

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE NATIONAL ASSEMBLY PAPERS LAID	
OF DATE: 11 MAR 2025	DAY: Tuesday
TABLED BY: Hon. Owen Bwalya, MP Deputy Majority Leader	
THE-TABLE: Gertrude Chebet	

THE AUDITOR-GENERAL

ON

NAJILE BOYS SECONDARY SCHOOL

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

KAJIADO COUNTY

NAJILE BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Revised 30th June 2021.



NAJILE BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR START
1st JANUARY 2021-30th JUNE 2021

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

NAJILE BOYS SECONDARY SCHOOL
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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 Kajido County, kajido west Sub-County

The school was registered in 19/01/2021 under registration number 34S3000160 and is currently categorized as a *Extra County* public school established, owned or operated by the Government.

The school is a boarding school and had 754 number of students as at 30th June 2021. It has 16 streams and 27 teachers of which 8 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	Smason Sirere	Chairman	14/05/2019
2	Francis Wambua	Secretary – Principal	14/05/2019
3	Justus Manyara	Member	14/05/2019
4	Ann Yiamat	Member	14/05/2019
5	Jecinta Tomoina	Member	14/05/2019
6	Hassan Sekento	Member	14/05/2019
7	Mercy Kamiri	Member	14/05/2019
8	Sr. Simpiri	Member – Rep CEB	14/05/2019
9	Mr. warui stephen	Member Rep Teachers	14/05/2019
10	Leonard Kipish Emmaculate cherop Ann torinke	3 Members – Sponsor	14/05/2019
11	Dennis Mositet	Member – Community	14/05/2019
12	Jonathan Ntinanayia	MemberSpecial Needs	14/05/2019
13	David mosoito	Rep Students	14/05/2019

KEY SCHOOL INFORMATION AND MANAGEMENT

The functions 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 Members attended during the year
1	Executive Committee	Samsom Saitoti Francis Wambua Jecinta Tomoina Justus Manyara Francis Litei	Chairman Secretary Member Member P.A Chairman	2/2
2	Audit Committee	Samsom Saitoti Francis Wambua Ann yiamat Justus Manyara Francis Litei	Chairman Secretary Member Member P.A Chairman	2/2
3	Finance, procurement and general purposes Committee	Lenard Kipish Naipanoi Allison	Ass. Chairman Member	2/2

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		Isaac Neeliang	Member	
4	Academic Committee	Mercy Kipishian Hassan Sekento Stephen Warui	Chairman Member Member	3/3
5	Development Committee	Francis Litei Francis Wambua Jecinta Tomoina Mercy Kantim	Chairman Secretary Member Member	3/3
6	Discipline and welfare Committee	Stephen Warui Isaac Neliang Agness Kipolonka Tiiyia Ntinanayia	Chairman Member Member Member	1/1
7	Adhoc Committee (if any during the year)	N/A		

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Francis Wambua	357203
2	Deputy Principal	Mr. Stephen Warui	285840
3	School Bursar	Mr. James Mpaayio irio	001

KEY SCHOOL INFORMATION AND MANAGEMENT

(e) Schools contacts

Post Office Box: 537, Ngong Hills
 Telephone: 0793953739
 E-mail: najileboyschool@gmail.com
 Website: N/A
 Facebook: N/A
 Twitter: N/A

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- I. Name of Bank: Name of Bank: Equity bank
 Branch: Ngong

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- Account Number: 0730295949004
2. Name of Bank: Equity bank
Branch: Ngong
Account Number: 0730278710420
- 3 Name of Bank: ABSA Bank
Branch: Ngong
Account Number: 0651102782/0651109965
- 4 MPESA Pay Bill No. 247247 Acc No. 474801 attached to Equity bank account

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

(g) Independent Auditors

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

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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:**

Under this section, the following information should be given:

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

SUMMARY	2021	2020	-	2019
Surplus/deficit		-	-	
Tuition			-	
Operation				
Fund account				
Totals	909,933.45	1,680,850		

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

	2021	2020	-	2019
Tuition account	866,932.00	1,001,064.00	-	
Operation account	5,440,910.75	7,193,050.00	-	
Total	6,307,842.75	8,194,114.00		

- *Ratio of capitation grant per student over the last three years*

Summary	2021	2020	2019
No. Of students	754	665	585

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

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<i>Summary</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Debtors</i>	<i>942,983.20</i>	<i>1,213,494</i>	<i>6,528,387.59</i>
<i>Creditors</i>	<i>891,104</i>	<i>677,974</i>	<i>550,818</i>

- *Movement of cash and bank balances over the last three years*

<i>Summary</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Cash</i>	<i>22,983</i>	<i>44139</i>	<i>1496</i>
<i>Bank balances</i>	<i>2,119,067.06</i>	<i>1,830,286.81</i>	<i>324,361.21</i>

- *Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.*

b) Teacher Student ratio:

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

<i>Teachers to students ratio</i>	<i>1:40</i>	<i>2021</i>
<i>TSC Teachers</i>		<i>19</i>
<i>BOM Teacher</i>		<i>8</i>
<i>Retired Teacher</i>		<i>1</i>
<i>Recruited</i>		<i>0</i>
<i>Teachers shortage</i>		<i>12</i>

c) Mean score in the 2021 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

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	2021	2020	2019
<i>Mean score</i>	D+	D+	D+

d) Number of Candidates in the 2021 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

<i>Summary</i>	2021	2020	2019
	139	94	83

e) Capacity of the school:

Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

<i>Summary</i>	2021
<i>Dormitory</i>	2:1
<i>Laboratory</i>	2:1
<i>Toilets</i>	1:1
<i>Dining hall</i>	4:1

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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

Development project

<i>Summary</i>	<i>Source of funds</i>	<i>Amount</i>	<i>State</i>
<i>Dormitory</i>	<i>CDF</i>	<i>3 million</i>	<i>Completed</i>
<i>Kitchen</i>	<i>MOE/FSDE</i>	<i>1.5million</i>	<i>Completed</i>
<i>Water harvesting</i>	<i>MOE/FSDE</i>	<i>2.5Million</i>	<i>Completed</i>

Sign 

School Principal

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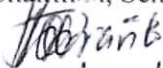
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

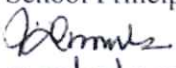
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

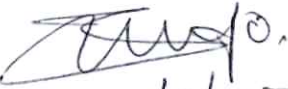
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

Name: Samson Sirere
Designation: Chairman, School Board of Management
Sign: 
Date: 28/09/2024

Name: Francis Wambua
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 28/9/2024

Name: James Irio
Designation: Bursar/ Finance Officer
Sign: 
Date: 28/9/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAJILE BOYS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' ENDED 30 JUNE, 2021- KAJIADO COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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 control, 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 Najile Boys Secondary School - Kajiado County set out on pages 1 to 16, which comprise of the statements of financial

Report of the Auditor-General on Najile Boys Secondary School for the Six (6) months' period ended 30 June, 2021- Kajiado County

assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows, and statement of budgeted versus actual amounts for the 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 Najile Boys Secondary School – Kajiado County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.866,932 and Kshs.5,440,910 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the school against the amount received by the School for operations and tuition, revealed an amount of Kshs.8,843,980 and Kshs.1,103,671 whereas the received capitation amount by the school reflects an amount of Kshs.5,440,891 and Kshs.1,796,602 for operations and tuition respectively, resulting to an unexplained variance of Kshs.3,403,089 and Kshs.692,931.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.866,932 and Kshs.5,440,910.75 could not be confirmed.

2. Long Outstanding Receivables

Statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.8,627,604 in respect of fees arrears as disclosed Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.6,528,387 which have been long outstanding for over two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.8,627,604.79 could not be confirmed.

3. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies;

- i. The statement of receipts and payments reflects school fund income- parents contributions/fees amount of Kshs.12,475,611 which differs from Note 3 to financial statements amounts of Kshs.14,489,594 resulting in a variance of Kshs.2,013,983.
- ii. The statement of cash flows reflects net increase in cash and cash equivalents amounts of Kshs.267,624. However, the statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.8,627,604 and Kshs.1,382,610 for current and prior year 2019/2020 resulting in an increase in accounts receivables amounts of Kshs.7,244,994. Similarly, the statement of financial assets and financial liabilities reflects accounts payables balances of Kshs.1,521,546 and Kshs.677,974 for current and prior year (2019/2020) respectively resulting in an increase in accounts payable balance of Kshs.843,572. It was noted that the increase in accounts receivables and accounts payables balances of Kshs.7,244,994 and Kshs.843,572 were not adjusted for in the cash and cash equivalents balance of kshs.267,624.
- iii. Note 12 to financial statement reflects stock/inventory amounts of Kshs.10,941 which differs from recomputed amounts of Kshs.58,319 resulting in a difference of Kshs. -47,378

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

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.6,307,842. Comparison of data from National Education Management and information System (NEMIS) with records from the School records revealed that during the financial period 2020/2021 NEMIS reflected two thousands six hundred and sixty two (2,662) students while records from the School enrollment data had two thousands eight hundred and seventy five (2,875) students, resulting to an underfunding of the School by an amount of Kshs.3,977,136. This was contrary to the Ministry of Education Circular No:MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

2. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 10 to financial statements reflects Kshs.1,521,546 relating to account payables. However, included in this balance, are traded and other payables balance of Kshs.550,818 which had been outstanding for over two years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

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

3. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual

for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of law.

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

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

- i. The School is identified as "Najile Boys Secondary School" in the cover page and headers in the rest of the report except pages 2,11,14, 25 and 26 respectively where the School is identified as "Najile Boys High School".
- ii. The statement of financial assets and financial liabilities has not reflected total Cash and Cash Equivalent" balance for current and prior year 2019/2020.
- iii. The statement of receipts and payments statement of financial assets and financial liabilities, statement of cash flows and notes to financial statement reflects current year (2020-2021) and prior year (2019-2020) as 2019 and 2020.
- iv. The annual report and financial statement cover page has a header which is not required. Further, pages containing the statement of receipts and payments, statement of financial assets and financial liabilities, significant accounting policies, notes to financial statements and other important disclosures do not have headers disclosing the name of the school as required. In addition, the statement of receipts and payments and statement of financial assets and financial liabilities do not disclose the date the financial statements were approved.
- v. The annual report and financial statements are inconsistently numbered. It is numbered from 1 - 3, 6, 4, 6 -16 18,18,19 instead of 1 to 19.
- vi. The statement of receipts and payments reflects payments for tuition, payment for operation, boarding and school fund payments referenced to Note 5 ,6,7 to the financial statements while note 5,6, and 7 to financial statements relate to payment for operation, boarding and school fund payment and bank accounts.
- vii. The column on budget utilization difference were not reflected for every revenue and expenditure components as required.

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.

5. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 30 September, 2022 instead of the statutory deadline of 30 September 2021. This was contrary to the Ministry of Education circular Ref. No: 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Controls

During the year under review, it was observed that, the School lacked the following as measures of internal controls; risk management policy, internal audit review, human resource policy, organizational chart, disaster recovery plan, approved IT security policy and finance Policy.

In the circumstances, lack of internal controls may lead to mismanagement of the entity's funds and assets.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the 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 the 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 controls 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 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 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 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 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

25 November, 2024

I. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	JUNE 2021	2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	866,932.00	1,001,064.00
Capitation grants for operations	2	5,440,910.75	7,193,050.00
School Fund Income- Parents' Contributions	3	12,475,611.20	11,989,002.00
TOTAL RECEIPTS		18,783,453.95	20,183,116.00
PAYMENTS			
Payments for Tuition	5	703,300.75	1,001,064.00
Payments for operations	6	3,935,592.25	6,579,679.00
Boarding and school fund payments	7	11,516,955.00	10,921,523.00
Infrastructure	8	1,717,672.50	
TOTAL PAYMENTS		17,873,520.00	18,502,266.00
SURPLUS/DEFICIT		909,933.45	1,680,850.00

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

Sign: 

Name

Samson Sirere

Date 28/09/2024

Sign 

Name

Francis Wambua
Secretary to BOM

Date 28/9/2024

Sign 

Name

James Irio
Finance Officer

Date 28/9/2024

II. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	June 2021 KShs	2020 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,119,067.06	1830286.81
Cash Balances	9	22,983.00	44,139.00
Short term Investment	10		
Accounts receivables	10	8,627,604.79	1,382,610.65
TOTAL CASH AND CASH EQUIVALENT			
TOTAL FINANCIAL ASSETS		10769654.85	3257036.46
Accounts Payables	11	1,521,546.00	677,974.00
NET FINANCIAL ASSETS			
Accumulated Fund b/fwd		8,338,175.40	898,212.46
Surplus/Deficit for the year		909933.45	1,680,850.00
NET FINANCIAL POSITION			
NET FINANCIAL POSITION		9,248,108.85	2,579,062.46

The School's financial statements were approved on _____ 2021 and signed by:

Name:
Samson Sirere, BoM

Sign: 

Date: 28/09/2024

Name:
Francis Wambua (Secretary
to BoM)

Sign: 

Date: 28/9/2024

Name:
James Irio

Sign: 

Date: 28/9/2024

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

	June 2021	2020
	KShs	KShs
Receipts for operating income		
Capitation grants for tuition	866,932.00	1,001,064.00
Capitation grants for operations	5,440,910.75	7,193,050.00
School fund income- Parents contributions/ fees	12,475,611.20	11,989,002
Total receipts	18,783,453.95	20,183,116.00
Payments		
Payments for Tuition	703,300.75	1,001,064
Payments for operations	3,935,592.25	6,579,679.00
Boarding and school fund payments	11,516,955.00	10,921,523.00
Infrastructure	1,717,672.50	
Total payments	17,873,520.50	18,502,266.00
Net cash flow from operating activities	↔ 909933.45	↔ 1,680,850.00
NET INCREASE IN CASH AND CASH EQUIVALENTS	267,624.25	976,213.35
Cash and cash equivalent at BEGINNING of the year	1874425.81	898,212.46
Cash and cash equivalent at END of the year	2,142,050.06	1,874,425.81

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.



IV. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipts/Expenses/Items	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>				†		
Teaching / learning materials	866,932.00		866,932.00	866,932.00		
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
other vote head	2,159,210.75		2,159,210.75	2,159,210.75	3,873,082.25	133%
Repairs and maintenance	3,281,700.00		3,281,700.00	3,281,700.00		
<i>(3) FEES CHARGED ON PARENTS</i>				†		
Personnel emoluments	1,343,048.00		1,343,048.00	1,343,048.00		
Repairs and maintenance	1,143,735.00		1,143,735.00	1,143,735.00		
Local transport / travelling	312,405.00		312,405.00	312,405.00		
Electricity and water	480,227.00		480,227.00	480,227.00		
Administration costs	347,490.00		347,490.00	347,490.00		
Activity	44,738.00		44,738.00	44,738.00		
Fee on Boarding						
Equipment and Stores	8,803,968.2		8,803,968.2	8,803,968.2		
TOTAL INCOME	18,783,453.95					
<i>(1) EXPENDITURE FOR TUITION</i>						
Teaching / learning materials	703,300.75		703,300.75	703,300.75	163,631.25	81%
<i>(2) EXPENDITURE FOR OPERATIONS</i>						



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Receipt/expense/Item	Original Budget	Supplements	Total Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Personnel emoluments	1,296,686.00		1,296,686.00	1,296,686.00		
Repairs, maintenance & improvements	760,700.00		760,700.00	760,700.00		
Local transport / travelling	1,447,946.25		1,447,946.25	1,447,946.25		
Medical	78,210.00		78,210.00	78,210.00		
Administration costs(lab)	128,450.00		128,450.00	128,450.00		
Activity Expenses	223,600.00		223,600.00	223,600.00		
(3) EXPENDITURE FOR SCHOOL FUND						
Repairs, maintenance and improvements	1,010,744.00		1,010,744.00	1,010,744.00	132,991.00	75%
Local transport / travelling	289,250.00		289,250.00	289,250.00	23,155.00	92%
Electricity, water and conservancy	300,414.00		300,414.00	300,414.00	179,813.00	63%
Medical Expenses						
Administration costs	899,306.00		899,306.00	899,306.00	-551816.00	259%
Activity	4500.00		4500.00	4500.00	40,238.00	10%
personal emoluments	720,356.00		720,356.00	720,356.00	622,692.00	54%
Return to drawer cheque	20,000.00		20,000.00	20,000.00		
Boarding Equipment and Stores	6,603,035.00		6,603,035.00	6,603,035.00	2,200,933.20	75%
Bursary	1,027,000.00		1,027,000.00	1,027,000.00		
Creditors	598,350.00		598,350.00	598,350.00		
N.S.S.F	19,200.00		19,200.00	19,200.00		
N.H.I.F	24,800.00		24,800.00	24,800.00		
TOTALS	11,516,955.00					

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

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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



V. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	June 2021	2020
	Kshs	Kshs
Teaching / learning materials	866,930.00	995,300.00
Chalks	2.00	5,764.00
Total	866,932.00	1,001,064.00

2 CAPITATION GRANT FOR OPERATIONS

	June 2021	2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	3,281,700.00	2,939,900.00
Other votes heads	2,159,210.75	3,930,350.00
Medical		107,600.00
Activity		215,200.00
Total	5,440,910.75	7,193,050.00

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	June 2021	2020
	Kshs	Kshs
Personnel emoluments	1,343,048.00	1,293,280.00
Repairs and maintenance	1,143,735.00	1,105,610.00
Local transport / travelling	312,405.00	272,435.00
Electricity and water	480,227.00	574,355.00
Boarding	8,803,968.20	8,160,867.00
Administration costs	347,490.00	519,330.00
Activity	44,738.00	63,125.00
Bursary	1,027,000	
NSSF	19200	
NHIF	24800	
Accounts receivable	942,983.20	
Total	14,489,594.40	11,989,002.00

NOTES TO THE FINANCIAL STATEMENTS

4 PAYMENTS FOR TUITION

	June 2021	2020
	Kshs	Kshs
Exercise books	145,200.00	
Laboratory equipment	158,900.00	
Teaching / learning materials	371,120.00	995,300.00
Administration Costs	28,080.75	5,764.00
Total	703,300.75	1,001,064.00

NOTES TO THE FINANCIAL STATEMENTS

5 PAYMENTS FOR OPERATIONS

	June 2021	2020
	Kshs	Kshs
Personnel emoluments	1,296,686.00	
Repairs and maintenance & improvements	760,700	3,446,905.00
Other votes head	1,447,946.25	2,667,114.00
Electricity and water	78,210.00	
Lab equipments	128,450.00	
Activity Expenses	223,600.00	465,660.00
TOTAL	3,935,592.25	6,579,679.00

6 BOARDING AND SCHOOL FUND PAYMENTS

	June 2021	2020
	Kshs	Kshs
Personnel emoluments	720,356	1,667,021.00
Repairs and maintenance & Improvements	1,010,744.00	1,724,430.00
Local transport / travelling	289,250.00	416,900.00
Electricity and water	300,414.00	166,694.00
Medical Expenses		
Administration costs	899,306.00	1,245,904.00
Activity expenses	4500	113,980.00
Bursary	1,027,000.00	
Creditors	598,350.00	
Fee on Boarding Equipment and Stores	5,603,035.00	5,586,594.00
N.S.S.F	19,200.00	
N.H.I.F	24,800.00	
Return drawn cheque	20,000	
TOTAL	11,516,955.00	10,921,523.00

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.

NOTES TO THE FINANCIAL STATEMENTS

7 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	June 2021 Kshs	2020 Kshs
Tuition Account		163631.25	
Operations Account		470,618.10	1,130,677.60
School Fund Account/Boarding		1,031,660.21	699,609.21
Infrastructural Account		453,157.50	
Total		2,119,067.06	1,830,286.81

8 CASH IN HAND

Description	June 2021 Kshs	2020 Kshs
Tuition Account		
Operation Account	1,748.00	4,660.00
School Fund account	21,235.00	39,479.00
Total	22,983.00	44,139.00



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NOTES TO THE FINANCIAL STATEMENTS

9 ACCOUNTS RECEIVABLE

Description	June 2021	2020
	Kshs	Kshs
Fees arrears	8,627,604.79	1,382,610.65
Total	8,627,604.79	1,382,610.65

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

Description	June 2021	2020
	Kshs	Kshs
Fees arrears for current year	942,983.70	
Fees arrears for the previous year	1,213,494	
Fees arrears for prior periods (over two years)	6,528,387.59	
Less recoveries	(57,260.00)	
Total	8,627,604.79	

10 ACCOUNTS PAYABLE

Description	June 2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,521,546.00	677,974.00
Total	1,521,546.00	677,974.00

[Include an ageing of the creditor's arrears below]

Description	June 2021	2020
	Kshs	Kshs
Trade creditors for current year	891,104.00	
Trade creditors for the previous year	677,974.00	
Trade creditors for prior periods (over two years)	550,818.00	
Paid	(598,350.00)	
Total	1,521,546.00	

NOTES TO THE FINANCIAL STATEMENTS

	2021	2020
Bank balances	2119067.06	1830286.81
Cash balances	22983	44139.00
Short term investments	00	00
Receivables	8627604.79	7,741,881.59
Payables	(1521546)	(1278132)
Totals	9248108.85	8,338,175.40

Other important disclosure notes

IPSAS I 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.

11 Biological assets

Description	Numbers	June 2021	2020
		Kshs	Kshs
Cattle	9 cows@30,000	270,000	
Trees	500 pieces@500	250,000	
Total		520,000	

Other important disclosure notes

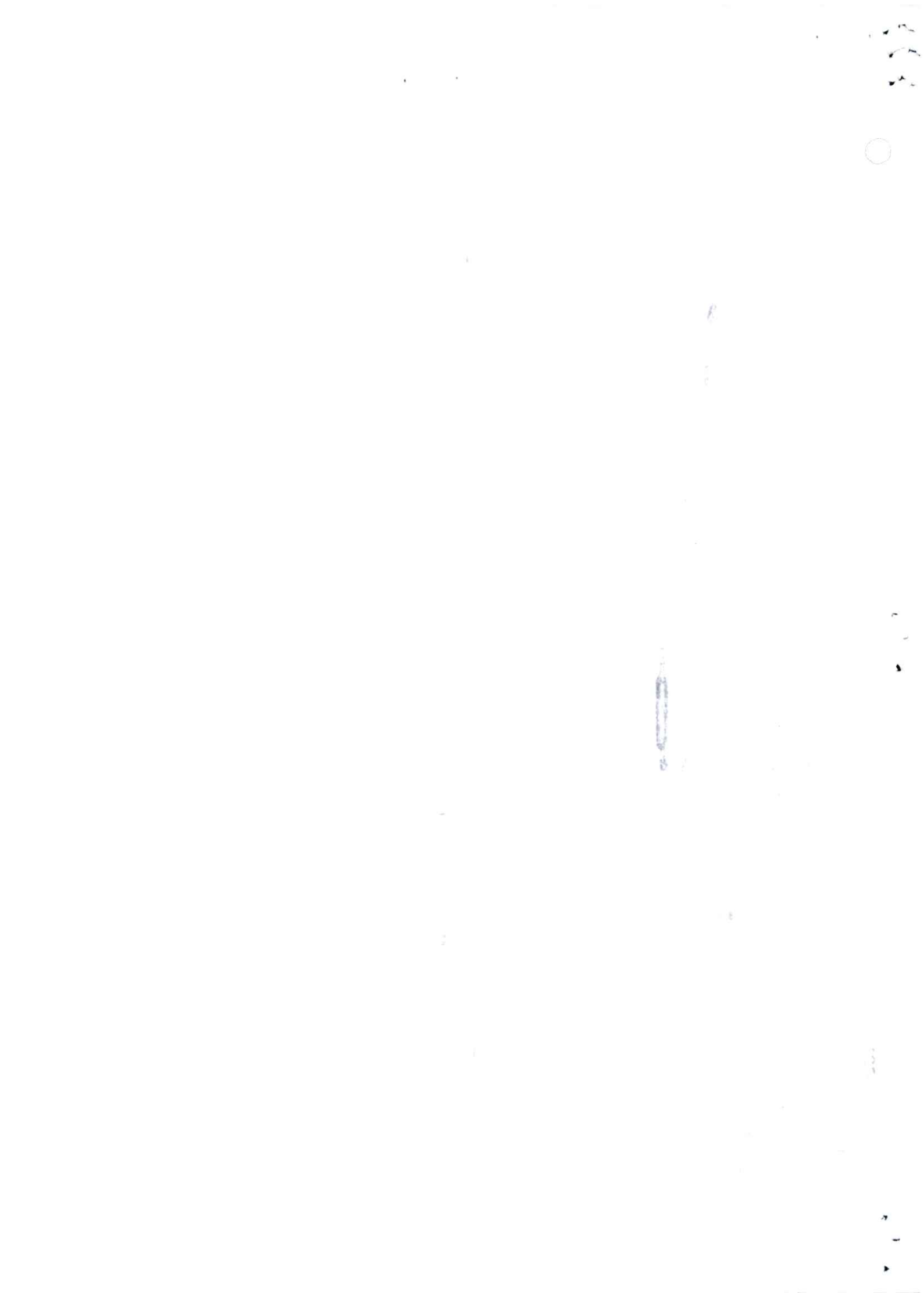
12 Stock/ Inventory

Description	June 2021	2020
	KShs	KShs
a) Borrowings		
Stock/ inventory at beginning of the year	610	
Stock/ inventory purchased during the year	34020	
Stock/ inventory issued during the year	23689	
Balance at end of the year	10941	

13 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)



PUBLIC SECONDARY SCHOOLS – NAJILE BOYS HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

11



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PUBLIC SECONDARY SCHOOLS – NAJILE BOYS HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date acquired	Location	Historical Cost (Kshs) 1 st January 2021 / June 2021	Acquisitions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1			Najile-53 ha.			
Land 2						
Buildings and structures			26 blocks			
Motor vehicles			1 bus-KBQ 495D	†		
Office equipment, furniture and fittings			6 printers,3 computers ,16 tables,100 chairs 5 safes			
ICT Equipment, and Other ICT Assets			30 computers and accessories			
Tools and apparatus				†		
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware			2 software			
Total				†		

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

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