

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 20 FEB 2021

DAY:
Thursday

OF

TABLED
BY:

Hon. Naomi Waco
Deputy Majority Whip

CLERK-AT
THE-TABLE:

Inzeq Mwale

THE AUDITOR-GENERAL

ON

**NAMGOI MIXED DAY SECONDARY
SCHOOL**

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

NANDI COUNTY

PARLIAMENT
OF KENYA
LIBRARY



NAMGOI MIXED DAY SECONDARY SCHOOL

REPORT AND FINANCIAL STATEMENTS

**FOR THE SIX MONTHS PERIOD ENDED
30TH JUNE 2021**

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

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

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2. 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 Nandi County, Chesumei Sub-County

The School was registered in 26TH July 2018 under registration number 29S000300181 and is currently categorized as a Sub-County Public School established, owned and operated by the Government.

The School is a day/boarding School and had 580 numbers of students as at 30th June 2021. It has Eight (8) streams and twenty five (25) teachers of which two (2) teachers are employed by the School Board of Management.

(b) School board of management - Board members

The School board of management established under section 55 of the basic education act, 2013; is composed of the following members:

Ref:	Name of board member	Designation	Date of appointment
1	Dr. Gideon K. Too	Chairman	3/6/2019
2	Mrs. Eglyne Maritim	Secretary - Principal	3/6/2019
3	Mr. Simion Kalya	Member	3/6/2019
4	Mr. William Yebei	Member	3/6/2019
5	Mrs. Grace Muchai	Member	3/6/2019
6	Mr. Barnaba Rotich	Member	3/6/2019
7	Mr. Obed Lamai	Member	3/6/2019
8	Ms. Grace Sugut	Member – CEB Representative	3/6/2019
9	Mr. Henry Tanui	Member – Teachers Representative	3/6/2019
10	Dr. Gidion Too	Member Representing Sponsor	3/6/2019
11	Sirma Joseph	Member – Representing Community	3/6/2019
12	Ms. Ruth Chemutai	Member Representing Special Needs	3/6/2019
13	Brian Kipngetch	Member – Representing Students	3/6/2019

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The function of the School Board of Management includes:

- 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.

(a) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Gideon Too Eglyne Maritim Julius Korir Felly Mutai	Chairman Secretary Member member	2/3
2	Audit Committee	Joseph Sirma Daniel Barno Simon Kalya Grace Muchai	Chairman secretary Member member	0/3
3	Finance, procurement and general purposes Committee	William Yebei Ruth Chemutai Sirma Joseph Obed Lamai	Chairperson secretary Member member	1/3
4	Academic Committee	Simon Kalya Felly Mutai Henry Tanui Alfred Tum	Chairperson secretary Member member	1\3
5	Development Committee	Grace Sugut Obed Lamai Peris Chepchirchir Alfred Tum	Chairlady secretary Member member	2/3
6	Discipline and welfare Committee	Daniel Barno Julius Korir Grace Muchai Julius Kogey	Chairman Secretary Member member	1/3

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(b) 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	Eglyne J. Maritim	315559
2	Deputy Principal	Julius Kogey	410198
3	School Bursar	Gloriah Chelangat	27871630

(c) Schools contacts

Post Office Box: 369

Telephone: 0721147502

Email: namgoi54secondary@gmail.com

(d) School Bankers

The following School operated the following bank accounts during the year:

1. **Lunch account**

Name of Bank: Family Bank

Branch: Kapsabet

Account Number: 097000027682

M-pesa Paybill No. 222115 attached to lunch bank account bank account.

2. **Repairs and Maintenance (RMI) Account**

Name of Bank: Family bank

Branch: Kapsabet

Account Number: 097000030543

3. **Repairs and Maintenance (RMI) Account**

Name of Bank: Family bank

Branch: Kapsabet

Account Number: 097000032026

4. **Operation Account**

Name of Bank: Co-Operative Bank

Branch: Kapsabet

Account Number: 01139325539202

5. **Tuition Account**

Name of Bank: Co-Operative Bank

Branch: Kapsabet

Account Number: 01139325529201

6. **CDF account**

Name of Bank: Equity Bank

Branch: Kapsabet

Account Number: 0490297349175

Namgoi Mixed Day Secondary School

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(e) Independent Auditors

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

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Report and Financial Statements for the Six Months Period Ended 30th June 2021

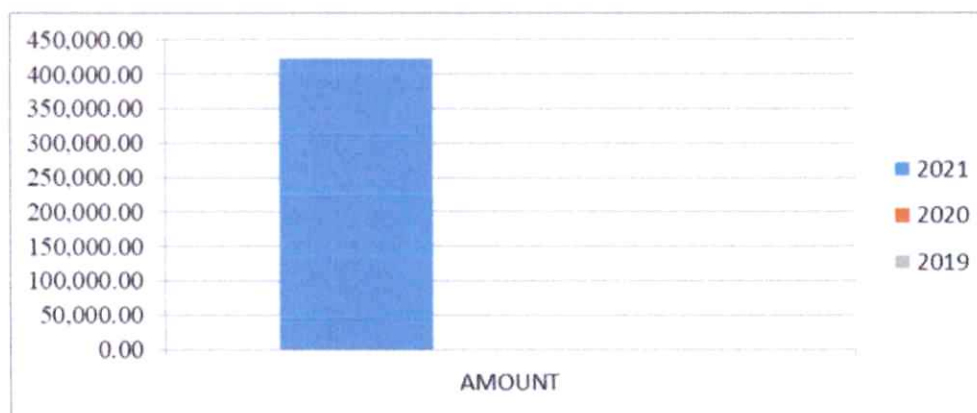
3. Summary Report of Performance of the School

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

a) Financial performance:

Analysis of Surplus/ deficit for the year in comparison of the same for the last three years was as follows:

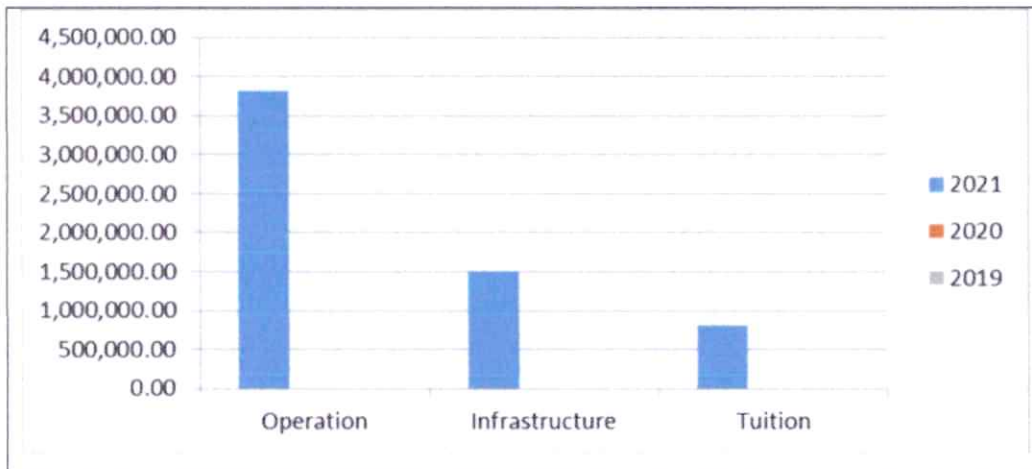
YEAR	2021	2020	2019
Amount ksh	422,908	0	0



Capitation grants from the Ministry of Education for the last three years were as tabulated below

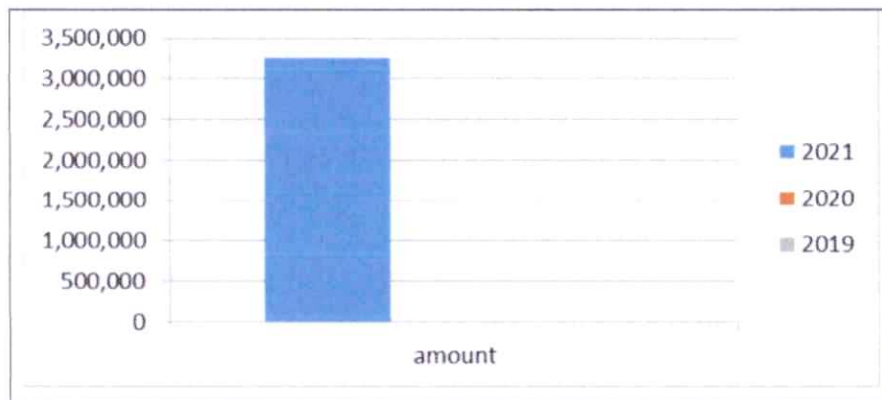
Year	2021	2020	2019
Operation a/c	3,821,545	0	0
Infrastructure	1,500,000	0	0
Tuition	805,790	0	0
Total	6,127,334	0	0

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Three-year overviews of growth of other income(s) earned by the School were as follows;

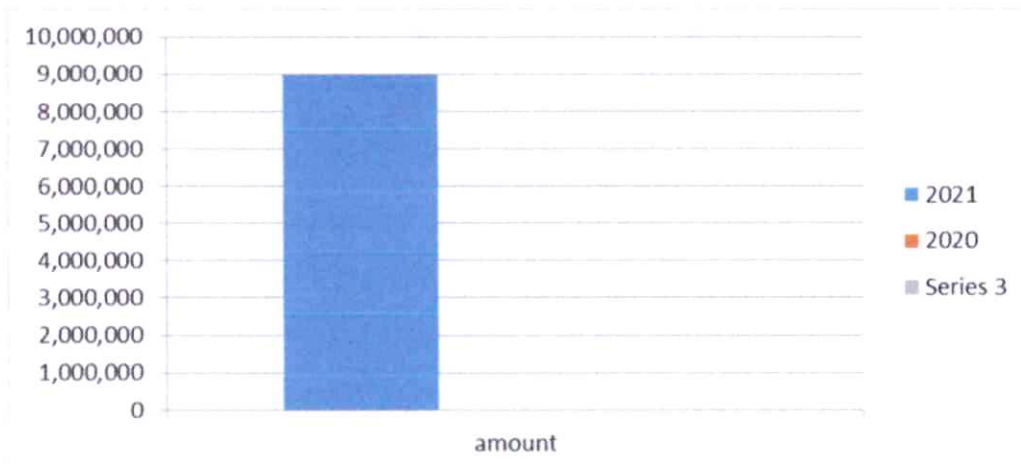
year	2021	2020	2019
Amount Kshs	3,256,976	0	0



A three-year overview of growth in expenditure of the School were as follow;

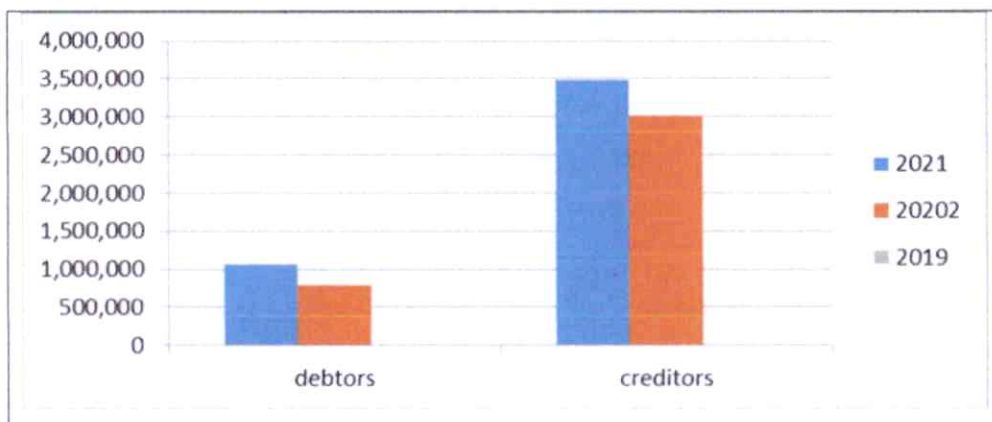
Year	2021	2020	2019
Amount Kshs	8,961,402	0	0

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Movement of debtors and creditors of the School over the last three years were as tabulated below;

Year	2021	2020	2019
Debtors	1,070,093	790,249	0
Creditors	3,490,687	3,013,158	0



b) Teacher Student ratio

The teacher student ratio during the year was 0.047. Analysis of teachers movements during the year were as follows:

No. of TSC teachers	BOM Teachers	No. of students	Retired teachers	Transferred teachers	Employed teachers
25	2	580	0	0	

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c) Mean score in the 2021KCSE:

Below is a performance trend for the school over the last three years:-

Year	Number of Candidates	Mean Points	Mean Grades	Transmission to University
2021	155	5.2581	C-	28
2020	141	5.6028	C	37
2019	72	4.7500	C-	15

d) Capacity of the School:

Students	Toilets	Dining Hall	Laboratories
580	22 doors and 1 urinal	1	1

e) Development projects carried out by the School:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Renovation of administration block	M&I	Complete	933,000	1,110,460	08 January 2021
Ramp	M&I	ongoing	959,800	959,800	

.....
School Principal



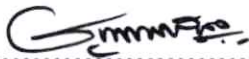
4. Statement of School Management Responsibility

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 (PSASB) 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 Namgoi Mixed Day 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).

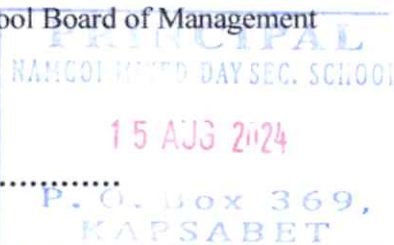
The Board of Management is of the opinion that the School's financial statements give a true and fair view of the state of the School's transactions during the financial year ended 30th June, 2021, and of the School's financial position as at that date.



.....
Name: Gideon Too

Designation: Chairman, School Board of Management

Date: 15/8/2024



.....
Name: Kipchumba Korir

Designation: School Principal & Secretary to Board of Management

Date: 15/8/2024



.....
Name: Gloria Chelangat

Designation: Bursar

Date: 15/8/2024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAMGOI MIXED DAY SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – NANDI 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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance, which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Namgoi Mixed Day Secondary School – Nandi County set out on pages 1 to 15, which comprise of the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Namgoi Mixed Day Secondary School at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with the 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 Financial Statements

1.1 Variance Between Financial Statements and Supporting Schedule Balances

The statement of financial position reflects accounts receivables balance of Kshs.1,070,093 as indicated in Note 13 to the financial statements. However, the supporting schedule reflected a balance of Kshs.362,182 resulting to variance of Kshs.707,911 that has not been reconciled and explained.

In addition, the statement of financial assets and financial liabilities reflects accounts payables of Kshs.3,490,687 as indicated at Note 14 to the financial statements. Included in this amount is trade creditors of Kshs.3,233,948. However, review of trade creditors supporting schedules reflected a balance of Kshs.1,402,980 resulting to variance of Kshs.1,830,968 that has not been explained.

In the circumstances, the accuracy and completeness of accounts receivables and accounts payables could not be confirmed.

1.2 Variances between Amounts in the Statement of Receipts and Payments and the Statement of Cash Flows

Comparison of amounts reflected by various components of the statement of receipts and payments with those in the statement of cash flow statements revealed variances that have not been reconciled and explained as detailed below:

Item	Statement of Receipts and Payments	Statement of Cashflows	Variances
	(Kshs)	(Kshs)	(Kshs)

Item	Statement of Receipts and Payments	Statement of Cashflows	Variances
School Fund Income- Parents' Contributions	4,017,332	3,994,227	23,105
Payments for Tuition	790,360	950,320	(159,960)
Payments for Operations	2,773,609	2,390,856	382,753
Payments for Boarding/Lunch and School Fund	3,313,934	3,315,934	(2,000)

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

2. Inaccuracies in Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents of Kshs.2,695,543 that is made up of bank and cash balances of Kshs.2,615,065 and Kshs.80,478 as disclosed in Notes 10 and Note 11 respectively. However, cash books and bank reconciliation statements for National Government Constituencies Development Fund (NGCDF) and Parents Association accounts were not provided for audit review.

Further, cash in hand balance of Kshs.80,478 which related to balances in operation and school fund accounts of Kshs.36,600 and Kshs.43,878 respectively as disclosed in Note 11 were not supported with cash count certificates.

In the circumstances, the existence, accuracy and completeness of cash and cash equivalents balance of Kshs.2,695,543 could not be confirmed.

3. Unsupported Inventory Balances

Note 19 to the financial statements reflects Nil inventory balance. However, audit review revealed that the School had stock of various items of undetermined value such as chemicals, laundry items, white-boards/chalkboards, marker pens, chalk, erasers, pens, pencils, sharpeners, notebooks, paper, folders, glue, scissors, rulers, educational posters, charts and teaching materials.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final total receipts budget versus actual on a comparable basis of Kshs.12,400,000 and Kshs.9,773,754 respectively resulting to an under-funding of Kshs.2,626,246 or 21% of the budget. However, the school spent a balance of Kshs.6,613,030 against actual receipts Kshs.9,773,754, resulting to an under-utilization of Kshs.3,160,724 or 32% 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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 for Conclusion

1. Accuracy of Student Enrolment Data

Audit review of student enrolment data indicates that more students were enrolled in the School than the number of students reflected in National Education Management Information System (NEMIS) resulting to under-funding of capitation of Kshs.331,465. This is contrary to Ministry of Education Circular MOE.HQS/3/13/3 of 16 June, 2021 that requires all learners to be registered in National Education Management Information System and the School Principals to ensure their records are accurate.

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

2. Long Outstanding Trade Creditors

The statement of financial assets and financial liabilities reflects accounts payable of Kshs.3,490,687 which include trade creditors of Kshs.3,233,948 as disclosed in Note 14 to the financial statements. However, the trade creditors schedule provided for audit review did not provide details such as date and description of goods or services offered and was not supported with invoices and delivery notes.

In addition, Management did not provide any explanation for the accumulation of the accounts payable during the year and non-payment of creditors by over a year. This is contrary to Regulation 150(1) of the Public Procurement and Disposal Regulations, 2020 which requires a procuring entity to make prompt payment within sixty (60) days from the date of receipt of the invoice.

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

3. Lack of a Procurement Plan, Budget and List of Registered Suppliers

The statement of receipts and payments reflects an amount of Kshs.19,073,409 and Kshs.16,848,680 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This is contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that, "a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process". In addition, the school did not have an approved budget and a list of registered suppliers.

In the circumstances, Management was in breach of the law

4. Delayed Transfer of Infrastructure Funds from Operations Bank Account

Analysis of capitation for operations indicated that the School received capitation of Kshs.6,498,641 out of which Kshs.2,477,000 was to be transferred to infrastructure account. However, only Kshs.1,000,000 was transferred resulting in a variance of KShs.1,477,000 as detailed below:

Period	Disbursement (Kshs)	Amount to be Transferred (Kshs)	Transferred Amount (Kshs).	Variance (Kshs)
July, 2020	2,309,500	310,000	-	310,000
December, 2020	2,106,481	1,240,000	500,000	740,000
February, 2021	2,082,660	927,000	500,000	427,000
Total	6,498,641	2,477,000	1,000,000	1,477,000

In addition, the School was expected to transfer an amount of Kshs.1,000,000 to the infrastructure account within fifteen (15) days. However, the transfers were done after eighteen(18) to twenty one (21) days resulting in a delay of three (3) to (six) 6 days as detailed below:

Operations Capitation Received	Date Credited to Operation Bank Account	Total Infrastructure Funds	Date Transferred	Number of days delayed
(Kshs).		(Kshs)		
2,106,481	07 January, 2021	500,000	25 January, 2021	3 days
2,082,660	28 April, 2021	500,000	19 May, 2021	6 days
2,106,481	Total	1,000,000		

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

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

The statement of receipts and payments reflects payments for operations of Kshs.2,773,609 which include activity fee of Kshs.204,000 as disclosed in Note 7 to the financial statements. The amount relates to a transfer to Kenya Secondary Schools Heads Association (KESSHA) to fund co-curricular activities. KESSHA is a private welfare organization of School Principals that is not supposed to receive government funding.

In the circumstances, value for money of the funds transferred to KESSHA amounting to Kshs.204,000 could not be confirmed.

6. Bloated Board of Management Committees

Review of Board Committees during the period revealed that the School had established Ad Hoc and Strategic Planning Committees which were not provided for by Section 61(2) of the Basic Education Act, 2013.

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

7. Unbalanced Budget

The statement of budgeted versus actual amounts reflects final income budget of Kshs.12,400,000 and final expenditure budget of Kshs.11,550,000 resulting to budget deficit of Kshs.850,000. The unbalanced budget was contrary to the provisions of Section 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget revenue and expenditure shall be balanced.

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

8. Failure to Prepare School Improvement Plan

During the year/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 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Long Outstanding Fees Arrears

The statement of financial assets and financial liabilities reflects accounts receivables amount of Kshs.1,070,093. Out of this amount, Kshs.466,449 has been outstanding for between one to two (1–2) years while Kshs.323,800 has been outstanding for over two (2) years as disclosed in Note 13. However, there was no evidence of debt collection strategy instituted by Management to recover the debts.

In the circumstances, the debt portfolio of the School may continue to accumulate irrecoverably.

2. Over Delivery of Textbooks

Audit review of request and delivery system of text books to School revealed that the School ordered for three hundred and twenty-three (323) text books of eight (8) different types that corresponds to the number of subjects the students are undertaking. However, the supplier delivered three hundred and twenty-five (325) text book, two (2) books in excess of the number of students that required the text book for the eight (8) types of book.

In the circumstances, there was no value for money for the sixteen (16) text books over supplied.

3. Lack of Risk Management Policy

Review of the School's risk management processes revealed that the School did not have a risk management policy in place which posed a threat to data validity, security and integrity.

In the circumstances, the existence and functioning of the risk management processes could not be confirmed.

4. Lack of Disaster Recovery and Business Continuity Plans

Review of the School's information technology internal control environment indicated that the School had two IT Systems. However, there was no approved contingency plans that included data backup, disaster recovery and business continuity.

In the circumstances, the absence of a disaster recovery plan exposes the School to vulnerabilities of sustaining operations and protect data.

5. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

6. Non-compliance in Appointment and Functions of Audit Committee

Review of the audit committee revealed that the School had four (4) Audit Committee members. However, there was no evidence provided for review to confirm that the

chairperson of the Committee was independent of the School, knowledgeable of the organization, possessed the requisite business and leadership skills and was not politically inclined as required by Regulation 174(5) of the Public Finance Management (National Government) Regulations, 2015.

In addition, the Committee did not hold meetings during the year under review as required by Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the independence, oversight and governance could not be confirmed.

7. Undisclosed Fixed Assets

Annex 2 to the financial statements did not list the School's assets as at 30 June, 2021. However, physical verification carried out revealed that the School owned other assets with undetermined value such as land, buildings and structures, office equipment, furniture and fittings, ICT equipment, tools and apparatus and text books. In addition, Management of the School did not maintain an asset register in the format prescribed in Appendix 6 to The National Treasury Guidelines on Asset and Liability Management in The Public Sector, 2020.

Further, records provided for review indicated that the School is in possession of a piece of land which is registered in the name of a neighbouring Primary School. However, there was no evidence provided to confirm the arrangements on usage with the Primary School.

In the circumstances, completeness, ownership, right and obligations of the 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters

related to 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 scepticism 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 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 September, 2024

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

6. Statement of Receipts and Payments for Six Months Period Ended 30th June 2021

DESCRIPTION OF VOTE HEAD	Note	Jan-June2021
		Kshs
RECEIPTS		
Government grants for tuition	1	805,790
Government grants for operations	2	3,812,814
Government Grants for infrastructure	3	1,500,000
School fund income- parents' contributions	4	4,017,332
Miscellaneous incomes	5	-
TOTAL RECEIPTS		10,135,936
PAYMENTS		
Payments for Tuition	6	790,360
Payments for operations	7	2,773,609
Payments for infrastructure	8	2,041,395
Boarding and school fund payments	9	3,313,934
TOTAL PAYMENTS		8,919,298
SURPLUS/DEFICIT		1,216,638

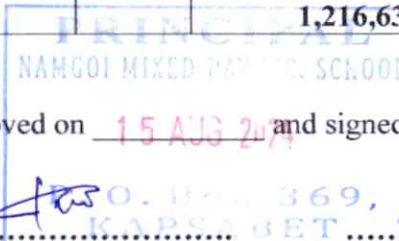
The School financial statements were approved on 15 AUG 2024 and signed by:



Name: Gideon Too

Chair BOM

Date: 15/8/2024



Name: Kipchumba Korir

Principal/ Secretary to BOM

Date: 15/8/2024

Name: Gloriah chelangat

Bursar

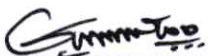
Date: 15/8/2024

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

7. Statement of Assets and Liabilities As at 30th June 2021

FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	10	2,615,065
Cash Balances	11	80,478
Short term Investment	12	-
Total Cash and Cash Equivalents		2,695,543
Account's receivables	13	1,070,093
TOTAL FINANCIAL ASSETS		3,765,636
FINANCIAL LIABILITIES		
Accounts Payable	14	3,490,687
NET FINANCIAL SSETS		274,949
REPRESENTED BY		
Fund balance b/fwd 1st July...	15	(941,689)
Surplus/Defict for the year		1,216,638
NET FINANCIAL POSITION		274,949



The School's financial statements were approved on 15 AUG 2024 and signed by:



Name: Gideon Too

Chair BOM

Date: 15/8/2024

Name: Kipchumba Korir

Principal/ Secretary to BOM

Date: 15/8/2024

Name: Gloriah Chelangat

Bursar

Date: 15/8/2024

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

8. Statement of Cash Flows for the six months period ended 30th June 2021

		Jan-June 2021
		Kshs
Receipts from operating activities		
Government grants for tuition	1	805,790
Government grants for operations	2	3,812,814
Government Grants for infrastructure	3	1,500,000
School fund income- parents' contributions	4	3,994,227
Miscellaneous incomes	5	-
Total receipts		10,112,831
Payments		
Cash outflows for tuition	6	950,320
Cash outflows for operations	7	2,390,856
Cash outflows for infrastructure	8	2,041,395
Cash outflows Boarding/lunch and school fund payments	9	3,315,934
Total payments		8,698,508
Net cash flow from operating activities		1,414,323
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets		-
Acquisition of Assets		-
Proceeds from investments		-
Net cash flows from Investing Activities		-
NET CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings/ loans		-
Repayment of principal borrowings		-
Net cash flows from Investing Activities		-
NET INCREASE IN CASH AND CASH EQUIVALENT		1,414,323
Cash and cash equivalent at BEGINNING of the year		1,281,220
Cash and cash equivalent at END of the year		2,695,543


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



Name: Gideon Too

Chair BOM

Date: 15/8/2024

PRINCIPAL
 NAMGOI MIXED DAY SEC. SCHOOL
 15 AUG 2024

 369
 ABET

Name: Kipchumba Korir

Principal/ Secretary to BOM

Date: 15/8/2024



Name: Glorinah Chelangat

Bursar

Date: 15/8/2024

Namgoi Mixed Day Secondary School
 Report and Financial Statements for the Six Months Period Ended 30th June 2021

9. Statement of Budgeted Versus Actual Amounts for The Six Months Period Ended 30th June 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Laboratory equipment and apparatus	300,000		300,000	213,900	86,100	71%
Teaching/learning materials	900,000		900,000	591,890	308,110	66%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	3,000,000	-	3,000,000	1,753,350	1,246,650	58%
Electricity and water	800,000	-	800,000	650,000	150,000	81%
Activity	950,000		950,000	500,000	450,000	53%
Administration costs	1,000,000	-	1,000,000	909,464	90,536	91%
(3) FEES CHARGED ON PARENTS 9(SCHOOL FUND)						
Lunch	3,000,000	-	3,000,000	2,861,420	138,580	95%
Parents Association					-	-
TOTAL INCOME	12,400,000	-	12,400,000	9,773,754	2,626,246	79%
(1) EXPENDITURE						
PAYMENTS FOR TUITION						
Teaching & learning	900,000		900,000	630,040	271,960	70%
PAYMENT FOR OPERATIONS						
Personal Emoluments	3,000,000	-	3,000,000	685,840	864,680	44%
Administration Cost	2,000,000	-	2,000,000	1,390,194	609,806	70%
Electricity and water	800,000	-	800,000	153,615	2,753,035	99%
Activity	950,000		950,000	204,000	96,000	68%

Namgoi Mixed Day Secondary School

Report and Financial Statements for the Six Months Period Ended 30th June 2021

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
BOARDING AND SCHOOL FUND PAYMENTS						
Local transport and travelling						
Administration Cost						
Maintenance & improvements						
Electricity and water						
Lunch	3,000,000	-	3,000,000	2,013,521	986,479	67%
TOTAL	11,550,000	-	11,550,000	6,613,030	4,936,970	57%

NOTE:

The general under performance and under-utilization was due to effects of Covid-19 restrictions that limited physical contact and closure of schools hence scaling down of operations.

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

10. 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 legislation 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 School fees from parents, impress, salary advances and other receivables and b) payable that include deposits and retention's and payable 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 recognizes 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 recognizes all expenses when the event occurs, and the related cash has actually been paid out by the School. Income arising from School fees is recognized when the event occurs whether cash is received or not. Expenditure arising from operations is recognized when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imp rests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include School fees billed to parents for services rendered but not paid. 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 retention held on behalf of third parties have been recognized as accounts payable. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. Payable also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary Schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expended 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, 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.

Namgoi Mixed Day Secondary School
 Report and Financial Statements for the Six Months Period Ended 30th June 2021

11. Notes To The Financial Statements

1 Government Grants for Tuition

	Jan-June 2021
	Kshs
Text books	-
Laboratory equipment's and apparatus	213,900
Teaching/learning materials	591,890
Total	805,790

2 Government Grants for Operations

	Jan-June 2021
	Kshs
Personnel emoluments	1,753,350
Electricity and water	650,000
Administration costs	909,464
Activity	500,000
Total	3,812,814

3 Government Grants for infrastructure

	Jan-June 2021
	Kshs
Maintenance & Improvement	1,500,000
Economic stimulus grants	
Total	1,500,000

4 School Fund Income - Parents Contribution/Fees

	Jan-June 2021
	Kshs
P.A account	793,730
Lunch	2,861,420
Personnel emoluments	
Fees arrears	362,182
Medical	
Activity	
Total	4,017,332

Namgoi Mixed Day Secondary School
 Report and Financial Statements for the Six Months Period Ended 30th June 2021

5 Miscellaneous Incomes Boarding a/c

	Jan-June 2021
	Kshs
Bursaries	
Farm	
Donation	
student deposit	
Total	-

6 Payments for tuition

	Jan-June 2021
	Kshs
Laboratory equipment's and apparatus	690,000
Teaching/learning materials	100,000
Bank charges	360
Total	790,360

7 Payments for operations

	Jan-June 2021
	Kshs
Personal Emoluments	685,840
Local transport and travelling	369,000
Administration Cost	1,359,594
Electricity and water	153,615
Bus a/c	
RMI	
Transfer to school fund a/c	
Bank Charges	1,560
Activity	204,000
TOTAL	2,773,609

8 Payments for infrastructure

	Jan-June 2021
	Kshs
Maintenance & Improvement	2,037,795
Bank charges	3,600

Namgoi Mixed Day Secondary School

Report and Financial Statements for the Six Months Period Ended 30th June 2021

Total	2,041,395
9 Boarding and school fund payments	
	Jan-June 2021
	Kshs
Activity	
Lunch	2,013,521
Repairs and maintenance & Improvements	75,590
Local transport / travelling	171,400
Electricity and water	85,765
Administration costs	963,290
Bank Charges	4,368
TOTAL	3,313,934

10 Bank accounts

Name of Account	Name of Bank	Account No	Jan-June 2021
			Kshs
Tuition	Co-operative	01139325529201	26,694
Operations	Co-operative	01139325539202	358,872
School Fund/Boarding	Family	097000027682	97,246
M&I Account	Family	097000030543	1,025,944
CDF account	Equity	0490297349175	10,631
Parents Association	Family	097000032026	1,095,678
Total			2,615,065

11 Cash in hand

Description	Jan-June 2021
	Kshs
Operation Account	36,600
School Fund account	43,878
Total	80,478

12 Short term investments

Description	Jan-June 2021
	Kshs
Cooperative shares	-
Other investments	-
Total	-

13 Accounts receivable

Description	Jan-June 2021
	Kshs
Fees arrears	1,070,093
Other Non-Fees Receivables	
Salary Advances	-
Imprest	-
Rent arrears	-
Total	1,070,093

13 b Ageing Analysis of Accounts Receivable

Description	Jan-June 2021
	Kshs
Less than 1 year	362,182
fees arrears recovered	(82,338)
Between 1- 2 years	466,449
Over 2 years	323,800
Total	1,070,093

14 Accounts payable

Description	Jan-June 2021
	Kshs
Trade creditors	3,233,948
Prepaid fees	256,739
Other payable s	-
Total	3,490,687

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

14a. Ageing Analysis of Accounts Payable

Description	Jan-June 2021
	Kshs
Less than 1 year	1,402,980
Between 1- 2 years	1,830,968
Over 3 years	
Total	3,233,948

15 Fund balance brought forward

Description	Jan-June 2021
	Kshs
Bank balances	1,274,814
Cash balances	6,406
Receivables	790,249
Payables	(3,013,158)
Total	(941,689)

Other important disclosure notes

16 Non-current Liabilities Summary

Description	Jan-June 2021
	Kshs
Bank loan(s)	-
Outstanding Leases	-
Hire purchase	-
Total	-

17 Biological assets

Description	Jan-June 2021
	Kshs
Cattle	-
Coffee Or Tea Plantation	
Poultry	
	-
Total	-

18 Borrowings

Description	Jan-June 2021
	KShs
Borrowing at beginning of the year	-
Borrowings during the year	-
Repayments of during the year	-
Balance at end of the year	-

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

19 Stock/ Inventory

Description	Jan-June 2021
	KShs
Food stuffs	-
Lab consumables	
Farm produce	
Medication	
Construction Materials	
Others (specify)	-
	-
Balance at end of the year	-

Namgoi Mixed Day Secondary School

Report and Financial Statements for the Six Months Period Ended 30th June 2021

1 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:	Timeframe:

Sign and Date
Principal



Namgoi Mixed Day Secondary School
 Report and Financial Statements for the Six Months Period Ended 30th June 2021

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings					
Sub-Total				-	
Supply Of Goods					
1. Lens Laboratory Suppliers	696,925			696,925	
2. Orient Publishers	404,530			404,530	
3. Startic Distributors Ltd	957,703			957,703	
4. Namgoi Furniture House	547,000			547,000	
5. Judah K Tirop	345,000			345,000	
6. Futuretech Computer Solution	22,000			22,000	
7. Kenyasonic Scientific Systems	40,000			40,000	
8. Jep Engineering	220,790			220,790	
Sub-Total	3,233,948			3,233,948	

Namgoi Mixed Day Secondary School
Report and Financial Statements for the Six Months Period Ended 30th June 2021

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs)
Land 4 acres	12,000,000			12,000,000
Buildings And Structures	34,000,000			34,000,000
Motor Vehicles				
Office Equipment, Furniture And Fittings	700,000			700,000
Textbooks				
ICT Equipment	300,000			300,000
Tools And Apparatus	600,000			600,000
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	47,600,000			47,600,000