11,268.00	3,978.00
Short Term Investments	0	0	0
Receivables	13,724,635.35	12,404,960.35	10,952,275.35
Payables	(394,268.00)	(194,076.00)	0
<b>Total</b>	<b>34,958,337.57</b>	<b>27,669,511.67</b>	<b>28,159,268.67</b>

**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	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>

**15 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		xxx	xxx
Goats		xxx	xxx
Trees		xxx	xxx
Coffee or tea plantation		xxx	Xxx
Poultry		xxx	xxx
<b>Total</b>		<b>xxx</b>	<b>xxx</b>

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		

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Borrowing at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments of during the year	(xxx)	(xxx)
<b>Balance at end of the year</b>	<b>xxx</b>	<b>xxx</b>

**Other important disclosure notes**

**17 Stock/ Inventory**

Description	2020-2021 KShs	2019-2020 KShs
Foodstuffs	66,905.00	0.00
Lab consumables	0.00	0.00
Farm produce	0.00	.00
Stationary	129,355.00	0.00
Construction materials		
Other (specify)		
Foodstuffs		
<b>TOTAL</b>	<b>196,260.00</b>	<b>0.00</b>

**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)

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

Supplier of Goods or Services	Original	Date	Amount	Outstanding	Outstanding	Comments
	Amount Kshs	Contracted Kshs	Paid To-Date Kshs	Balance 20XX Kshs	Balance 20XX-1 Kshs	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	01/08/2004	MIKINDANI	MUNICIPAL	NILL	NILL	N/A
Land 2						
Buildings and structures						
Motor vehicles	05/08/2009	MIKINDANI	1,800,000.00	N/A	N/A	N/A
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks	07/07/2021		1,736,000.00	0		1,736,000.00
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>						