REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

AIC KANG'ITIT GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2021

TURKANA COUNTY

Revised 30th June 2021.

AIC KANG'ITIT GIRLS 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)

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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 Turkana County, Turkana East Sub-County

The school was registered on 15th May 2014 under registration number PU/S/2/239/14 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 339 number of students as at *30th June 2021* It has 2 streams and 19 teachers of which 4 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	Christine Lokai	Chairman	13/05/2019
2	Anna L Echoto	Secretary - Principal	13/05/2019
3	Isaac Kebo	Member	13/05/2019
4	Fr. M. Ebenyo	Member	13/05/2019
5	Esther Lopatio	Member	13/05/2019
6	Cecilia Wamboi	Member	13/05/2019
7	Joseph Kebo	Member	13/05/2019
8	Teresa Amekwi	Member	13/05/2019
9	James Ewoton	Member	13/05/2019
10	Yesse Erupe	Member – Rep CEB	13/05/2019
11	Dinah Naliaka	Member Rep Teachers	13/05/2019
12	Joseph Etabo	3 Members - Sponsor	13/05/2019
13	Titus Looyapus	Member - Community	13/05/2019
14	Joseph Ebei	MemberSpecial Needs	13/05/2019
15	Joseph Akolonyo	Rep Students	13/05/2019
16	Paul Lokone	PTA Chair	13/05/2019

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**	**Christine Lokai** **Anna L Echoto** **Isaac Kebo**	**Chair** **Secretary** **Vice Chair**	**3**
2	Audit Committee	Esther lopatio James Ewoton Paul Lokone	Chair Member Member	1
3	Finance,procurement and general purposes Committee	Yesse Erupe Teresa Amekwi Titus Looyapus	Chair Member Member	1
4	Academic Committee	Fr. M. Ebenyo Dinah Naliaka Joseph Ebei	Chair Member Member	3
5	Development Committee	Joseph Akolonyo Kebo Isaac Joseph Etabo	Chair Member Member	3
6	Discipline and welfare Committee	Isaac Kebo James Ewoton Cecilia Wamboi	Chair Member Member	3
7	Adhoc Committee (if any during the year)			

(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/ID Number
1	Principal	Anna Leskon Echoto	404827
2	Deputy Principal	Kevin Lomojong Lokui	703972
3	School Bursar	Babu Ernest Temba	29898734

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box:	430-30500 Lodwar
Telephone:	0701625408
E-mail:	aickangitit1989@gmail.com

(f) School Bankers

The following school operated 3 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB(Kenya Commercial Bank)
   Branch: Lodwar
   Account Number: 1107179351 – Boarding Account

2. Name of Bank: KCB(Kenya Commercial Bank)
   Branch: Lodwar
   Account Number: 1107179076 – Operations Account

3. Name of Bank: KCB(Kenya Commercial Bank)
   Branch: Lodwar
   Account Number: 1107107970 – Tuitions Account

Postal Address: 430-30500 Lodwar

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance**:

Under this section, the following information should be given:

ACCOUNT	2018	2019	2020	2021
TUITIONS	1,159,030.40	55,550.90	(230,136.00)	97,680.50
OPERATIONS	160,592.50	(2,227,764.00)	20,772.00	1,136,211.20
BOARDING/SCH FUND	863,801.90	(417,277.00)	1,586,131.00	240,154.00

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

ACCOUNT	2018	2019	2020	2021
TUITIONS	2,001,789.40	1,060,812.90	601,490.00	368,668.50
OPERATIONS	4,749,513.00	2,614,092.00	2,117,725.00	2,481,518.20

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

ACCOUNT	2018	2019	2020	2021
BOARDING/SCH FUND	13,907,314.00	12,648,328.00	8,889,456.00	4,256,301.00

- *A three-year overview of growth in expenditure of the school*

ACCOUNT	2018	2019	2020	2021
TUITIONS	842,759.00	1,005,262.00	831,626.00	270,988.00
OPERATIONS	4,588,560.50	4,841,856.00	2,096,953.00	1,345,307.00
BOARDING/SCH FUND	13,043,512.10	12,223,051.00	7,303,325.00	4,016,147.00

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

YEAR	*2018*	*2019*	*2020*	*2021*
CREDITORS	*NIL*	*926,465.00*	*862,930.00*	*278,800.00*

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

- *ACCOUNT*	*2018*	*2019*	*2020*	*2021*
TUITIONS: Bank	*9,644.90*	*2,095.80*	*4,464.80*	*103,145.30*
OPERATIONS: Cash	*NIL*	*NIL*	*NIL*	*(43,000.00)*
Bank	*113,114.55*	*4,817.15*	*3,033.15*	*632,964.35*
BOARDING/SCH FUND: Cash	*22,031.10*	*81,400.10*	*97,752.10*	*43,626.10*
Bank	*(173,807.90)*	*(61,502.15)*	*(321,201.90)*	*(108,585.90)*

b) **Teacher Student ratio**:

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

Teachers/Students Ratio	*1:18*
New Recruitments: TSC	*1*
Contract	*2*
BOM	*1*
Transferred: TSC	*1*
Contract	*None*
BOM	*None*
Teachers per Subject: English	*3*
Maths	*5*
Kiswahili	*2*
Chemistry	*3*
Biology	*4*
Physics	*2*
CRE	*3*

Geography	*3*
History	*2*
Business Studies	*1*
Agriculture	*1*
Home Science	*1*
Computer	*1*

c) **Mean score in the *2021* KCSE**:

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

YEAR	*No. of Candidate*	*Mean Grade*	*Transition to Higher Institutions*
2018	*88*	*3.235*	*29*
2019	*96*	*3.221*	*31*
2020	*66*	*4.167*	*42*
2021	*96*	*3.94*	*57*

d) **Number of Candidates in the 2021 KCSE:**

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

YEAR	*No. of Candidate*	*Mean Grade*	*Transition to Higher Institutions*
2018	*88*	*3.235*	*29*
2019	*96*	*3.221*	*31*
2020	*66*	*4.167*	*42*
2021	*96*	*3.94*	*57*

a) **Capacity of the school**:

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

No. Of Students	*Facility*	*Capacity*
339	Dorms 5	70
339	Laboratory 6	30 during KCSE
339	Dining Hall	200
339	Toilets 14	22
339	Classrooms 8	45
339	Library 1	100
339	Washrooms 30cubes	2

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

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
LIBRARY	CDF	COMPLETED	CDF	CDF	6MONTHS
STUDENTS'FLASH TOILETS	MOE (M.I)	COMPLETED	900,200.00	900,000.00	4MONTHS
STORE STRUCTURES	SCHOOL FUND (RM&I)	COMPLETED	216,990.00	216,990.00	1MONTHS

Sign Aceuon

School Principal 09/09/24

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of *AIC Kang'itit Girls 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: Christine Lokai
Designation: Chairman, School Board of Management

Sign: ....
Date: 30/8/2024

Name: Anna L. Echoto
Designation: School Principal& Secretary to Board of Management

Sign: ....
Date: 09/09/2024

Name: Babu Temba
Designation: Bursar/ Finance Officer

Sign: ....
Date: 30/08/2024

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON AIC KANG'ITIT GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – TURKANA 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 AIC Kang'itit Girls Secondary School – Turkana County set out on pages 1 to 20, which comprise of the statement of receipts and payments as at 30 June, 2021, statement of financial assets and financial liabilities, statement of cash flows and the statement of budgeted verses actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the AIC Kang'itit Girls Secondary School – Turkana 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. Unsupported Receipts and Payments

The statement of receipts and payments for the year ended 30 June, 2021 reflects total receipts and total payments amount of Kshs.7,108,087 and Kshs.6,001,237 respectively. However, ledgers and receipts documents for government grants for tuition, operations and infrastructure, school fund income and miscellaneous income, and payment documents for tuition, operations, infrastructure and boarding and school fund payments were not provided for audit.

In the circumstances, the accuracy and completeness of the total receipts and total payments amount of Kshs.7,108,087 and Kshs.6,001,237 respectively could not be confirmed.

2. Unsupported Financial Assets and Financial Liabilities

The statement of financial assets and financial liabilities as at 30 June, 2021 reflects total financial assets and total financial liabilities balances of Kshs.11,110,124 and Kshs.2,123,670 respectively. However, ledgers, bank statements and certificates, bank reconciliation statements, board of survey report and accounts payable support documents were not provided for audit review.

In the circumstances, the accuracy and completeness of the financial assets and financial liabilities amount of Kshs.11,110,124 and Kshs.2,123,670 respectively could not be confirmed.

3. Long Outstanding Fees Arrears

Note 11 to the financial statements reflects fees arrears balance of Kshs.7,682,643 out of which Kshs.5,411,484 had remained outstanding for over two (2) years. However, the School Management did not demonstrate efforts made to recover the long outstanding fees. Further, a detailed list and students' fees statements to support the fees arrears balance were not provided for audit review.

In the circumstances, the accuracy, completeness and recoverability of fees arrears balance of Kshs.7,682,643 could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payable balance of Kshs.2,123,670 which includes trade creditors balance of Kshs.1,994,753 that were not supported by a detailed list, supporting control ledger, commitment documents and inspection certificates on delivery were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.2,123,670 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects a final budgeted receipt of Kshs.9,386,986.70 against actual receipts of Kshs.7,108,087.70 resulting to a revenue shortfall of Kshs.2,278,899 or 24% of the budget. The statement reflects final budgeted payments of Kshs.6,535,800 and actual payments of Kshs.6,001,237 resulting in net under expenditure of Kshs.2,248,085.70 or 27% of the budget.

The under collection of revenue and under-performance on expenditure may have impacted negatively on service delivery to the students.

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 for Conclusion

1. Late Submission of the Financial Statements

During the year under review, the School Management did not submit the financial statements to the Auditor-General by 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 should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. These financial statements have been audited as a result of a proactive initiative by the Auditor-General.

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

2. Lack of Annual Procurement Plan

During the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 (1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

3. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Overdrawn Bank Account

The statement of financial assets and liabilities and reflect cash and cash equivalent balance of Kshs.823,416.30 which includes Kshs.627,523.75 as net bank balances as disclosed in Notes 8 to financial statements. However, the school fund/ boarding account had an overdrawn balance of Kshs.108,585 contrary to the requirements of Section 28(4)(5) of the Public Financial Management Act, 2012.

In the circumstances, the School 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 boarding and school fund payments amount of Kshs.4,384,942 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.240,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.240,000 could not be confirmed.

6. Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.4,384,942 as disclosed in Note 7 to the financial statements. Examination of payment documents revealed that the School Management withdrew and used cash amounting to Kshs.340,000 to purchase goods and services instead of procuring using other suitable methods contrary to Section 107(a) of the Public Procurement and Disposal Act, 2015. Further, the goods procured were not taken on charge by the person responsible for the stores.

In the circumstances, School 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. Ineffective Audit Committee and Lack of Internal Audit Function

During the year under review, the School had an audit committee in place. However, its functionality and effectiveness could not be verified as the committee's meeting minutes were not provided for audit. Further, the School Management had not established an internal audit unit, as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the existence of an effective oversight mechanism to ensure efficient system of internal controls could not be confirmed.

2. Weaknesses in Asset Management

Review of School documents revealed that the School did not maintain an updated asset register. The provided schedules lacked details of name, description, serial number, value, source of funding, location, additions, disposals, status and custodian of each asset. Further, the assets were not tagged for easy identification neither were there valuation reports for the School assets reported in the financial statements.

In the circumstances, safety and accountability of the School's assets may not be guaranteed.

3. Lack of Land Ownership Documents

Annex 2 to the financial statements indicates that the School owns approximately fifty-two (52) acres' piece of land. However, ownership documents for the School's piece of land which was donated by the AIC Church were not provided for audit review.

In the circumstances, the existence of an effective mechanism to safeguard the assets could not be confirmed.

4. Unconfirmed Student Enrolment Data

Examination of documents provided for audit revealed that there were discrepancies between National Education Management Information System (NEMIS) data and School records on the enrolment of students in the year under review. NEMIS reported total student enrolment number of two hundred and eighty four (284) students while School's records indicated a total of three hundred and thirty nine (339) students which resulted to an under funding of Kshs.1,932,097. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

5. Inadequacies of the School's Board of Management

Examination of the Board of Management records for the period under review revealed that the Board did not have a work plan or schedule of activities. Further, minutes for Board's sub committees and qualifications and copies of the educational certificates of the Board Members were not provided for audit review.

In the circumstances, the School did not benefit from the services of an effective Board of Management.

6. Lack of Documentation for Bursaries and Scholarships

The audit revealed that the School did not maintain a detailed list of bursaries and scholarships received from various donors and financiers during the year under review. Additionally, there was no record of the specific beneficiaries and their corresponding benefits, as the bursaries were received and recorded in the cashbook as general school fees.

In the circumstances, the total amount and details of bursaries and scholarships received during the financial year 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.

The Board of Directors is 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 control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of 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

09 October, 2024

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	**1**	369,668.50	601,490.00
Capitation grants for operations	**2**	2,481,518.20	2,109,625.00
School Fund Income- Parents' Contributions	**3**	2,003,474.00	4,310,030.00
School Fund Income- Other receipts	**4**	2,253,427.00	4,587,526.00
TOTAL RECEIPTS		**7,108,087.70**	**11,608,671.00**
PAYMENTS			
Payments for Tuition	**5**	270,988.00	673,826.00
Payments for operations	**6**	1,345,307.00	2,096,953.00
Boarding and school fund payments	**7**	4,384,942.00	7,333,326.00
TOTAL PAYMENTS		**6,001,237.00**	**10,104,105.00**
SURPLUS/DEFICIT		**1,106,850.70**	**1,504,566.00**

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

Sign: ....

Name Christine lokai

Chair BOM

Date 30/8/2024

Sign ....

Name Anna l. Echoto

School Principal/ Secretary to BOM

Date 09/09/2024

Sign ....

Name Babu Temba

Bursar/ Finance Officer

Date 30/08/2024

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

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	627,523.75	(313,703.95)
Cash Balances	9	626.10	97,752.10
Short term Investment	10	195,266.45	195,266.45
Total Cash and cash equivalent		**823,416.30**	**(20,685.40)**
Account's receivables	11	10,286,707.95	5,200,059.10
TOTAL FINANCIAL ASSETS		**11,110,124.25**	**5,179,373.70**
FINANCIAL LIABILITIES			
Accounts Payables	12	2,123,670.90	2,243,393.75
NET FINANCIAL ASSETS		**8,986,453.35**	**2,935,979.95**
REPRESENTED BY			
Accumulated Fund b/fwd	13	**8,142,351.65**	**3,240,244.85**
Surplus/Deficit for the year		1,106,850.70	1,504,566.00
NET FINANCIAL POSITION		**9,249,202.35**	**4,744,810.85**

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

Name: Christine Lokai
Chairman, BoM
Sign: ………
Date: 30/8/2024

Name: Anna L. echoto
School Principal/Secretary to BoM
Sign: ……………
Date: 09/09/2024

Name: Babu Temba
Bursar/Finance
Sign: ………
Date: 30/08/2024

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

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	369,668.50	601,490.00
Capitation grants for operations	2	2,481,518.20	2,109,625.00
School fund income- Parents contributions/ fees	3	2,003,474.00	4,310,030.00
School fund income- other receipts	4	2,253,427.00	4,587,526.00
Total receipts		**7,108,087.70**	**11,608,671.00**
Payments			
Payments for Tuition	5	270,988.00	673,826.00
Payments for operations	6	1,345,307.00	2,096,953.00
Boarding and school fund payments	7	4,384,942.00	7,333,326.00
Total payments		**6,001,237.00**	**10,104,105.00**
Net cash flow from operating activities		**1,106,850.70**	**1,504,566.00**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets		(0.00)	(0.00)
Proceeds from investments		0.00	0.00
Purchase of investments		(0.00)	(0.00)
Net cash flows from Investing Activities		**0.00**	**0.00**
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash flow from financing activities		0.00	**0.00**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,106,850.70**	**1,538,712.00**
Cash and cash equivalent at BEGINNING of the year		**(20,685.40)**	**26,810.90**
Cash and cash equivalent at END of the year		**823,416.30**	**(20,685.40)**

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

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						
(1) CAPITATION GRANT ON TUITION						
Textbooks	106,180.00	-106,180.00	0.00	0.00	0.00	0%
Reference materials and Teachers guides	16,380.00	-9,392.00	6,988.00	6,988.00	0.00	100%
Exercise books	150,000.00	-104,853.00	45,147.00	45,147.00	0.00	100%
Laboratory equipment	225,000.00	-204,888.00	20,112.00	20,112.00	0.00	100%
Internal exams	250,000.00	-242,800.00	7,200.00	7,200.00	0.00	100%
Teaching / learning materials	100,000.00	187,108.50	287,108.50	278,108.50	0.00	100%
Chalks	15,000.00	-11,887.00	3,113.00	3,113.00	0.00	100%
Exams and assessment	0.00	0.00	0.00	0.00	0.00	0%
	862,560.00	**-492,891.50**	**369,668.50**	**360,668.50**	**0.00**	**100%**
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,035,900.00	-381,123.00	654,777.00	654,777.00	0.00	100%
Repairs and maintenance	1,769,980.00	-632,316.00	1,137,664.00	1,137,664.00	0.00	100%
Local transport / travelling	329,980.00	-178,264.40	151,715.60	151,715.60	0.00	100%
Electricity and water	567,180.00	-208,673.40	358,506.60	358,506.40	0.00	100%
Medical	359,820.00	-359,820.00	0.00	0.00	0.00	0%
Administration costs	282,960.00	-104,105.00	178,855.00	178,855.00	0.00	100%
Activity	226,080.00	-226,080.00	0.00	0.00	0.00	0%

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Gratuity	0.00	0.00	0.00	0.00	0.00	0%
SMASSE	0.00	0.00	0.00	0.00	0.00	0%
	4,571,900.00	**-2,090,381.80**	**2,481,518.20**	**2,481,518.20**	0.00	**100%**
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,530,000.00	-765,000.00	765,000.00	547,825.00	217,175.00	71.6%
Repairs and maintenance	756,000.00	-378,000.00	378,000.00	243,020.00	134,980.00	64.3%
Local transport / travelling	792,000.00	-396,000.00	396,000.00	233,690.00	162,310.00	59%
Electricity and water	1,152,000.00	-576,000.00	576,000.00	375,360.00	200,640.00	65.2%
Insurance(Medical & Property)	381,600.00	-190,800.00	190,800.00	175,459.00	15,341.00	92%
Administration costs	828,000.00	-414,000.00	414,000.00	283,590.00	130,410.00	68.5%
Activity	432,000.00	-216,000.00	216,000.00	142,030.00	73,970.00	65.8%
Fee on Boarding Equipment and Stores	7,200,000.00	-3,600,000.00	3,600,000.00	2,137,516.00	1,462,484.00	59.4%
	13,071,600.00	**-6,535,800.00**	**6,535,800.00**	**4,138,490.00**	**2,397,310.00**	**63.3%**
OTHER INCOME						
Rent income	0.00	0.00	0.00	25,911.00	-25,911.00	100%
School ID Cards	0.00	0.00	0.00	2,500.00	-2,500.00	100%
Income from farming activities	0.00	0.00	0.00	0.00	0.00	0%
Insurance compensation	0.00	0.00	0.00	0.00	0.00	0%
Income from Posho mill	0.00	0.00	0.00	0.00	0.00	0%
Income from Bus Hire	0.00	0.00	0.00	0.00	0.00	0%

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
Fee for hire of ground and equipment	0.00	0.00	0.00	90,000.00	-90,000.00	100%
Interest income	0.00	0.00	0.00	0.00	0.00	0%
Income from any other investment	0.00	0.00	0.00	0.00	0.00	0%
	0.00	**0.00**	**0.00**	**118,411.00**	**-118,411.00**	100%
TOTAL INCOME	**18,506,060.00**	**-9,119,073.30**	**9,386,986.70**	**7,108,087.70**	**2,278,899.00**	**75.7%**
(1) EXPENDITURE FOR TUITION						
Textbooks	106,180.00	-106,180.00	0.00	0.00	0.00	0%
Reference materials	8,190.00	-4,696.00	3,494.00	0.00	3,494.00	0%
Exercise books	150,000.00	-104,853.00	45,147.00	0.00	45,147.00	0%
Laboratory equipment	225,000.00	-204,888.00	20,112.00	90,000.00	-69,888.00	447.5%
Internal exams	250,000.00	-242,800.00	7,200.00	0.00	7,200.00	0%
Teaching / learning materials	100,000.00	187,108.50	287,108.50	180,250.00	106,858.20	68.8%
Chalks	15,000.00	-11,887.00	3,113.00	0.00	3,113.00	0%
Exams and assessment	0.00	0.00	0.00	0.00	0.00	0%
Teachers guides	8,190.00	-4,696.00	3,494.00	0.00	3,494.00	0%
Administration costs	0.00	0.00	0.00	0.00	0.00	0%
Bank Charges	0.00	0.00	0.00	738.00	-738.00	100%
	862,560.00	**-492,891.50**	**369,668.50**	**270,988.00**	**98,380.50**	**73.3%**
(2) EXPENDITURE FOR OPERATIONS						

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
Personnel emoluments	1,035,900.00	-381,123.00	654,777.00	644,004.00	10,773.00	98.4%
Repairs, maintenance & improvements	329,980.00	-329,980.00	0.00	56,900.00	-56,900.00	100%
Local transport / travelling	329,980.00	-178,264.40	151,715.60	301,670.00	-149,955.00	198.8%
Electricity, water and conservancy	567,180.00	-208,673.40	358,506.60	71,375.00	287,1331.60	19.9%
Medical	359,820.00	-359,820.00	0.00	0.00	0.00	0%
Administration costs	282,960.00	-104,105.00	178,855.00	271,358.00	-92,503.00	151.7%
Activity Expenses	226,080.00	-226,080.00	0.00	0.00	0.00	0%
Gratuity	0.00	0.00	0.00	0.00	0.00	0%
SMASSE	0.00	0.00	0.00	0.00	0.00	0%
	3,131,900.00	**-1,788,045.80**	**1,343,854.20**	**1,345,307.00**	**-1,452.80**	**100.1%**
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,530,000.00	-765,000.00	765,000.00	616,004.00	148,996.00	80.5%
Repairs, maintenance and improvements	756,000.00	-378,000.00	378,000.00	240,400.00	137,600.00	63.6%
Local transport / travelling	792,000.00	-396,000.00	396,000.00	442,050.00	-46,050.00	111.6%
Electricity, water and conservancy	1,152,000.00	-576,000.00	576,000.00	126,400.00	449,600.00	21.9%
Insurance(Medical & Property)	381,600.00	-190,800.00	190,800.00	65,100.00	125,700.00	34.1%
Administration costs	828,000.00	-414,000.00	414,000.00	974,756.00	-560,756.00	235.4%
Activity	432,000.00	-216,000.00	216,000.00	1,500.00	214,500.00	0.7%
Gratuity	0.00	0.00	0.00	0.00	0.00	0%
Lunch programme	0.00	0.00	0.00	0.00	0.00	0%

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
Boarding Equipment and Stores	7,200,000.00	-3,600,000.00	3,600,000.00	1,828,732.00	1,771,268.00	51.3%
External Exams	0.00	0.00	0.00	90,000.00	-90,000.00	100%
Expenditure for Income Generating Activity	0.00	0.00	0.00	0.00	0.00	0%
Insurance costs	0.00	0.00	0.00	0.00	0.00	0%
Other expenses on investments	0.00	0.00	0.00	0.00	0.00	0%
Rent Expenses	0.00	0.00	0.00	0.00	0.00	0%
Bank Charges	0.00	0.00	0.00	0.00	0.00	0%
Loan Interest Repayment	0.00	0.00	0.00	0.00	0.00	0%
Loan Principal Repayment	0.00	0.00	0.00	0.00	0.00	0%
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0%
	13,071,600.00	**-6,535,800.00**	**6,535,800.00**	**4,384,942.00**	**2,150,858.00**	**67.1%**
TOTALS	**17,066,060.00**	**-8,816,737.30**	**8,249,322.70**	**6,001,237.00**	**2,247,785.70**	**72.7%**

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.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021 Kshs	2019-2020 Kshs
Textbooks and reference materials	6,988.00	0.00
Exercise books	45,147.00	0.00
Laboratory equipment	20,112.00	0.00
Internal exams	7,200.00	0.00
Teaching / learning materials	287,108.50	601,250.00
Chalks	3,113.00	240.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Total	**369,668.50**	**601,490.00**

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	654,777.00	926,977.75
Repairs and maintenance	1,137,664.00	0.00
Local transport / travelling	151,715.60	276,137.60
Electricity and water	358,506.60	474,690.90
Medical	0.00	65,000.00
Administration costs	178,855.00	236,818.75
Activity	0.00	130,000.00
Total	**2,481,518.20**	**2,109,625.00**

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	547,825.00	1,097,300.00
Repairs and maintenance	243,020.00	526,420.00
Local transport / travelling	233,690.00	562,540.00
Electricity and water	375,360.00	816,640.00
Medical	57,801.00	126,578.00
Administration costs	283,590.00	590,410.00
Activity	142,030.00	299,040.00
School ID Card	2,500.00	45,500.00
Insurance (Medical & Property)	117,658.00	245,602.00
Total	**2,003,474.00**	**4,310,030.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021 Kshs	2019-2020 Kshs
Fee on Boarding Equipment and Stores	2,137,516.00	4,509,088.00
Rent income	25,911.00	78,438.00
Income from farming activities	0.00	0.00
Insurance compensation	0.00	0.00
Income from Posho mill	0.00	0.00
Income from Bus Hire	0.00	0.00
Fee for hire of ground and equipment(External Exam)	90,000.00	0.00
Income from grants and donations*	0.00	0.00
Interest income	0.00	0.00
Dividends income	0.00	0.00
Total	**2,253,427.00**	**4,587,526.00**

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

5 PAYMENTS FOR TUITION

	2020-2021 Kshs	2019-2020 Kshs
Textbooks	0.00	0.00
Reference materials	0.00	0.00
Exercise books	0.00	280,000.00
Laboratory equipment	90,000.00	198,300.00
Internal exams	0.00	107,500.00
Teaching / learning materials	180,250.00	86,595.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Administration Costs	0.00	0.00
Bank Charges	738.00	1,431.00
Total	**270,988.00**	**673,826.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	644,004.00	1,335,014.00
Service Gratuity	0.00	0.00
Administration Cost	271,358.00	238,639.00
Repairs and maintenance & improvements	56,900.00	0.00
Local transport / travelling	301,670.00	291,050.00
Electricity and water	71,375.00	232,250.00
Medical	0.00	0.00
Activity Expenses	0.00	0.00
SMASSE	0.00	0.00
Insurance Cost	0.00	0.00
Bank Charges	0.00	0.00
Acquisition of Assets	0.00	0.00
TOTAL	**1,345,307.00**	**2,096,953.00**

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021 Kshs	2019-2020 Kshs
Personnel emoluments	616,004.00	1,386,185.00
Service Gratuity	0.00	
Repairs and maintenance & Improvements	240,400.00	574,300.00
Local transport / travelling	442,050.00	618,854.00
Electricity and water	126,400.00	992,169.00
Medical Expenses	5,100.00	2,400.00
Administration costs	974,756.00	598,351.00
Lunch Programme	0.00	0.00
Bank Charges	0.00	0.00
Expenses on Income Generating Activities	0.00	30,000.00
Fee on Boarding Equipment and Stores	1,828,732.00	2,691,657.00
Rent Expenses	0.00	0.00
Insurance Cost (Life Property)	60,000.00	5,700.00
Loan Principal repayment	0.00	433,710.00
Loan Interest repayment	0.00	0.00
Acquisition of Assets	0.00	0.00
PA Expenses	0.00	0.00
External Exams	90,000.00	
Activity	1,500.00	0.00
TOTAL	**4,384,942.00**	**7,333,326.00**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1107107970	103,145.30	4,464.80
Operations Account	1107179076	632,964.35	3,033.15
School Fund Account/Boarding	1107179351	-108,585.90	-321,201.90
Savings Account	-	0.00	0.00
Parent Association Development Account	-	0.00	0.00
Income generating activities Account	-	0.00	0.00
Infrastructural Account	-	0.00	0.00
Total		**627,523.75**	**-313,703.95**

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	43,626.10	97,752.00
Operation Account	-43,000.00	0.00
School Fund account	0.00	0.00
Total	**626.10**	**97,752.00**

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Investments	195,266.45	195,266.45
Total	**195,266.45**	**195,266.45**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears	7,682,643.95	5,091,164.10
Other non-fees receivables	2,569,484.00	0.00
Salary advances	10,000.00	21,900.00
Rent	0.00	71,995.00
Nhif	9,700.00	0.00
Nssf	14,880.00	0.00
Imprest	0.00	15,000.00
Total	**10,286,707.95**	**5,200,059.10**

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

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears for current year	481,704.00	1,789,455.00
Fees arrears for the previous year	1,789,455.00	3,301,709.10
Fees arrears for prior periods (over two years)	5,411,484.95	0.00
Total	**7,682,643.95**	**5,091,164.10**

12 ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and appendix 1)	1,994,753.90	1,578,925.00
Prepaid fees	126,517.00	263,941.00
Retention monies	2,400.00	400,527.75
Total	**2,123,670.90**	**2,243,393.75**

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

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	278,800.00	958,180.00
Trade creditors for the previous year	1,089,775.00	620,745.00
Trade creditors for prior periods (over two years)	4,038,554.65	0.00
Trade Creditors Paid	(3,412,375.75)	0.00
Total	**1,994,753.90**	**1,578,925.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs	2019-2020 Kshs
Bank balances	(313,703.95)	6,912.95
Cash balances	97,752.10	81,400.10
Short Term Investments	195,266.45	195,266.45
Receivables	10,286,707.95	5,200,059.10
Payables	(2,123,670.90)	(2,243,393.75)
Total	**8,142,351.65**	**3,240,244.85**

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2020-2021 Kshs	2019-2020 Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
Total	**0.00**	**0.00**

15 Biological assets

Description	Numbers	2020-2021 Kshs	2019-2020 Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee or tea plantation		0.00	0.00
Poultry		0.00	0.00
Total		**0.00**	**0.00**

16 Borrowings

Description	2020-2021 KShs	2019-2020 KShs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	(0.00)	(0.00)
Balance at end of the year	**0.00**	**0.00**

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021 KShs	2019-2020 KShs
b) Borrowings		
Stock/ inventory at beginning of the year	0.00	0.00
Stock/ inventory purchased during the year	0.00	0.00
Stock/ inventory issued during the year	0.00	0.00
Balance at end of the year	**0.00**	**0.00**

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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		**Lokori-Turkana East**	**52 Acres**	**Nil**	**Nil**	**52 Acres**
Land 2				**Nil**	**Nil**	
Buildings And Structures		**School Compound**	**27buidings**	**3buildings**	**Nil**	**30buildings**
Lavatories		**School Compound**	**21doors**	**6doors**	**Nil**	**27doors**
Washrooms		**School Compound**	**30cubes**	**Nil**	**Nil**	**30cubes**
Motor Vehicles		**School Compound**	**2vihecles**	**Nil**	**Nil**	**2vihecles**
Office Equipment, Furniture And Fittings		**Administration & Departmental Offices**	**386**	**Nil**	**Nil**	**386**
Beds		**Dorms & Staff Quarters**	**401**	**Nil**	**Nil**	**401**
Lockers & Chairs		**Classrooms**	**323**	**Nil**	**Nil**	**323**
ICT Equipment, And Other ICT Assets		**Computers Lad, Administration**	**101**	**Nil**	**Nil**	**101**

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
		& Departmental Offices				
Benches		**Dining Hall**	**38**	**Nil**	**Nil**	**38**
Electronics		**Administration, Classrooms & Dorms**	**7**	**Nil**	**Nil**	**7**
Apparatus		**H/science, Biology & Chemistry Laboratories**	**2719 items**	**667items**	**205items**	**3181 items**
Chemicals – Acids, Indicators & Solutions		**Biology & Chemistry Laboratories**	**15litres**	**Nil**	**11.5litres**	**3.5litres**
Chemicals - Solids		**Biology & Chemistry Laboratories**	**1180gms**	**6000gms**	**1400gms**	**5780gms**
Distilled Water		**Biology & Chemistry Laboratories**	**400litres**	**Nil**	**400litres**	**Nil**
Solar Panels		**Administration, Classrooms, Store Dining**	**87pcs**	**Nil**	**Nil**	**87pcs**

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
		Hall & Dorms				
Batteries		Administration, Classrooms Dining Hall & Dorms	17pcs	Nil	Nil	17pcs
Gas Cylinders		H/science, Biology & Chemistry Laboratories	17pcs	Nil	Nil	17pcs
Gas Cookers		H/science, Laboratory	7pcs	Nil	Nil	7pcs
Sewing Machines		H/science, Laboratory	22pcs	Nil	Nil	22pcs
Deep Freezer		Administration	1pcs	Nil	Nil	1pc
Other Machinery And Equipment		Store	3pcs	Nil	Nil	3pcs
Heritage And Cultural Assets				Nil	Nil	
Borehole		School Compound	1	Nil	Nil	1
Games Kits & Uniforms		Games Department	34 pairs	Nil	Nil	34 pairs

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
Football Boots		**Games Department**	**24 pairs**	**Nil**	**Nil**	**24 pairs**
Hockey Sticks		**Games Department**	**16pcs**	**Nil**	**Nil**	**16pcs**
Other Games Items		**Games Department**	**28pcs**	**Nil**	**Nil**	**28pcs**
Intangible Assets- Soft Ware		**D.O.S Department**	**1**	**Nil**	**Nil**	**1**
English Text Books		**Library**	**1001pcs**	**Nil**	**Nil**	**1001pcs**
Kiswahili Text Books		**Library**	**1015pcs**	**Nil**	**Nil**	**1015pcs**
Maths Text Books		**Library**	**967pcs**	**Nil**	**Nil**	**967pcs**
Biology Text Books		**Library**	**756pcs**	**Nil**	**Nil**	**756pcs**
Chemistry Text Books		**Library**	**695pcs**	**Nil**	**Nil**	**695pcs**
Physics Text Books		**Library**	**605pcs**	**Nil**	**Nil**	**605pcs**
Agriculture Text Books		**Library**	**441pcs**	**Nil**	**Nil**	**441pcs**
Business Studies Text Books		**Library**	**727pcs**	**Nil**	**Nil**	**727pcs**
Computer Text Books		**Library**	**27pcs**	**Nil**	**Nil**	**27pcs**

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
Home science Text Books		**Library**	**170pcs**	**Nil**	**Nil**	**170pcs**
History Text Books		**Library**	**673pcs**	**Nil**	**Nil**	**673pcs**
Geography Text Books		**Library**	**642pcs**	**Nil**	**Nil**	**642pcs**
CRE Text Books		**Library**	**914pcs**	**Nil**	**Nil**	**914pcs**
Chozi La Heri		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Tumbo Lisiloshiba		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Adolls House		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Inheritance		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Bloosoms of Sound		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
The Pearl		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Memories We Lost		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Kigogo		**Library**	**187pcs**	**Nil**	**Nil**	**187pcs**
Exercise Books		**Library**				**792pcs**

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
Printing		**Library**	**20reams**	**300reams**	**240reams**	**80reams**
Chalks		**Administration**				**100pkts**
Red Pens		**Administration**				**100pcs**
Blue Pens		**Administration**				**100pcs**
Consumable Ledger S1		**Administration**				**5pcs**
Consumable Ledger S2		**Administration**				**3pcs**
Class Registers		**Administration**				**16pcs**
Master Roll DX2430 Copy Printer Stencil Paper		**Administration**				**18pcs**
Laserjet Printer Toner 85A		**Administration**				**7pcs**
Office Glue		**Administration**				**2pcs**
Office Pins		**Administration**				**2pkts**
Staple Pins (Small)		**Administration**				**10pkts**
Staple Pins (Heavy Duty Stapler)		**Administration**				**5pkts**

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
Class Fees Register		**Administration**				**16pcs**
Marker Pens (White Board)		**Administration**				**10pcs**
Foolscaps		**Administration**				**15reams**
Files		**Administration**				**30pcs**
Carbon Papers		**Administration**				**2reams**
Copy Printer Ink Black DX2430		**Administration**				**26TUBES**
Binding Cello tapes		**Administration**				**5pcs**
Masking Tapes		**Administration**				**15pcs**
Wite Out		**Administration**				**5pcs**
Stamp Pads Ink		**Administration**				**3pcs**
Counter Books 3Quire		**Administration**				**13pcs**
Chalk Board Dusters		**Administration**				**8pcs**
Library Circulation Desk Books		**Administration**				**2pcs**

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
Office Extension Cables		**Administration**				**5pcs**
Maize		**Store**	**Nil**	**13860kgs**	**10177kgs**	**3683kgs**
Beans		**Store**	**Nil**	**5475kgs**	**4646kgs**	**829kgs**
Cooking Oil		**Store**	**Nil**	**440litres**	**378litres**	**62litres**
Sugar		**Store**	**Nil**	**1250kgs**	**992kgs**	**258kgs**
Tea Leaves		**Store**	**Nil**	**26000GMS**	**17400gms**	**8600gms**
Salt		**Store**	**Nil**	**330kgs**	**288kgs**	**42kgs**
Powdered Milk		**Store**	**Nil**	**250kgs**	**232.5kgs**	**17.5kgs**
Bar Soap		**Store**	**Nil**	**36bars**	**36bars**	**Nil**
Omo		**Store**	**Nil**	**66kgs**	**61kgs**	**5kgs**
Steel Wool		**Store**	**30pcs**	**240pcs**	**180pcs**	**60pcs**
Maize Flour		**Store**	**Nil**	**4451kgs**	**4152kgs**	**269kgs**
Onions		**Store**	**Nil**	**204kgs**	**195.5kgs**	**8.5kgs**

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
Tomatoes		**Store**	**Nil**	**217kgs**	**211kgs**	**6kgs**
Cabbages		**Store**	**Nil**	**474hds**	**474hds**	**Nil**
Potatoes		**Store**	**Nil**	**278kgs**	**272kgs**	**6kgs**
Green Grams		**Store**	**Nil**	**288kgs**	**288kgs**	**Nil**
Loaves of Bread		**Store**	**Nil**	**500pcs**	**500pcs**	**Nil**
Fruits		**Store**	**Nil**	**30nets**	**30nets**	**Nil**
Brushes		**Store**	**Nil**	**10pcs**	**6pcs**	**4pcs**
Match Boxes		**Store**	**2360pcs**	**Nil**	**240pcs**	**2120pcs**
Meat		**Store**	**Nil**	**776kgs**	**776kgs**	**Nil**
Rice		**Store**	**Nil**	**1825kgs**	**1297kgs**	**528kgs**
Sukuma Wiki		**Store**	**Nil**	**1678bundles**	**1678bundles**	**Nil**
Total						