


REPUBLIC OF KENYA



Enhancing Accountability



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 20 NOV 2024	DAY:
TABLED BY: OF	Deputy Leader of Majority Party
CLERK-AT THE-TABLE:	WILLIS OBIERO

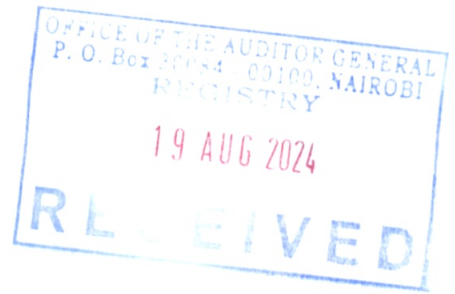
THE AUDITOR-GENERAL

ON

OTHAYA BOYS HIGH SCHOOL

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

NYERI COUNTY



Othaya Boys High School
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Table of Contents	Page
I. KEY SCHOOL INFORMATION AND MANAGEMENT	2
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	8
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	17
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF OTHAYA BOYS HIGH SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021	18
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2021.....	19
VI.STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2021 ..	20
VII.STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2021	21
VIII.STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021	22
IX. SIGNIFICANT ACCOUNTING POLICIES.....	27
X. NOTES TO THE FINANCIAL STATEMENTS	29

Othaya Boys High School
Reports and Financial Statements
For the year ended 30th 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 **Nyeri County, Nyeri South Sub-County**.

The school was registered in **March(03)/2012** under Re-registration number **19S00300167** and is currently categorized as an **Extra County school** established, owned or operated by the Government.

The school is a boarding school and had **1313 and 1054(exclusive of 2020 candidates(259) who had done KCSE)** number of students as at **30th April 2021** and **30th June 2021** respectively.

It has **6** streams in Forms **1 - 4** and **40** 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.	Ven. Prof. Wangari Mwai, OGW	Chairman	2019
2.	Mr. Waititu Edward Muchunu	Secretary – Principal	DEC 2017/JAN 2018
3.	Mrs. Margaret Wangechi Gichuhi	Member – Rep CEB	2019
4.	Mr. Wambugu Douglas Kibira	Member Rep Teachers	2019
3 Members – Sponsor			
5.	Ven. Prof. Wangari Mwai, Ogw	Sponsor	2019
6.	Mr. Allan Mwangi Wanjohi	Sponsor	2019
7.	Mr. Edward Nderitu Wachira	Sponsor	2019
Member -Community			
8.	Ms. Winfred Wangui Mwai	Community	2019
9.	Dr. Joseph Kiragu	Community	2019
10.	Mr. Samuel Mwangi Nderitu	Community	2019
11.	Ms. Tabitha Wanjira Mutero	Community	2019
12.	Mr. Joe Gachii	Community	2019
13.	Mr. George Kimani Mburu	Community	2019
14.	Ms. Agnes Njambi Mubeu	Member Special Needs	2019
15.	Samuel Kihara	Rep Students	2019

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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
1.	Executive Committee			
		Ven.Canon Prof. Wangari Mwai, OGW	Bom Chairman	2
		James Kimiti Muriu	Pa Chairman	2
		Allan Mwangi Wanjohi	Bom V/Chairman	2
		Margaret Wangechi Gichuhi	Bom Member	2
		Waititu Edward Muchunu	Principal	2
2.	Audit Committee			
		Joe Gachii		2
		James Kimani Mburu		2
		Tabitha Wanjira Mutero		2
3.	Finance, procurement and general purposes Committee			

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

		Joe Gachie	Bom Member	2
		George Kimani Mburu	Bom Member	2
		James Kimiti Muriu	Pa Chairman	2
		Eng. Benjamin Maingi	Bom Member	2
		Jane Muthoni Karihe	Bom Member	2
4.	Academic Committee			
		James Kimiti Muriu	Pa Chairman	2
		Waititu Edward Muchunu	Bom Secretary	2
		Theuri Alexander Nduhiu	D/Principal (Admin.)	2
		Odunga Charles	D/Principal Acad.	2
		Douglas Kibira Wambugu	Dean Of Studies	2
5.	Development Committee			
		Ven Canon Prof. Wangari Mwai	Bom Chairman	2
		James Kimiti Muriu	Pa Chairman	2
		Ven Canon Prof. Wangari Mwai	Bom V/Chairman	2
		Eng. Benjamin Maingi	Bom Member	2
		Dr. Joseph Kiragu	Bom Member	2
		Waititu Edward Muchunu	Principal	2
		Nduhiu Alexander Theuri	D/Principal (Admin.)	2
		Odunga Charles	D/Principal Acad.	2
6.	Discipline and welfare Committee			
		Waititu Edward Muchunu	Principal	2
		Nduhiu Alexander Theuri	D/Principal (Admin.)	2
		Odunga Charles	D/Principal Acad	2
		Ven Canon Prof Wangari Mwai	BOM Chairman	2
		James Kimiti Muriu	PA Chairman	2
		Allan Wanjohi Mwangi	BOM V/Chairman	2

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

		Winfred Wangui Mwai	BOM Member	2
		Samuel Mwangi Ndiritu	BOM Member	2
			Bom Member	2
	Adhoc Committee (if any during the year)			
7.				

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(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	Waititu Edward Muchunu	335464
2.	Deputy Principal-Administration	Nduhiu Alexander Theuri	421998
3.	Deputy Principal-Academics	Charles Odunga	334647
4.	School Bursar	James Maina Benson	13543239

(e) Schools contacts Schools contacts

Post Office Box: 64 - 10106
Telephone: 0729 126 196
E-mail: othayaboys@sc.ke
Website: othayaboys.sc.ke
Facebook:N/A
Twitter:N/A

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

(f) School Bankers

The school operated 13 number of bank accounts and 3 Pay bill number as follows:

Bank	Account Name	Account No
Kenya Commercial Bank (Othaya)	School Fund Account/Boarding	1101547626
Kenya Commercial Bank (Othaya)	School Operations Account	1101563737
Kenya Commercial Bank (Othaya)	School Tuition Account	1101549068
Kenya Commercial Bank (Othaya)	Income Generating Canteen	1296993795
Kenya Commercial Bank (Othaya)	Savings Account	1103061208
Kenya Commercial Bank (Othaya)	Infrastructure account	1268388262
Equity Bank of Kenya(Othaya)	School Fund Account/Boarding	80294033060
Equity Bank of Kenya(Othaya)	Harambee/Donation Account	80275939463
Equity Bank of Kenya(Othaya)	Income Generating Canteen	80267918260
Equity Bank of Kenya(Othaya)	Bio Gas project Account	80260385251
Equity Bank of Kenya(Othaya)	Tuition Account	80290195365
Equity Bank of Kenya(Othaya)	Parents Teachers Account	80267918020
Taifa Sacco (Othaya Town)	Income Generating TAIFA Saccoco	402 – 003 4300
Account Number: 38071K	MPESA Pay Bill No. 522123	Attached to bank account 1101547626
Account Number: 7646464	MPESA Pay Bill No. 522533	Attached to bank account 1101547626
Account Number: 646465	MPESA Pay Bill No.247247	Attached to bank account 80294033060

(g) Independent Auditors

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

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

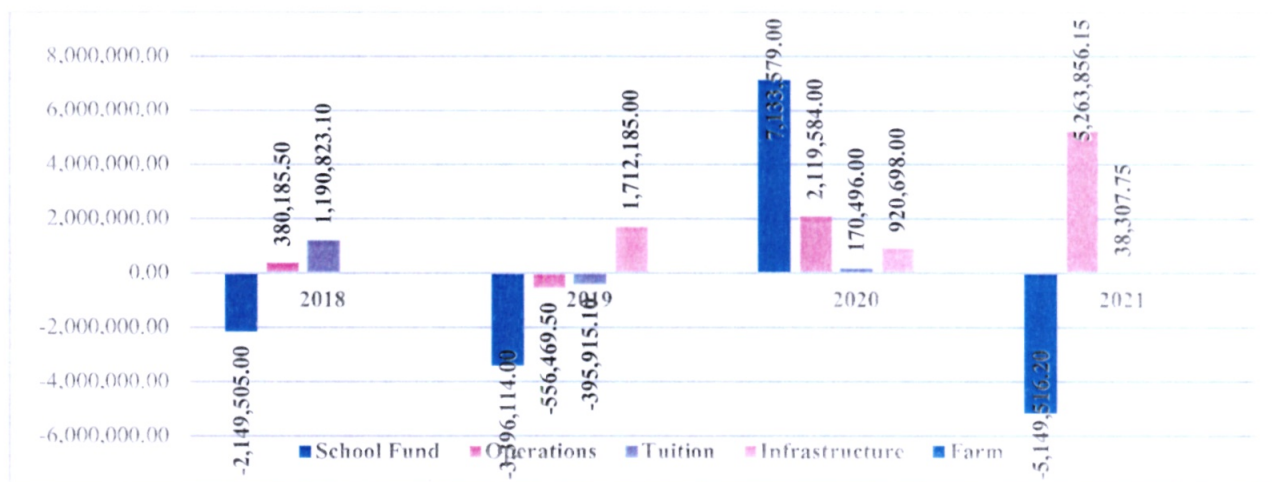
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2018 to 31st December 2020 which covers a period of 12 months while 30th June 2021 covers a period of 6 months and is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	-5,149,516.20	7,133,579.00	-3,396,114.00	-2,149,505.00
2	Operations Account	5,263,856.15	2,119,584.00	-556,469.50	380,185.50
3	Tuition Account	38,307.75	170,496.00	-395,915.10	1,190,823.10
4	Infrastructure Account	0.00	920,698.00	1,712,185.00	0.00
	TOTAL	1,526,477.00	10,344,357.00	-2,636,313.60	-578,496.40
	Increase/Decrease	2,025,008.68	7,708,043.40	-3,214,810.00	

Trend Over the Last Three Years



Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

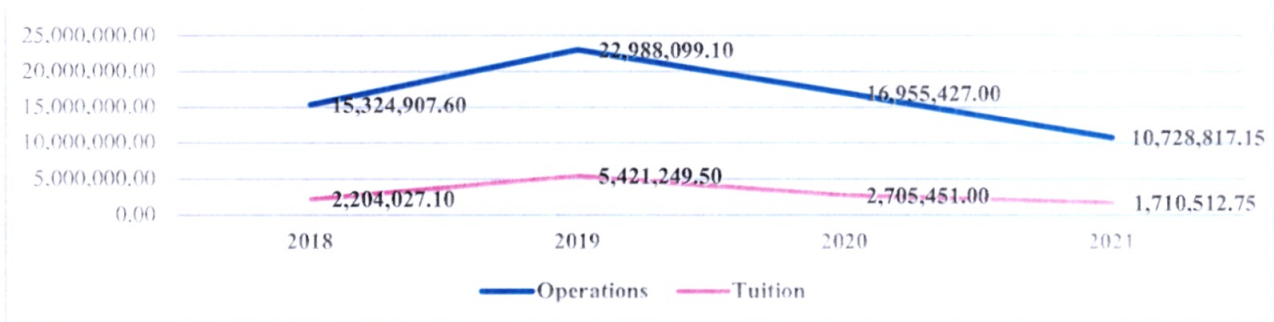
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	10,728,817.15	16,955,427.00	22,988,099.10	15,324,907.60
2	Tuition Account	1,710,512.75	2,705,451.00	5,421,249.50	2,204,027.10
	Total	12,439,329.90	19,660,878.00	28,409,348.60	17,528,934.70
	Increase/Decrease	(7,221,548.10)	(8,748,470.60)	10,880,413.90	
	No of Students	1420	1313	1243	1155
	Ratio of Capitation per student	1:8760.09	1:14974.01	1:22855.47	1:15176.57

Trend Over the Last Three Years



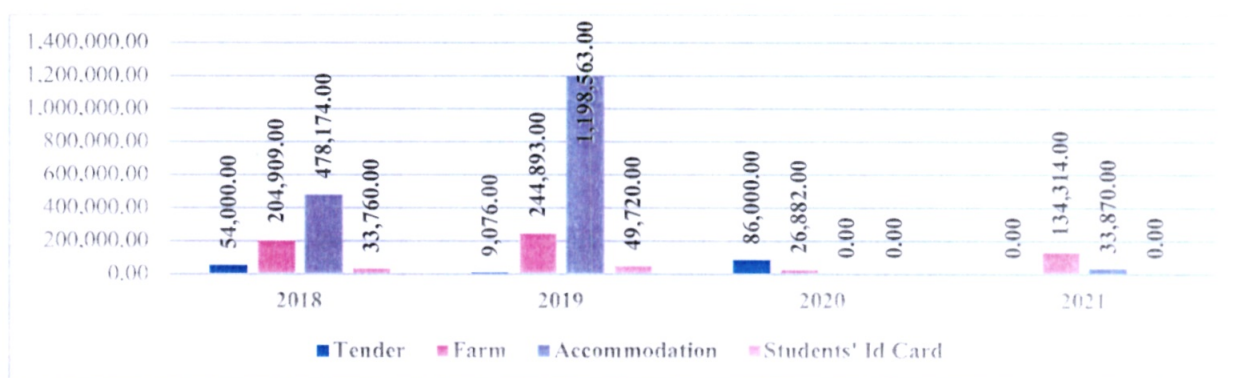
Trend Over the Last Three Years



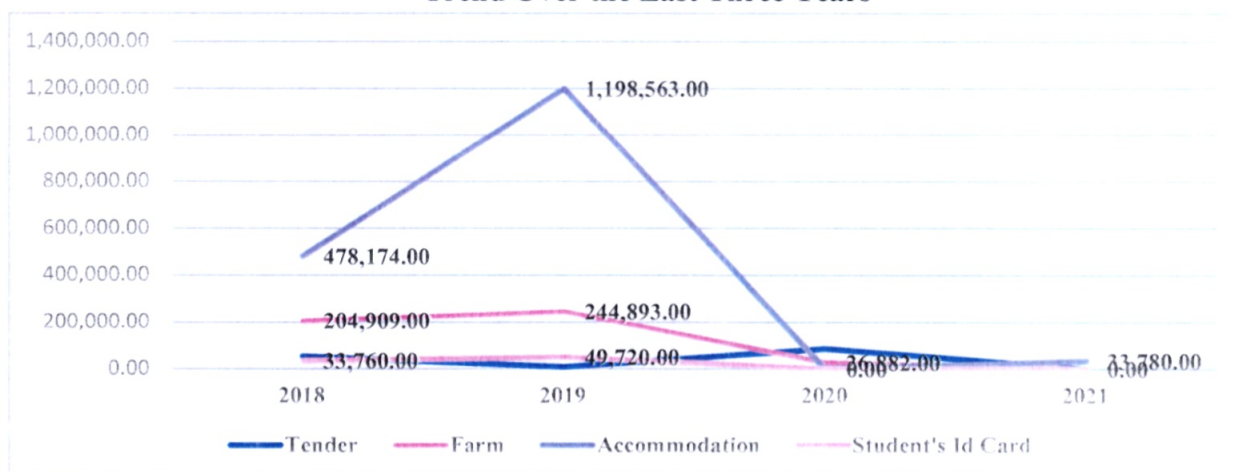
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF NET GROWTH OF OTHER INCOME(S) (Note 21)					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Tender				
2	Farm				
3	Accommodation				
4	Students' Id card				
	Total				

Trend Over the Last Three Years



Trend Over the Last Three Years



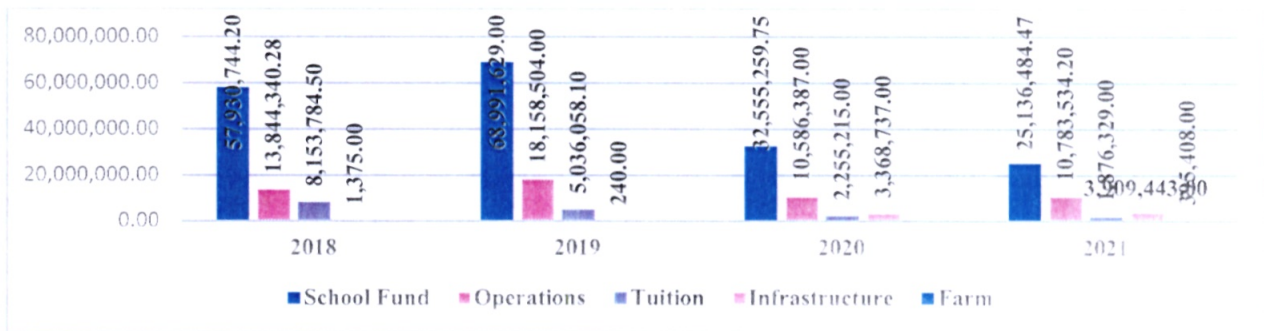
The net growth of other income generating activities for the financial year 2021 was Kshs 168,184.00 as compared to Kshs 112,882.00 in the financial year 2020 which represent an increase of Kshs 55,302.00. The net growth of other income generating activities for the financial year 2020 was Kshs 112,882.00 as compared to Kshs 1,502,252.00 in the financial year 2019 which represent a decrease of Kshs 1,389,370.00. Both financial years 2021 and 2020 were affected by the Covid-19 pandemic which hinders the accommodation of students from other schools whenever they have educational trips.

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

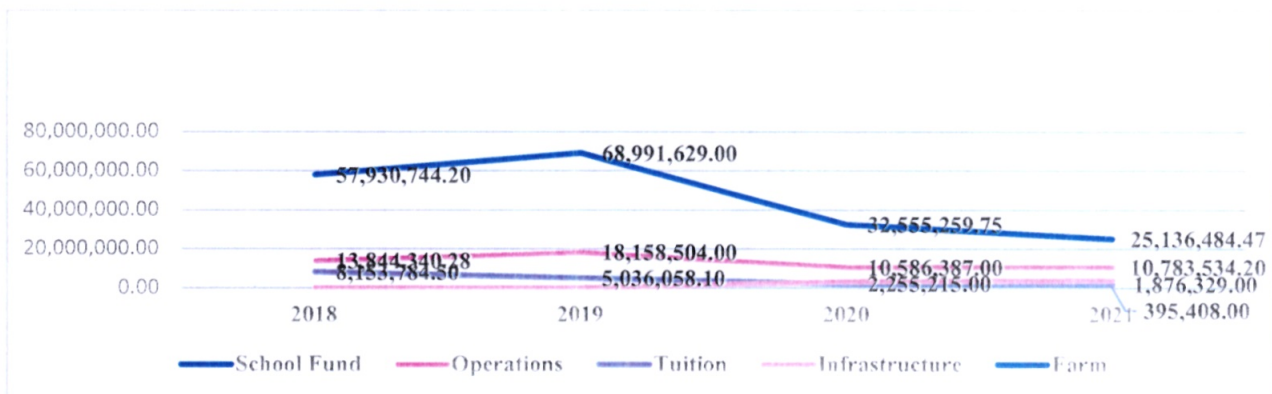
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	31,905,048.20	57,444,720.30	88,360,945.00	72,183,804.20
2	Operations Account	5,464,961.00	16,712,673.00	23,167,737.60	15,331,892.10
3	Tuition Account	1,161,800.00	2,733,005.00	5,957,249.60	6,555,927.40
4	Infrastructure Account		7,388,698.00	5,715,815.00	0.00
5	Farm Account				
	Total	38,531,809.20	84,279,096.30	123,201,747.20	94,071,623.70
	Increase/Decrease	(45,747,287.10)	(38,922,650.90)	29,130,123.50	

Trend Over the Last Three Years



Trend Over the Last Three Years

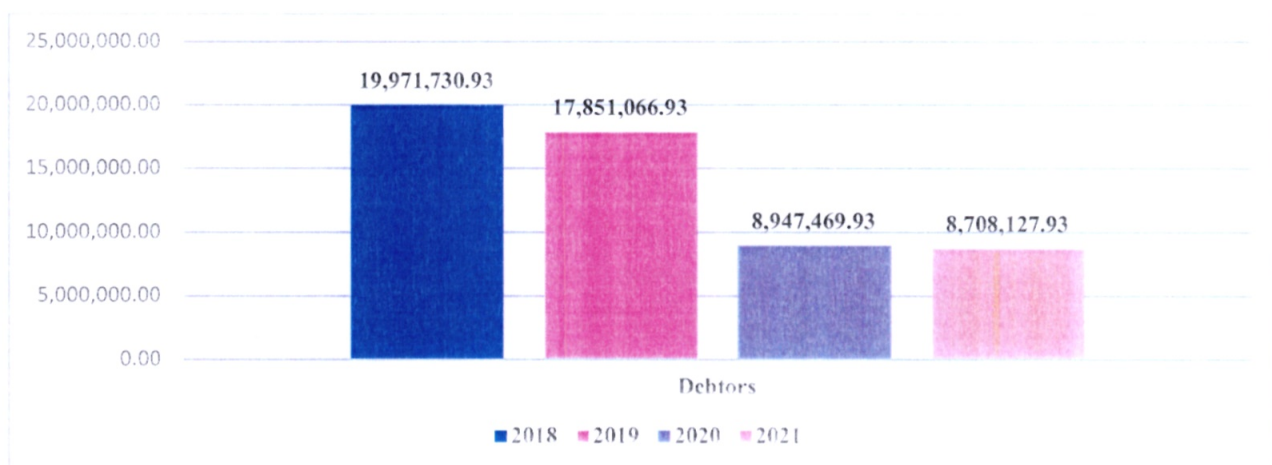


In the financial year 2021 shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Debtors	25,361,192.20	23,806,839.20	21,509,973.20	21,042,578.20
	Total	25,361,192.20	23,806,839.20	21,509,973.20	21,042,578.20
	Increase/Decrease	1,554,353.00	2,296,866.00	467,395.00	5,296.00

Trend Over the Last Three Years



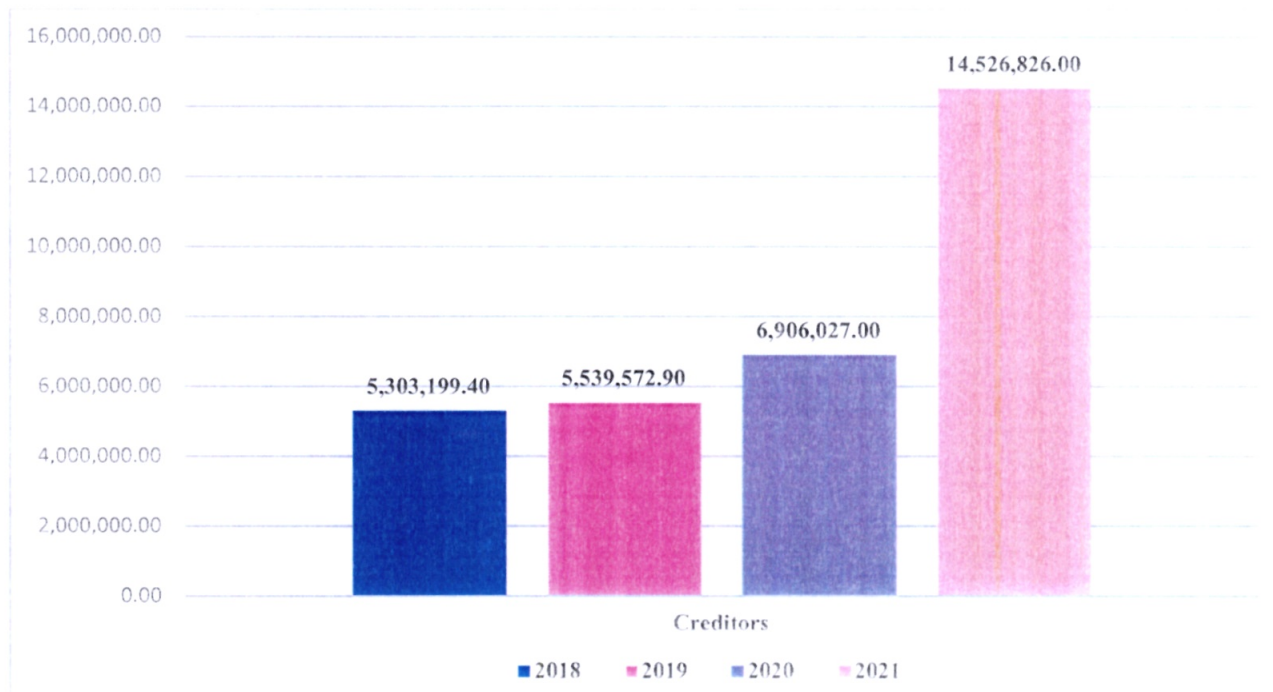
Total debtors as at 30th June 2021 decreased by 2.67% to Kshs 8,708,127.93 compared to Kshs 8,947,469.93 as at the end of the financial year 2020. The main contributors to the decrease in total debtors is the students' having less fees balances.

MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Creditors	27,750,806.00	21,373,582.00	27,011,535.00	28,213,504.00
	Total	27,750,806.00	21,373,582.00	27,011,535.00	28,213,504.00
	Increase/Decrease	6,377,224.00	(5,637,953.00)	(1,201,969.00)	5,055,041.00

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Trend Over the Last Three Years



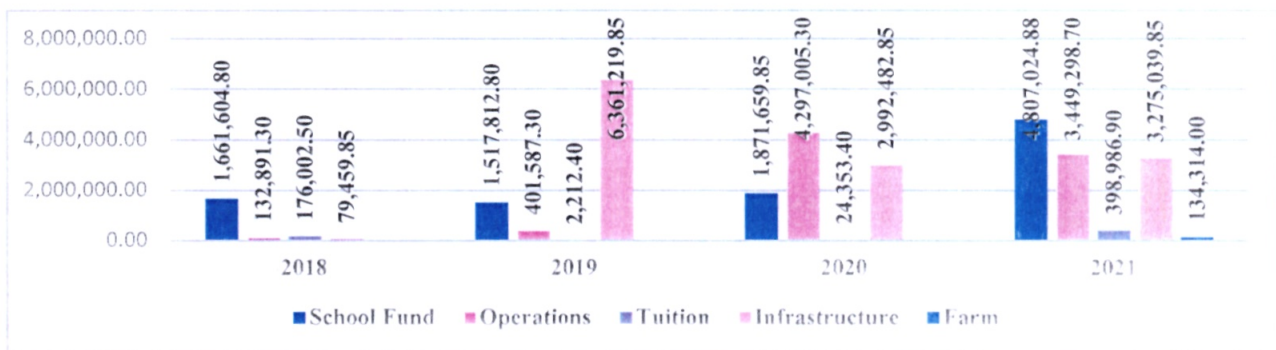
Total creditors as at 30th June 2021 increased by Kshs 7,620,799.00 compared to Kshs 6,906,027.00 as at the end of the financial year 2020. The main contributors to the increase in total creditors are trade and other payables (prepaid fees).

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

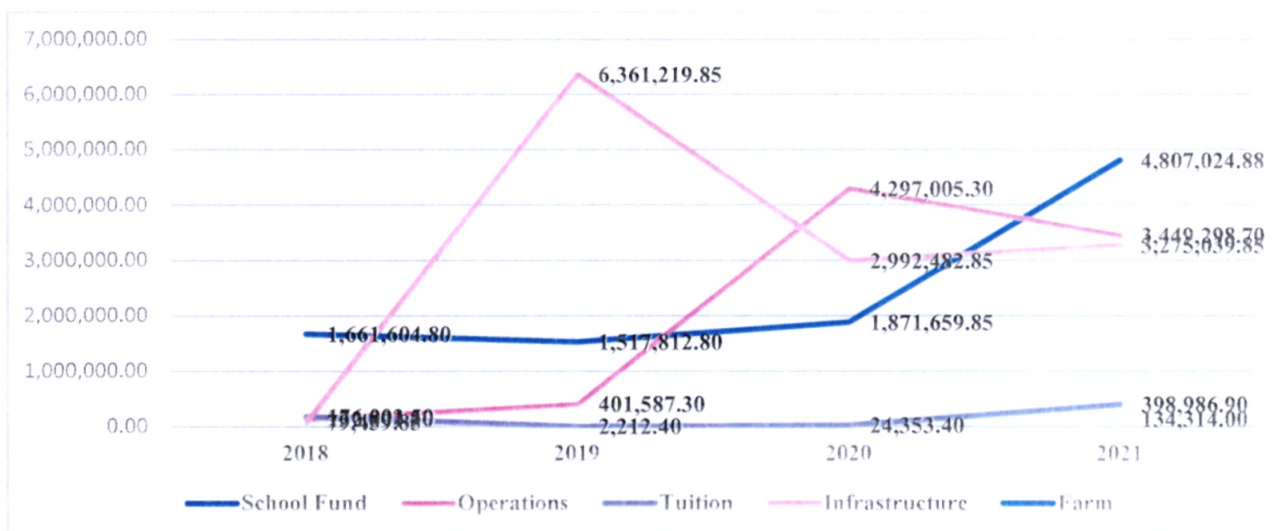
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	(248,538.05)	(501,036.55)	(2,561,053.55)	(526,995.55)
2	Operations Account	5,548,210.05	284,353.90	41,599.90	221,238.40
3	Tuition Account	570,645.75	21,933.00	49,487.00	585,487.10
4	Infrastructure Account	792,882.00	920,698.00	1,712,185.00	0.00
5	Farm Account	0			
	Total	6,911,737.80	725,948.35	(757,781.65)	279,729.95
	Increase/Decrease	6,185,789.45	1,483,730.00	(1,037,511.60)	(1,702,090.70)

Trend Over the Last Three Years



Trend Over the Last Three Years



Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

b) Teacher Student ratio:

There are 40 teachers posted by the Teachers Service Commission and 7 recruited by the Board of Management.

Although the teacher student ratio lies at 1: 33. We have a shortage of 31 teachers from the given CBE of 71 teachers. This is due to subject specialization in Form 3 and Form 4

c) Mean score in the 2018,2019&2020 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2020	259	8.10	209	80.7	8.9	Positive deviation of 2.0 in transition rate. The least grade was a C (11) out of 243 all qualified for middle level colleges and university.
2019	272	7.36	76	64.71	8.9	Positive deviation of 12.0 in transition rate and 1.4718 in the mean grade. Among top 20 schools in the country. The best performance in the last 5 years.
2018	254	7.46	179	70.47	8.9	The performance of mathematics, Biology and agriculture led to a negative deviation of 2% in transition rate and -0.2963 in the mean.

d) Number of Candidates in the 20XX KCSE:

2020	2019	2018
259	272	254

e) Capacity of the school:

No. of students	Dormitories	Dining hall	Laboratories	Toilets	Classes
1,313	15	1	3	76	24

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

f) Development projects carried out by the school:

Sno.	Project	Year	Status	Amount	Fund Source
1	Renovation and conversion of a wooden dormitory	2020	Completed	4,135,390.00	Maintenance & Improvement

Sign

School Principal

21/03/2022

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

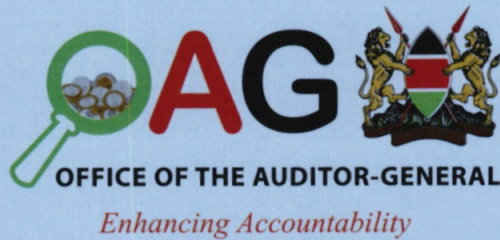
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Ven Canon Prof Wangari Mwai
Designation: Chairman, School Board of Management
Sign:
Date: 21.03.2022

Name: Waititu Edward Muchunu
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 21/03/2022

Name: James Maina Benson
Designation: Bursar/ Finance Officer
Sign:
Date: 21.03.2022

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 OTHAYA BOYS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NYERI 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 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 Othaya Boys High School-Nyeri County set out on pages 19 to 37, which comprise of the statement of financial assets

Report of the Auditor-General on Othaya Boys High School for the Six (6) Months' period ended 30 June, 2021 - Nyeri County

and financial liabilities, as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget versus actual amount 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 Othaya Boys High School - Nyeri 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 Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,710,513 and Kshs.10,728,817, respectively as disclosed in Note 1 and Note 2 to the financial statements. However, review of records provided for audit revealed that there were discrepancies between the data held by the County Director of Education (CDE), National Education Management Information System (NEMIS) and the School records relating to the enrolment of students. During the financial year 2020/2021, the NEMIS reported a total of 1,313 students while the enrolment record provided by the School indicated a total of 1,418 students, resulting to an unexplained variance of 105 students outside the NEMIS system. As a result of the variance, the School was underfunded by Kshs.1,563,626 during the year under review.

In addition, it was noted that the school had students who were not registered in NEMIS due to lack of birth certificates or duplicate birth certificate numbers.

In the circumstances, the accuracy and completeness of the capitation grants for tuition and operations amounts of Kshs.1,710,513 and Kshs.10,728,817, respectively could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects a balance of Kshs.7,868,957 in respect to total cash and cash equivalents which includes bank balances of Kshs.6,586,956, cash balances of Kshs.76,244 and short-term investment balance of Kshs.1,205,757. However, monthly bank reconciliation statements and board of survey reports were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.7,868,957 could not be confirmed.

3. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects a balance of Kshs.25,785,630 as accounts receivable and as disclosed in Note 12 to the financial statements. Included in trade receivables are long-outstanding receivables of Kshs.20,973,753 in relation to students' fees arrears which have been outstanding for more than two (2) years. Management has not demonstrated any measures put in place to recover the outstanding students' debts.

In the circumstances, the recoverability and completeness of the long outstanding students' fees arrears of Kshs.20,973,753 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Othaya Boys High School - Nyeri County 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 receipts budget and actual on a comparable basis of Kshs.91,836,543 and Kshs.45,389,759 respectively, resulting to an under-funding of Kshs.46,446,784 or 51% of the budget. However, the School spent a balance of Kshs.38,531,809 against actual receipts of Kshs.45,389,759, resulting to an under-utilization of Kshs.6,857,950 or 18% 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 audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

1. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

Review of documents revealed that the School transferred co-curricular funds totaling Kshs.283,800 to Kenya Secondary School Heads Association (KESSHA) which is a private entity that is not subject to the Public Finance Management Act, 2012 without authority or law governing such payments. The funds were wired from Government operation capitation grants account. The transfer to KESSHA is not supported by any legal framework since it's a welfare organization that draws its membership from Schools Principals only.

This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, the validity of the transfer of Kshs.283,800 could not be confirmed and the expenditure was not a proper charge to public funds.

2. Excess Supply of Books

Review of stores records revealed that the School received excess 2,454 books for various subjects. Further, the School received Islamic Religious Education textbooks from the Ministry of Education which is not among the subjects offered in the school.

In the circumstances, value for money obtained from the excess textbooks could not be confirmed.

3. Long Outstanding Accounts Payables

The statement of assets and liabilities reflects accounts payables amounting to Kshs.27,750,806 which as disclosed in Note 13 to the financial statements includes Kshs.25,668,467 owed to various suppliers. However, review of the aging analysis revealed that a total of Kshs.4,714,834 has remained unpaid for over two years.

In the circumstances, failure to settle pending bills in the year to which they relate adversely affects the subsequent year's budget provisions, since the bills form a first charge to that year's

4. Late Submission of Financial Statements to the Auditor-General

The financial statements for the year 2020/2021 were submitted on 30 April, 2024 to the Auditor-General and not on the statutory date of 30 September 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstances, the 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 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 overall governance were not effective.

Basis for Conclusion

Lack of Land Ownership Documents

Review of documents revealed that the School occupies 25 acres of land without the requisite ownership documents. In absence of these legal documents, the authentic ownership of the parcel of land and the accuracy of the reported valuation could not be confirmed.

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 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 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 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 the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the School's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 September, 2024

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021	
		6 Months	
		Kshs	
RECEIPTS			
Capitation grants for tuition	1	1,710,513	
Capitation grants for operations	2	10,728,817	
School Fund Income- Parents' Contributions	3	8,781,101	
Other receipts -School Fund Account	4	23,376,446	
Infrastructure	5	792,882	
TOTAL RECEIPTS		45,389,759	
PAYMENTS			
Payments for Tuition	6	1,161,800	
Payments for Operations	7	5,464,961	
Boarding and school fund payments	8	31,905,048	
TOTAL PAYMENTS		38,531,809	
SURPLUS/DEFICIT		6,857,950	

Ven Canon Prof Wangari Mwai
Chairman BOM

Waititu Edward Muchunu
Principal/Secretary, BOM

James Maina Benson
Bursar/Finance Officer

Sign.....


Sign.....


Sign.....


Date: 21.03.2022

Date: 21/03/2022

Date: 21.03.2022

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	6,586,956	
Cash Balances	10	76,244	
Short term Investment	11	1,205,757	
Total Cash and cash equivalent		7,868,957	
Accounts receivables	12	25,785,630	
TOTAL FINANCIAL ASSETS		33,654,587	
FINANCIAL LIABILITIES			
Accounts Payables	13	(27,750,806)	
NET FINANCIAL ASSETS		5,903,781	
REPRESENTED BY			
Accumulated Fund b/fwd	14	(954,169)	
Surplus/Deficit for the year		6,857,950	
NET FINANCIAL POSITION		5,903,781	

The School's financial statements were approved on 21/03 2022 and signed by:

Ven Canon Prof Wangari Mwai
Chairman BOM

Waititu Edward Muchunu
Principal/Secretary BOM

James Maina Benson
Bursar/Finance Officer

Sign: 

Sign: 

Sign: 

Date: 21.03.022

Date: 21/03/2022

Date: 21/03/2022

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,710,513	
Capitation grants for operations	2	10,728,817	
School fund income- Parents contributions/ fees	3	8,781,101	
School fund income- other receipts	4	23,376,446	
Infrastructure	5	792,882	
Total receipts		45,389,759	
Payments			
Payments for Tuition	6	1,161,800	
Payments for operations	7	5,464,961	
Boarding and school fund payments	8	31,905,048	
Total payments		38,531,809	
Net cash flow from operating activities		6,857,950	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments	11	1,205,757	
Purchase of investments			
Net cash flows from Investing Activities		1,205,757	
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities		8,063,707	
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,063,707	
Cash and cash equivalent at BEGINNING of the year		(194,750)	
Cash and cash equivalent at END of the year		7,868,957	

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH 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
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	1,880,753		1,880,753		1,880,753	0%
Exercise books	841,034		841,034		841,034	0%
Laboratory equipment	1,977,781		1,977,781		1,977,781	0%
Internal exams	938,859		938,859		938,859	0%
Teaching / learning materials	147,785		147,785	1,710,513	-1,562,728	1157.43%
Chalks						
Exams and assessment						
Teachers guides	15,388		15,388		15,388	0%
	5,801,600		5,801,600	1,710,513	4,091,087	29.48%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	8,057,000		8,057,000	5,805,067	2,251,933	72.04%
Repairs and maintenance	7,000,000		7,000,000	4,923,750	2,076,250	70.33%
Local transport / travelling	2,286,200		2,286,200		2,286,200	0%
Electricity and water	911,400		911,400		911,400	0%
Medical	2,800,000		2,800,000		2,800,000	0%
Administration costs	2,185,400		2,185,400		2,185,400	0%
Activity	2,100,000		2,100,000		2,100,000	0%
Gratuity						
SUB-TOTAL	25,340,000		25,340,000	10,728,817	14,611,183	42.33%

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	6,020,000		6,020,000	2,371,623	3,648,377	39.39%
Repairs and maintenance	2,800,000		2,800,000	1,266,574	1,533,426	45.23%
Local transport / travelling	1,750,000		1,750,000	753,028	996,972	43.03%
Electricity and water	6,300,000		6,300,000	2,615,981	3,684,019	41.52%
Medical						
Administration costs	3,990,000		3,990,000	1,610,833	2,379,167	40.37%
Activity	350,000		350,000	163,062	186,938	46.58%
SMASSE						
SUB-TOTAL	21,210,000		21,210,000	8,781,101	12,428,899	41.40%
OTHER INCOME						
Fee on Boarding Equipment and Stores	27,790,000		27,790,000	12,474,385	15,315,615	44.88%
Rent income	102,300		102,300	102,300		100%
Uniform	252,284		252,284	252,284		100%
Caution	1,500		1,500	1,500		100%
Pocket money	193,261		193,261	193,261		100%
Bursary	3,058,926		3,058,926	3,058,926		100%
University Application fee	8,120		8,120	8,120		100%
Canteen	840,310		840,310	840,310		100%
Exercise Books	2,700		2,700	2,700		100%
Damages	194,475		194,475	194,475		100%
Library Fee	4,865		4,865	4,865		100%
Facility Hire	3,000		3,000	3,000		100%

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
Contingencies	263,100		263,100	263,100		100%
Income from farming activities	350,936		350,936	350,936		100%
Transfer from Savings	355,000		355,000	355,000		100%
Fees arrears recovered	142,645		142,645	142,645		100%
Prepaid fees	2,082,339		2,082,339	2,082,339		100%
Transfer from Equity Tuition	3,040,000		3,040,000	3,040,000		100%
Students ID	600		600	600		100%
Students welfare	100		100	100		100%
Postal corporation	5,600		5,600	5,600		100%
Sub-total	38,692,061		38,692,061	23,376,446		60.41%
Infrastructure	792,882		792,882	792,882		100%
TOTAL INCOME	91,836,543		91,836,543	45,389,759	46,446,784	49.42%
(I) EXPENDITURE FOR TUITION						
Textbooks and reference materials	1,880,753		1,880,753		1,880,753	0.00%
Exercise books	841,034		841,034	351,495	489,539	41.79%
Laboratory equipment	1,977,781		1,977,781	809,825	1,167,956	40.94%
Internal exams	938,859		938,859		938,859	0.00%
Teaching / learning materials	147,785		147,785		147,785	0.00%
Teachers guides	15,388		15,388		15,388	0.00%
Bank Charges				480	-480	
SUB-TOTAL	5,801,600		5,801,600	1,161,800	4,639,800	20.02%

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	8,057,000		8,057,000	3,520,211	4,536,789	43.69%
Repairs, maintenance & improvements	7,000,000		7,000,000		7,000,000	0.00%
Local transport / travelling	2,286,200		2,286,200		2,286,200	0.00%
Electricity, water and conservancy	911,400		911,400	1,737,140	-825,740	190.60%
Medical	2,800,000		2,800,000		2,800,000	0.00%
Administration costs	2,185,400		2,185,400	207,610	1,977,790	9.49%
Activity Expenses	2,100,000		2,100,000		2,100,000	0.00%
Gratuity						
SUB-TOTAL	25,340,000		25,340,000	5,464,961	19,875,039	21.56%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	6,020,000		6,020,000	1,181,189	4,838,811	19.62%
Repairs, maintenance and improvements	2,800,000		2,800,000	1,515,922	1,284,078	54.14%
Local transport / travelling	1,750,000		1,750,000	730,106	1,019,894	41.72%
Electricity, water and conservancy	6,300,000		6,300,000	310,255	5,989,745	4.92%
Medical Expenses						
Administration costs	3,990,000		3,990,000	757,337	3,232,663	18.98%
Activity	350,000		350,000	38,220	311,780	10.92%
Gratuity						
Boarding Equipment and Stores	27,790,000		27,790,000	11,096,400	16,693,600	39.92%
Farm	419,712		419,712	419,712		100%
Medical expenses	95,154		95,154	95,154		100%
Pocket money refunded	207,931		207,931	207,931		100%

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th 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
Rent Expenses	13,760		13,760	13,760		100%
Transfer to Equity	12,160		12,160	12,160		100%
Transfer to KCB	122,675		122,675	122,675		100%
University Application	129,500		129,500	129,500		100%
Bursary Awarded	3,057,494		3,057,494	3,057,494		100%
Transfer to Savings Canteen	240,310		240,310	240,310		100%
Transfer to Equity Tuition	2,933,111		2,933,111	2,933,111		100%
Damages	231,530		231,530	231,530		100%
Christian Union	2,000		2,000	2,000		100%
Catholic Action	7,200		7,200	7,200		100%
Postal Corporation	5,600		5,600	5,600		100%
Facility Hire	1,200		1,200	1,200		100%
Contingencies	96,485		96,485	96,485		100%
Students welfare refund	94,489		94,489	94,489		100%
Sundry Creditors	8,486,949		8,486,949	8,486,949		100%
Refundable fees	118,349		118,349	118,349		100%
SUB-TOTAL	65,275,609		65,275,609	31,905,048	33,370,571	31.89%
TOTALS	96,417,209		96,417,209	38,531,809	57,885,410	27.77%

- i. The school has only received **42.04%** of the expected revenue from 4th January 2021 to 30th June 2021
- ii. The school has only utilized **66.05%** of the fees collected from 4th January 2021 to 30th June 2021

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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 30th June 2021.

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Exercise books		
Laboratory equipment		
Teaching / learning materials	1,710,513	
Internal exams		
Textbooks and reference materials		
Library		
Total	1,710,513	

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	5,805,067	
Repairs and maintenance	4,923,750	
Electricity and water		
Administration costs		
Activity		
Total	10,728,817	

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Bursary	0	
Local transport / travelling	753,028	
Electricity, Water & Conservancy	2,615,981	
Repairs and maintenance	1,266,574	
Activity	163,062	
Personnel emoluments	2,371,623	
Administration costs	1,610,833	
Total	8,781,101	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Boarding, Equipment & Stores	12,474,385	
Uniform	252,284	
Caution	1,500	
Pocket money	193,261	
Bursary	3,058,926	
Examination	0	
University Application fee	8120	
Canteen	840,310	
Exercise Books	2,700	
Damages	194,475	
Rent & Rent arrears	102,300	
Donations	0	
Library Fee	4,865	
Facility Hire	3,000	
Contingencies	263,100	
Income from farming activities	350,936	
Transfer from Savings	355,000	
Fees arrears recovered	142,645	
Prepaid fees	2,082,339	
Transfer from Equity Tuition	3,040,000	
Students ID	600	
Students welfare	100	
Postal corporation	5600	
Clubs	0	
Total	23,376,446	

5 INFRASTRUCTURE

	2020-2021	2019-2020
	Kshs	Kshs
Infrastructure	792,882	
Total	792,882	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Exercise books		
Laboratory equipment	809,825	
Teaching / learning materials		
Creditors	351,495	
Bank Charges	480	
Total	1,161,800	

7 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	3,520,211	
Repairs and maintenance		
Local transport / travelling		
Electricity and water	1,737,140	
Administration costs	207,610	
Activity		
Total	5,464,961	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Boarding, Equipment & Stores	11,096,410	
Local transport / travelling	730,106	
Electricity, Water & Conservancy	310,255	
Repairs and maintenance	1,515,922	
Activity	38,220	
Personnel emoluments	1,181,189	
Administration costs	757,337	
Farm	419,712	
Medical expenses	95,154	
Pocket money refunded	207,931	
Rent Expenses	13,760	
Transfer to Equity	12,160	
Transfer to KCB	122,675	
University Application	129,500	
Bursary Awarded	3,057,494	
Transfer to Savings Canteen	240,310	
Transfer to Equity Tuition	2,933,111	
Damages	231,530	
Christian Union	2,000	
Catholic Action	7,200	
Postal Corporation	5,600	
Facility Hire	1,200	
Contingencies	96,485	
Students welfare refund	94,489	
Sundry Creditors	8,486,949	
Refundable fees	118,349	
Total	31,905,048	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
KCB	1101547626	(347,113)	
KCB	1101563737	5,548,210	
KCB	1101549068	570,646	
KCB	1268388262	792,882	
Equity	80294033060	22,331	
Total		6,586,956	

10 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
School Fund account	76,244	
Total	76,244	

11 SHORT TERM INVESTMENTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
KCB – Savings Account	1103061208	899,758	
Equity – Donation Account	80275939463	85,465	
Bio Gas project Account (EBK)	80260385251	13,613	
Equity – Canteen Account	80267918260	108,050	
Equity – Farm Account	80267918207	25,357	
Equity – Tuition Account	80290195365	92	
TAIFA Sacco	402 – 003 4300	73,422	
Total		1,205,757	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	25,082,142	
Rent	204,900	
Salary Advance	68,000	
Students Fare	6,150	
Farm Account	424,438	
Total	25,785,630	

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,668,398	
Fees arrears for the previous year	2,439,991	
Fees arrears for prior periods (over two years)	20,973,753	
Total	25,082,142	

13 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	25,668,467	
Prepaid fees	2,082,339	
Total	27,750,806	

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	12,783,536	
Trade creditors for the previous year	8,170,097	
Trade creditors for prior periods (Over two years)	4,714,834	
Total	25,668,467	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	(196,183)	
Cash balances	1,433	
Short Term Investments	1,205,757	
Receivables	25,785,630	
Payables	(27,750,806)	
Total	(954,169)	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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.

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	16	800,000	
Pigs	32	480,000	
Trees	25	50,000	
Tea plantation	3500	105,000	
Total		1,435,000	

16 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
Stock/ inventory at beginning of the year	35,400	
Stock/ inventory purchased during the year	1,572,250	
Stock/ inventory issued during the year	1,358,540	
Balance at end of the year	249,110	

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

17 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)

Othaya Boys High School
Reports and Financial Statements
For the year ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

S/no	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2021
		Kshs	Kshs	Kshs	Kshs
		a	b	c	d=a-c
	Infrastructure Account				
a	Construction of Buildings				
1				-	
	Sub-Total (A)			-	
b	Supply of goods			-	
	Tuition Account				
	Central Scientific				33,194.00
	KenyaSonic Scientific				68,890.00
	Adracom Gen. Services				88,000.00
	Peak Learning				37,500.00
	Adracom Gen. Services				88,500.00
	Zytech Agencies				11,000.00
	Compliant Inland				90,000.00
1	Geopak Printers			-	824,400.00
2	Peak Learning			-	37,500.00
					1,236,818.00
	Operations Account			-	
	Software for schools				22,000.00
	Gilgal Ventures				110,442.00
	Patrick Maina				31,000.00

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

	Pearl Electricals			-	35,500.00
	Sub-Total (B)				198,942.00
	School Fund/Boarding Account				
1	Sasa Host				2,320.00
2	Peter Chege				245,545.00
3	Sheikh Hardware				406,660.00
4	Njumbi High				121,104.00
5	Gaston Kenya				78,460.00
6	P.N. Kabara				26,350.00
7	Othaya Central Supplies				70,870.00
					961,309.00
	Prime Mattress				71,820.00
	P.N. Kabara				33,280.00
	Othaya Central Supply				289,100.00
					394,200.00
	Erick Opingo				15,000.00
	Peter Njogo				241,550.00
	Dpl Festive				312,127.00
	Samuel Gakiria				252,700.00
	Pearl Electricals				17,000.00
	Amicell Smart Services				57,000.00
	Janta Othaya Enterprises				292,810.00
	Peter Maina Garage				372,379.00
	Rikion Agencies				22,500.00
	Peter Njogo				61,000.00
	Eliud Njenga				102,600.00

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

	Janta Othaya Enterprises				171,340.00
	Satika Gen Merchants				247,840.00
	Weaver Bird Garments				843,790.00
					3,219,058.00
	Alex Gaitho				43,500.00
	Muteru Computers				6,500.00
	Twinsimm Comm.				15,000.00
	Mbambu Comm.				18,560.00
	Wibestar Ventures				29,000.00
	Gloliza Supplies				36,600.00
	Paul Irungu Mwoha				130,260.00
	Gallant Video				966,000.00
	Geopak Printers				589,720.00
	Kenafric Bakery				200,000.00
	Peter Njogo				638,240.00
	Lanes Enterprises				271,950.00
	Othaya Central Supplies				315,020.00
	Daddy Millers				57,000.00
	Peter Maina Garage				63,495.00
	Equity Insurance				132,192.00
	Cyrus Kinyanjui				25,000.00
	Micmag Gen Supply				18,000.00
	Peter Njogo				69,300.00
	Muribi Contractors				70,500.00
	Othaya Central Supply				78,120.00
	Ka-Hikai Chemicals				265,600.00

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

	Gloliza Supplies				1,086,150.00
	Weaver Bird Garments				3,061,890.00
					8,170,097.00
8	Ludatec Electronic				6,000.00
9	Gloliza Gen. Supplies				86,150.00
10	Waihura Enterprises				182,200.00
11	Geo-Pak Printers				1,702,990.00
12	Iriaini Tea Factory				52,000.00
13	Jeremiah Ngugi				77,000.00
14	Waki Energy Saving				78,000.00
15	Peter Mwangi Gikere				84,350.00
16	Thuti Kairuthi Dev.				168,030.00
17	Lanes Enterprises				641,620.00
18	Parice Enterprises				702,620.00
19	Wahuma Traders				758,160.00
20	Kenafri Bakery				922,649.00
21	Samuel Gakiria				1,022,200.00
22	Joseph Wambugu				1,042,800.00
23	Ngewa Stores				1,439,100.00
24	Zaka Capital Enterprises				2,028,020.00
25	Patrick Maina				18,000.00
26	Hyle Company				38,000.00
27	Daniel Gichuki Wachira				123,500.00
28	Janta Othaya Enterprises				319,885.00
29	Jupiter Vet. Services				37,340.00
30	Pamuri Auto Spares				15,600.00

Othaya Boys High School
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

31	Equity Insurance				108,798.00
32	M.N. Timbers				25,480.00
33	Julius Makara				50,344.00
34	Rikion Agencies				62,700.00
35	Lekama Distributors				75,000.00
36	Michael Gitahi				292,000.00
37	Satika Gen. Merchant				292,000.00
38	Othaya Central Supply				331,000.00
					12,783,536.00
	Grand Total (E=A+B+C+D)				26,963,960.00

Othaya Boys High School
Reports and Financial Statements
For the year ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1			100,000,000	-	-	100,000,000
Land 2			25,000,000	-	-	25,000,000
Buildings and structures			345,421,360	-	-	345,421,360
Motor vehicles			4,000,000	-	-	4,000,000
Office equipment, furniture and fittings			29,000,000	-	-	29,000,000
ICT Equipment, and Other ICT Assets			7,700,000	-	-	7,700,000
Tools and apparatus			18,500,000	-	-	18,500,000
Textbooks			30,000,000	-	-	30,000,000
Other Machinery and Equipment			5,000,000	-	-	5,000,000
Heritage and cultural assets			1,000,000	-	-	1,000,000
Intangible assets- soft ware			4,000,000	-	-	4,000,000
Total			569,621,360	-	-	569,621,360