

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT



OF	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 MAR 2025	DAY: Tuesday
TABLED BY: Deputy Chief Whip Hon. NGOMI Jillo	
CLERK-AT-THE-TABLE: Benson Inzafu	

**THE AUDITOR-GENERAL**

**NGALA MEMORIAL SECONDARY SCHOOL**

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

**KILIFI COUNTY**

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OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

06 JAN 2025

RECEIVED

*(Revised 30<sup>th</sup> June 2022.*



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*NGALA MEMORIAL SECONDARY SCHOOL*  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2021**

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

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## I. Key School Information And Management

*[Customise the details in this section to suit your School]*

### (a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in KILIFI County, KALOLENI Sub-County.

The school was registered in 02/03/2011 under registration number PU/S/2/5412/11 and is currently categorized as a COUNTY public school established, owned or operated by the Government.

The school is a day and boarding school and had 1015 number of students as at 30<sup>th</sup> June 2021. It has 4 streams and 31 teachers of which 16 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	ESTHER LUGANJE	Chairman	2019
2	PETER MANTHI	Secretary - Principal	2018
3	AMOS MWAKOTO	Member	2019
4	MATRHA KITSAO	Member	2019
5	NELLY MEDZA	Member	2019
6	GLADYS SAHA	Member	2019
7	KIIO NDUNGE	Member	2019
8	HAMMERTON ZOKA	Member - Rep CEB	2019
9	KENNETH MANGI	Member Rep Teachers	2019
10	MISHI NGALA, EVERLYNE KIEMA JUDITH KAMBI	3 Members - Sponsor	2019
11	BERNARD BAYA	Member - Community	2019
12	SIMON ZEMBE	Member Special Needs	2019
		Rep Students	

**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**

*(Provide the names of the various committees of the Board established by the Board and the names of the committee members):*

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	ESTHER LUGANJE PETER MANTHI AMOS MWAKOTO HAMMERTON ZOKA	CHAIRPERSON SECRETARY MEMBER MEMBER	
2	Audit Committee	SIMON ZEMBE BERNARD BAYA GLADYS SAHA JUDITH KAMBI	CHAIRPERSON MEMBER MEMBER MEMBER	
3	Finance, procurement and general purposes Committee	MISHI NGALA EVERLYNE KIEMA ESTHER LUGANJE AMOS MWAKOTO PATIENCE SAHA	CHAIRPERSON MEMBER MEMBER MEMBER MEMBER	
4	Academic Committee	HAMMERTON ZOKA KENNETH MANGI AMOS MWAKOTO GLADYS SAHA	CHAIRPERSON MEMBER MEMBER MEMBER	

5	Development Committee			
6	Discipline and welfare Committee	KIIO NDUNGE MARTHA KITSAO EVERLYNE KIEMA JUDITH KAMBI	CHAIRPERSON MEMBER MEMBER MEMBER	
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Sl. No.	Designation	Name	TSC Number
1	Principal	PETER MANTHI	359629
2	Deputy Principal	JILLANI MWAGAMBO	420010
3	School Bursar	PATIENCE SAHA	ID. NO. 21832579

**(e) Schools contacts**

Post Office Box: 565-80113 MARIAKANI.  
 Telephone: 0745337198  
 E-mail: XXXXXXXX  
 Website: XXXXXXXX  
 Facebook:  
 Twitter:

**(f) School Bankers**

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

1. Name of Bank: KENYA COMMERCIAL BANK  
 Branch: MARIAKANI  
 Account Number: 1107819954 MAIN ACCOUNT

Name of Bank: KENYA COMMERCIAL BANK  
 Branch: MARIAKANI  
 Account Number: 1107820871 OPERATION ACCOUNT

Name of Bank: KENYA COMMERCIAL BANK  
 Branch: MARIAKANI

Account Number: 1107820715 TUITION ACCOUNT

Name of Bank: KENYA COMMERCIAL BANK

Branch: MARIAKANI

Account Number: 1254149856 INFRASTRUCTURE ACCOUNT

2. MPESA Pay Bill No. xxxxxxxx attached to XX bank account

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

**(g) Independent Auditors**

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

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

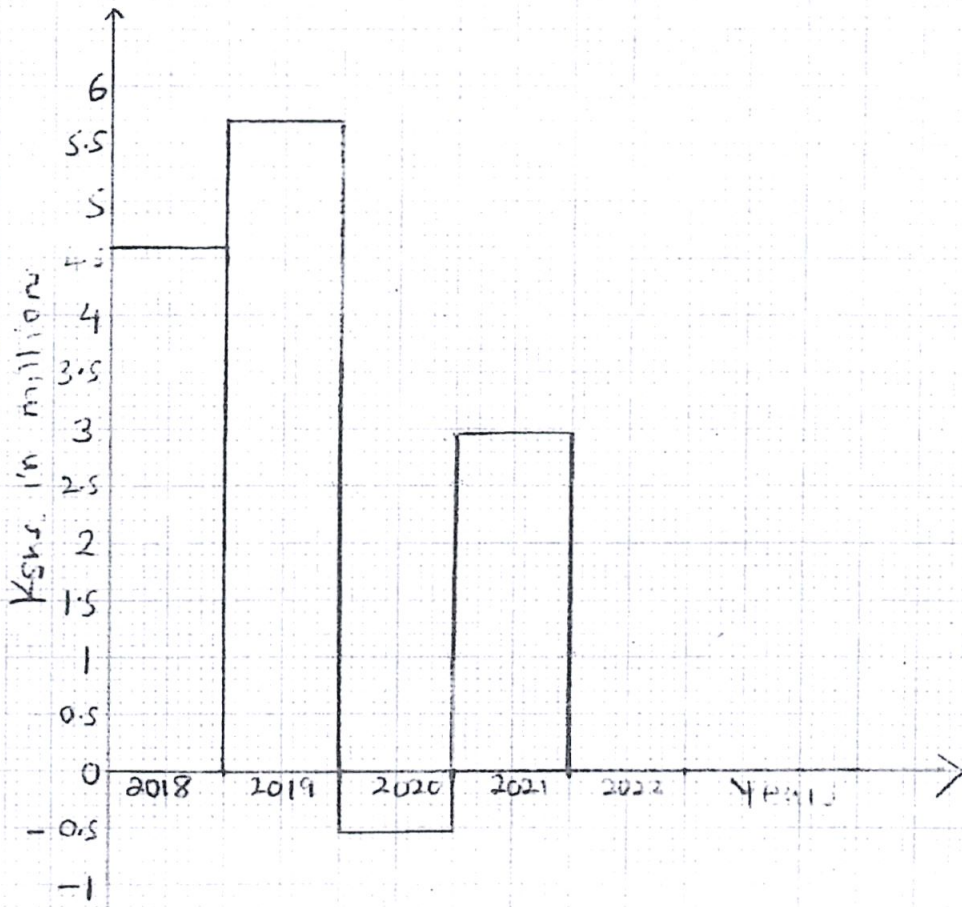
1. Financial performance:

1. Surplus / deficit for the year and its comparison.

YEAR	DESCRIPTION	AMOUNT	PAGE REFERENCE
2021	SURPLUS	2,919,713.00	Pg 1
2020	DEFICIT	549,977.00	Pg 1
2019	SURPLUS	5,722,960.70	
2018	SURPLUS	4,623,284.20	

1. FINANCIAL PERFORMANCE

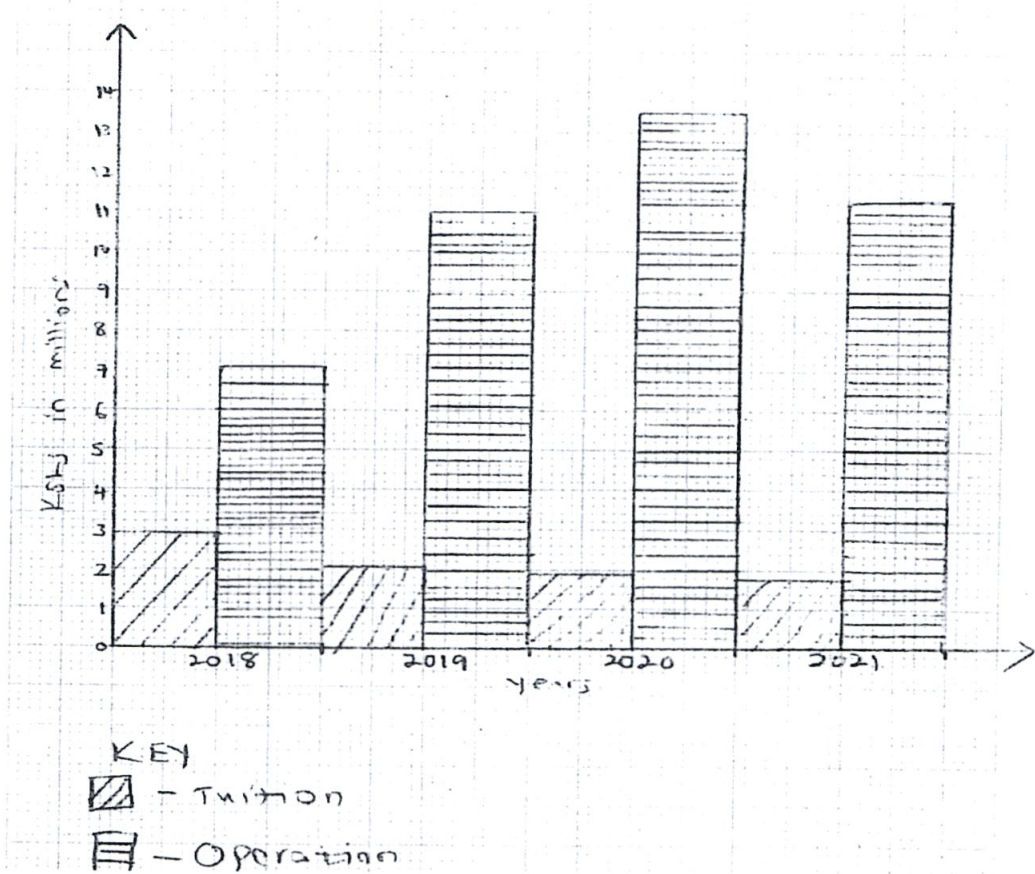
D Surplus / Deficit for the year



2. Capitation Grant from Ministry.

ACCOUNT	2021	2020	2019	2018
TUITION	1,802,222.25	1,930,852.00	2,141,780.20	2,958,068.60
OPERATION	11,306,897.40	13,535,725.00	11,098,456.10	7,125,733.90

2. CAPITATION GRANT FROM MINISTRY



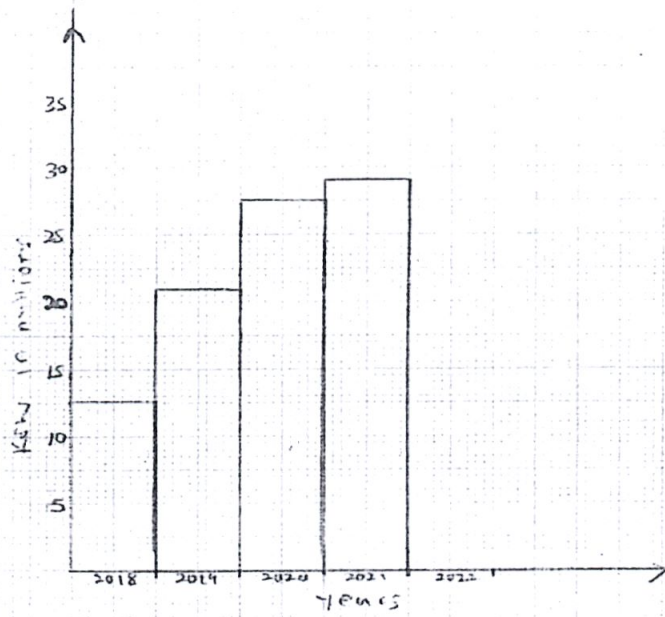
3. Capitation Grant per Student Ratio.

ACCOUNT	2021	2020	2019	2018
TUITION	1:434	1:2797.25	1:2702.80	1:5283.80
OPERATION	1:2043	1:16331.55	1:13946.20	1:12534.60

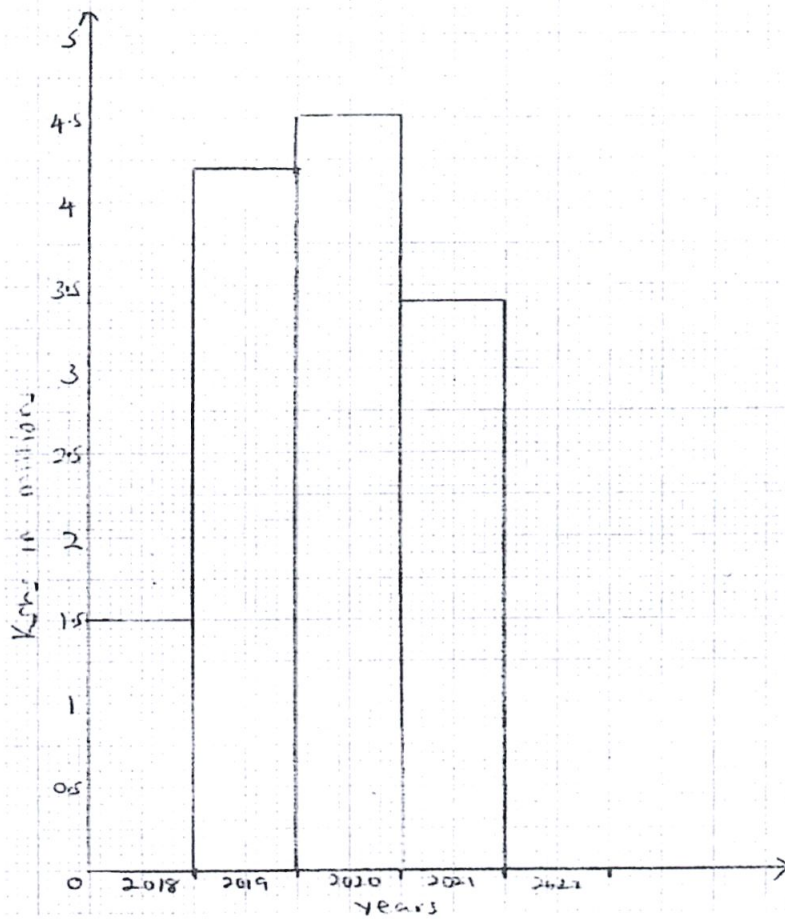
4. Movements in Debtors and Creditors.

DESCRIPTION	2021	2020	2019	2018
DEBTORS	29387240.90	27663619.00	21047251.00	12726913.00
CREDITORS	3403195.00	4560128.35	4293984.30	1500215.20

#### 4. MOVEMENTS IN DEBTORS

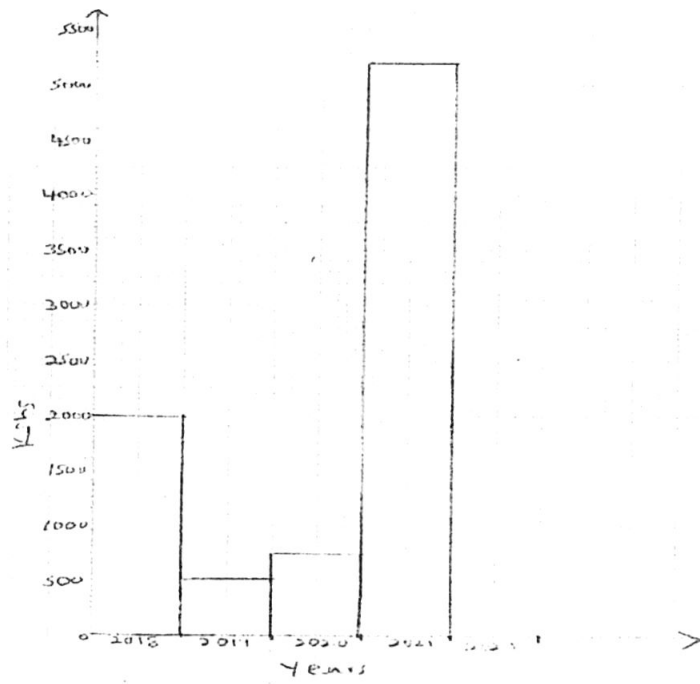


#### 4. MOVEMENTS IN CREDITORS

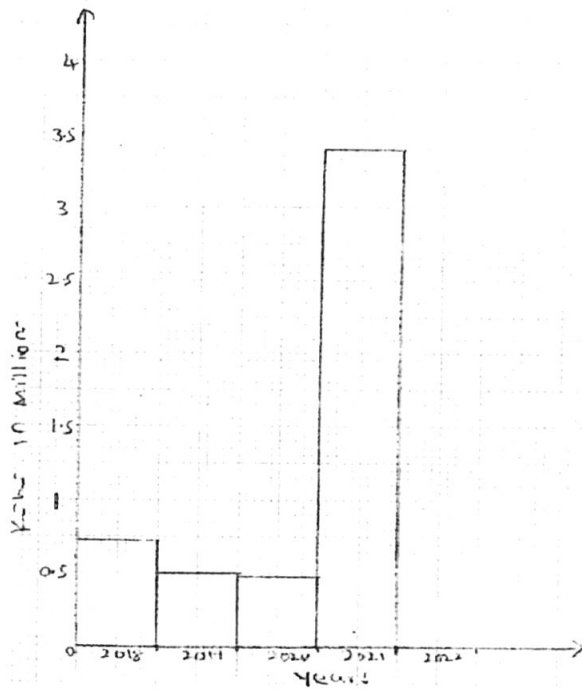


5. Movement in Cash and Bank balances.

DESCRIPTION	2021	2020	2019	2018
Cash balances	5207.50	756.00	529.45	1,996.50
Bank balances	3436425.50	495978.70	507932.90	718403.55



5. Movement in Bank Balances



2. **Teacher Student ratio:**

S/NO	DESCRIPTION	
1	Teacher Student ratio	1:32
2	Number of teachers recruited within the year	2
3	Teacher transferred / retired within the year	Nil
4	TSC Teacher employed	15
5	BOM Teachers employed	16
6	Teacher per Subject Ratio	1:3

3. **Mean score in the 2020 KCSE:**

DESCRIPTION	2021	2020	2019	2018
KCSE Mean Score	2.83	3.4	3.294	3.021
Number of students transitioned to Institute of higher learning	55	40	25	8

4. **Number of Candidates in the 2020 KCSE:**

DESCRIPTION	2021	2020	2019	2018
Number of students sitting for KCSE	235	110	68	48

5. **Capacity of the school:**

DESCRIPTION	2021	2020	2019	2018
Student / Laboratory Ratio	332:1	267:1	233:1	203:1
Student / Toilet Ratio	39:1	39:1	39:1	39:1

***Summary Report of the Performance of the School (Continued)***

**6. Development projects carried out by the school:**

<i>YEAR</i>	<i>NAME OF PROJECT</i>	<i>SOURCE</i>	<i>CONDITION</i>
2021	One Classroom	FSE(Infrastructure)	On going

*[Signature]*  
.....  
**School Principal**

8 8 NOV 2022

### III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 *NGALA MEMORIAL 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 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**Name:** ESTHER LUGANJE

**Designation:** Chairperson, School Board of Management

**Sign:** 


**Date:** 8/11/2022

**Name:** PETER MANTHI

**Designation:** School Principal & Secretary to Board of Management

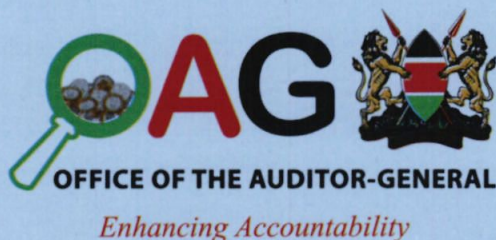
**Sign:** 

**Date:** 8/11/2022

**Name:** PATIENCE SAHA  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 08.11.2022

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON NGALA MEMORIAL SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – KILIFI COUNTY**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the 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 of Kenya 2010, 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 Ngala Memorial Secondary School – Kilifi County set out on pages 1 to 13, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flow and the statement of budgeted versus actual amounts for the six (6) months 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 2010 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 effects 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 Ngala Memorial Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Basic Education Act 2013 and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Accounts Receivables

##### 1.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.29,387,241 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices for fees arrears for prior periods of Kshs. 18,585,589 were not provided for audit review. Further, significant accounting policies on accounts receivables as disclosed in Note 11 is silent on the treatment of the students' fees balances which is the major source of income for the School.

##### 1.1. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.29,387,241 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.18,585,580 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.18,585,580 could not be confirmed.

## **2. Unsupported Payments**

The statement of receipts and payments reflects total payments amounting to Kshs.30,380,235. However, examination of payment vouchers amounting to Kshs. 18,803,238 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the payments amounting to Kshs.30,380,235 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ngala Memorial 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 final receipts budget and actual on a comparable basis of Kshs.31,044,153 and Kshs.23,665,790 respectively, resulting to an under-funding of Kshs.7,378,363 or 24 % of the budget. However, the School spent a balance of Kshs.22,645,664 against actual receipts of Kshs.23,665,790, resulting to an under-utilization of Kshs.1,020,126 or 4 % of actual receipts.

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

My opinion is not modified in respect of this matter

### **Key Audit Matters**

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution of Kenya, 2010, 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. 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.18,446,186 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.229,200 transferred to Kenya Secondary School 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.229,200 could not be confirmed.

### **3. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,802,222 and Kshs. 11,634,272 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of *one thousand three hundred and seventy six (1,376)* students while the enrolment records provided by the School indicated a total number of *one thousand three hundred and seventy eight(1,378)* students, resulting to an unexplained variance of two(2) students. As a result of the variances, the School was under funded by an amount of Kshs.265,763. 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.

### **4. Excess Supply of Books**

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed Seven thousand five hundreds and sixty (7,560) books to the School while only three thousand one hundred and ninety two (3,192) books were issued to the students, resulting to an unexplained excess text books of four thousand and three hundred and sixty eight ( 4,368) books in the School store. Further, some books issued in the financial year 2017/2018 were still lying in the store as they were no longer in use.

In the circumstances, value for money on the excess four thousand and three hundred and sixty-eight (4,368) text books could not be confirmed.

#### **5. Failure to Transfer Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.11,634,972 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.9,125,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.200,000 was transferred to infrastructure account, leaving a balance of Kshs.8,925,000 as at 30 June 2021 contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/10/18(112) which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

#### **6. Lack of Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs. 33,299,948 and Kshs.30,380,235 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 contrary to Regulation 40 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, management was in breach of the law.

#### **7. Use of Cash to Procure Goods, Works and Services**

The Statement of receipts and payments reflects total expenditures of Kshs. 30,380,235 on various expenditure accounts during the year under review. However, it the audit revealed that expenditures amounting to Kshs. 665,820 was done through cash contrary to section 108 of Public Procurement and Disposal Act (PPDA) and Regulations 93(1)(2)(3)of the Public Procurement and Disposal Regulations 2020.

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

#### **8. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

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

Failure to segregate school fund income from other receipt income in the statement of receipts and payments.

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

## **9. 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 was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

In the circumstances, the management was therefore 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. 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) Regulations, 2015 which states that, the internal audit unit of a National Government entity is 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.

## **2. Dormant Bank Accounts**

The Statement of financial assets and financial liabilities reflects bank balances of Kshs.3,449,966 during the year under review. Included in the balance is an amount of Kshs. 6,462 relating to dormant accounts.

No justification was provided for continued maintenance of these dormant accounts.

## **3 Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.8,431,000 in respect of fixed assets which includes land with a balance of Kshs.5,700,000 and motor vehicles with a balance of Kshs.750,000. However, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management 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 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 judgment 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 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**24 December, 2024**

V. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2021

Description Of Receipts/Payments	Note	2020-2021	2021-2022
		KSh	KSh
<b>Receipts</b>			
Capitation grants for tuition	1	1,802,222.00	1,930,852.00
Capitation grants for operations	2	11,634,272.00	13,118,536.00
School fund income- parents' contributions	3		
School fund income- other receipts	4	19,863,454.00	19,229,636.00
Proceeds from borrowings			
<b>Total Receipts</b>		<b>33,299,948.00</b>	<b>34,279,026.00</b>
<b>Payments</b>			
Payments for tuition	5	1,806,990.00	1,927,413.00
Payments for operations	6	10,127,059.00	13,531,205.00
Boarding and school fund payments	7	18,446,186.00	19,370,385.00
<b>Total Payments</b>		<b>30,380,235.00</b>	<b>34,829,003.00</b>
<b>Surplus/Deficit</b>		<b>2,919,713.00</b>	<b>(549,977.00)</b>

The school financial statements were approved on \_\_\_\_\_ 2022 and signed by:

Sign: 

Name: ESTHER LUGANJE


Chair BOM

Date: 8/11/2022

Sign: 

Name: PETER MANTHI  
School Principal/ Secretary to  
BOM

Date: 8/11/2022

Sign: 

Name: PATIENCE SAHA

Bursar/ Finance Officer

Date: 8-11-2022

11 NOV 2022

VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2021

	Note	2020-2021	2019-2020
Kshs			
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	3,449,966.00	503,856.00
Cash balances	9	5,208.00	529.00
Short term investment	10		
<b>Total cash and cash equivalent</b>		<b>3,455,174.00</b>	<b>504,385.00</b>
Account's receivables	10	29,387,241.00	27,605,091.00
<b>Total financial assets</b>		<b>32,842,415.00</b>	<b>28,109,476.00</b>
<b>Financial liabilities</b>			
Accounts payables	11	4,529,571.00	2,000,947.00
<b>Net financial assets</b>		<b>28,312,844.00</b>	<b>26,108,529.00</b>
<b>Represented by</b>			
Accumulated fund b/fwd	12	25,393,131.00	26,658,506.00
Surplus for the year		2,919,713.00	(549,977.00)
<b>Net financial position</b>		<b>28,312,844.00</b>	<b>26,108,529.00</b>

The school's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

Sign:   
Name: ESTHER LUGANJE

Chair BOM

Date: 8/11/2022

Sign:   
Name: PETER MANTHI  
School Principal/ Secretary to  
BOM

Date: 8/11/2022

Sign:   
Name: PATIENCE SAHA

Bursar/ Finance Officer

Date: 08-11-2022

**VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2021**

DESCRIPTION	Notes	2020-2021	2019-2020
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	1,302,222.00	1,930,852.00
Capitation grants for operations	2	11,634,272.00	13,118,536.00
School fund income- parents contributions/ fees	3		
School fund income- other receipts	4	19,863,454.00	19,229,438.00
<b>Total receipts</b>		<b>33,299,948.00</b>	<b>34,279,026.00</b>
<b>Payments</b>			
Payments for tuition	5	1,806,990.00	1,927,413.00
Payments for operations	6	16,127,059.00	13,531,205.00
Boarding and school fund payments	7	18,446,186.00	19,370,385.00
<b>Total payments</b>		<b>36,380,235.00</b>	<b>34,829,003.00</b>
<b>Net cash flow from operating activities</b>		<b>2,919,713.00</b>	<b>(549,977.00)</b>
<b>Cash flow from investing activities</b>			
Transfers to Infrastructure		200,000.00	xxx
Payments for Infrastructure		(200,000.00)	(xxx)
Proceeds from investments		xxx	xxx
Purchase of investments		(xxx)	(xxx)
<b>Net cash flows from investing activities</b>		<b>00.00</b>	<b>xxx</b>
<b>Cash flow from borrowing activities</b>			
Proceeds from borrowings/ loans			xxx
Repayment of principal borrowings			xxx
<b>Net cash flow from financing activities</b>			<b>xxx</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,919,713.00</b>	<b>(549,977.00)</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>535,461.00</b>	<b>1,054,362.00</b>
<b>Cash and cash equivalent at end of the year</b>		<b>3,455,174.00</b>	<b>504,385.00</b>

*(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 cash flow as recommended by PSASB).*


VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2021

	Budgeted	Actual	Budgeted	Actual	Variance	Utilization
	2021	2021	2021	2021	2021	2021
<b>Receipts</b>						
<b>(1) Capitation Grant on Tuition</b>						
Textbooks And Reference Materials						
Exercise Books	525,052.50		525,052.50	252,045.00	273,007.00	48%
Laboratory Equipment	209,692.50		209,692.50	100,660.00	109,032.00	48%
Internal Exams						
Teaching / Learning Materials	159,322.50		159,322.50	1,399,843.00	(1,240,521.00)	879%
Chalks	25,732.50		25,732.50	12,353.00	13,380.00	48%
Exams And Assessment	77,745.00		77,745.00	37,321.00	40,424.00	48%
Teachers Guides						
<b>TOTAL</b>	<b>997,545.00</b>		<b>997,545.00</b>	<b>1,802,222.00</b>	<b>(804,678.00)</b>	<b>181%</b>
<b>(2) Capitation Grant on Operations</b>						
Personnel Emoluments	2,403,525.00		2,403,525.00	3,291,424.00	(887,899.00)	137%
Repairs And Maintenance	3,285,000.00		3,285,000.00	5,197,500.00	(1,912,500.00)	158%
Local Transport / Travelling	766,500.00		766,500.00	789,872.00	(23,372.00)	103%
Electricity And Water	1,314,000.00		1,314,000.00	1,354,067.00	(40,067.00)	103%
Medical	608,820.00		608,820.00		608,820.00	0%
Administration Costs	657,000.00		657,000.00	677,034.00	(20,034.00)	103%
Activity	520,125.00		520,125.00		520,125.00	0%
Gratuity						

[REDACTED]						
SMASSE						
TOTAL	9,554,970.00		9,554,970.00	11,309,897.00	1,754,927.00	118%
<i>(3) Fees Charged on Parents</i>						
Personnel Emoluments	1,433,750.00		1,433,750.00	723,274.00	710,476.00	50%
Repairs And Maintenance	1,110,000.00		1,110,000.00	554,389.00	555,611.00	50%
Local Transport / Travelling	300,625.00		300,625.00	146,606.00	154,019.00	49%
Electricity And Water	2,266,250.00		2,266,250.00	1,161,739.00	1,104,511.00	.51%
Medical	46,250.00		46,250.00	22,354.00	23,896.00	48%
Administration Costs	855,625.00		855,625.00	420,404.00	435,221.00	49%
Activity	69,375.00		69,375.00	33,809.00	35,566.00	49%
SMASSE						
Fee On Boarding Equipment and Stores	14,409,762.50		14,409,762.50	7,333,235.00	7,076,527.50	51%
TOTAL	20,491,637.50		20,491,637.50	10,395,810.00	15,293,552.50	51%
<i>Other Income</i>						
Rent Income						
Income From Farming Activities						
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground And Equipment						
Interest Income						

Income From Any Other Investment						
<b>Total Income</b>	31,044,152.50		31,044,152.50	23,665,790.00	16,243,801.50	76%
<b>(1) Expenditure For Tuition</b>						
Textbooks And Reference Materials				158,700.00	(158,700.00)	
Exercise Books	525,052.00		525,052.00	99,000.00	426,052.00	19%
Laboratory Equipment	209,692.00		209,692.00	350,000.00	(140,307.50)	167%
Internal Exams						
Teaching / Learning Materials	159,322.50		159,322.50	1,084,030.00	(924,707.50)	680.4%
Chalks	25,732.00		25,732.00	29,720.00	(3,987.50)	115%
Exams And Assessment	77,745.00		77,745.00		77,745.00	0%
Teachers Guides						
Administration Costs						
Bank Charges				600.00		
<b>(2) Expenditure For Operations</b>						
Personnel Emoluments	2,403,525.00		2,403,525.00	453,266.00	1,950,259.00	19%
Repairs, Maintenance & Improvements	3,285,000.00		3,285,000.00	1,099,530.00	2,185,470.00	33%
Local Transport / Travelling	766,500.00		766,500.00	535,650.00	230,850.00	70%
Electricity, Water and Conservancy	1,314,000.00		1,314,000.00	2,814,300.00	(1,500,300.00)	214%
Medical	608,820.00		608,820.00	71,210.00	537,610.00	12%
Administration Costs	657,000.00		657,000.00	1,775,130.00	(1,118,130.00)	270%
Activity Expenses	520,125.00		520,125.00	190,000.00	330,125.00	37%

Gratuity						
Smasse						
<b>(3) Expenditure For School Fund</b>						
Personnel Emoluments	1,433,750.00		1,433,750.00	1,705,001.00	(271,251.00)	119%
Repairs, Maintenance and Improvements	1,110,000.00		1,110,000.00	908,475.00	201,525.00	82%
Local Transport / Travelling	300,625.00		300,625.00	257,725.00	42,900.00	86%
Electricity, Water and Conservancy	2,266,250.00		2,266,250.00	1,534,102.00	732,148.00	68%
Medical Expenses	46,250.00		46,250.00	7,160.00	39,090.00	15%
Administration Costs	855,625.00		855,625.00	779,985.00	75,640.00	91%
Activity	69,375.00		69,375.00	81,400.00	(12,025.00)	117%
Gratuity						
Lunch Programme						
Boarding Equipment and Stores	14,409,762.50		14,409,762.00	8,710,680.00	5,699,082.50	60%
Expenditure For Income Generating Activity						
Insurance Costs						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						



Totals	31,044,152.50	31,044,152.50	22,645,664.00	8,398,488.50	73%
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*[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]*

- i. Difference in number of students budgeted*
- ii.*

**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 30<sup>th</sup> June 2022.

## X. Notes To The Financial Statements

### 1 Capitation Grant for Tuition

1 Capitation Grant for Tuition		
Textbooks And Reference Materials		
Exercise Books	252,045.40	1,015,608.40
Laboratory Equipment	100,660.45	405,607.90
Internal Exams		
Teaching / Learning Materials	1,399,843.20	309,479.30
Chalks	12,352.60	49,774.35
Exams And Assessment	37,320.60	150,382.05
Teachers Guides		
<b>Total</b>	<b>1,802,222.25</b>	<b>1,930,852.00</b>

### 2 Capitation Grant for Operations

2 Capitation Grant for Operations		
Personnel Emoluments	3,291,424.00	3,928,421.80
Repairs And Maintenance	5,197,500.00	4,823,000.00
Local Transport / Travelling	789,872.40	517,057.00
Electricity And Water	1,354,067.10	2,147,630.80
Medical		208,600.00
Administration Costs	677,033.55	1,073,815.40
Activity		417,200.00
BOM Teachers Salaries	324,375.00	420,000.00
<b>Total</b>	<b>11,634,272.05</b>	<b>13,118,536.00</b>

### 3 Parents Contribution/Fees - School Fund Account

3 Parents Contribution/Fees - School Fund Account		
Personnel emoluments	723,274.00	806,398.00
Repairs and maintenance	554,389.00	580,762.00
Local transport / travelling	146,606.00	139,889.00
Electricity and water	1,161,739.00	1,453,605.00
Medical	22,354.00	19,688.00
Administration costs	420,404.00	424,468.00
Activity	33,809.00	29,826.00
<b>Total</b>	<b>3,062,575.00</b>	<b>3,454,636.00</b>

## Notes To The Financial Statements (Continued)

## 4 Other Receipts – School Fund Account

Description	2020-2021	2019-2020
	KSh	KSh
Fee On Boarding Equipment and Stores	7,333,235.00	11,065,024.00
Canteen Rent Income	12,000.00	1500.00
ATC Kenya	414,000.00	
SAFARICOM	145,861.00	138,915.00
BOM Teachers Salaries	1,545,074.00	570,379.00
Income From Bus Hire		
Fees Arrears	5,471,441.00	2,444,372.00
Fees prepayment	1,126,376.00	94,696.00
Salary Advance	5,000.00	5,000.00
Miscellaneous	21,420.00	77,944.00
Bursary		1,067,000.00
Bus Fund	726,472.00	311,192.00
<b>Total</b>	<b>16,800,878.00</b>	<b>15,775,002.00</b>

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

## 5 Payments For Tuition

Description	2020-2021	2019-2020
	KSh	KSh
Textbooks And Reference Materials	158,700.00	1,102,840.00
Exercise Books	99,000.00	472,300.00
Laboratory Equipment	350,000.00	
Internal Exams		
Teaching / Learning Materials	1,084,030.00	59,807.00
Chalks	29,720.00	
Exams And Assessment		
Teachers Guides		
Creditors	84,940.00	291,974.00
Bank Charges	600.00	492.00
<b>Total</b>	<b>1,806,990.00</b>	<b>1,927,413.00</b>

## Notes To The Financial Statements (Continued)

**6 Payments For Operations**

Description	2020-2021	2019-2020
	KShs	
Personnel Emoluments	453,266.00	1,639,465.75
Service Gratuity		
Administration Cost	1,775,130.00	3,234,655.00
Repairs And Maintenance & Improvements	1,099,530.00	776,560.00
Local Transport / Travelling	353,650.00	258,300.00
Electricity And Water	2,814,300.00	1,693,446.00
Medical	71,210.00	102,250.00
Activity Expenses	190,000.00	811,500.00
SMASSE		
Examination & Assessment	9,100.00	12,410.00
Teaching & Learning Materials	180,000.00	12,000.00
Creditors	2,366,603.40	745,196.00
Transfer to Infrastructure Account	200,000.00	4,000,000.00
BOM Teachers Salaries	430,100.00	243,000.00
Bank Charges	2,170.00	2,422.00
Acquisition Of Assets		
<b>Total</b>	<b>10,127,059.00</b>	<b>13,531,204.75</b>

## Notes To The Financial Statements (Continued)

## 7 Boarding And School Fund Payments

Description	2020-2021 Kshs	2019-2020
Personnel Emoluments	1,705,001.00	1,558,057.75
Service Gratuity		
Repairs And Maintenance & Improvements	908,475.00	1,335,120.00
Local Transport / Travelling	257,725.00	541,050.00
Electricity And Water	1,534,102.00	1,200,994.00
Medical Expenses	7,160.00	21,380.00
Administration Costs	779,985.00	2,275,973.00
Activity Expenses	81,400.00	332,730.00
Bank Charges	6,373.00	8,042.00
Reference & Library material	21,450.00	10,600.00
Teaching & Learning material	7,250.00	160.00
Examination & Assessment	3,600.00	22,290.00
Fee On Boarding Equipment and Stores	8,710,680.00	6,658,162.00
Creditors	2,000,284.95	3,256,814.30
Bursary	1,067,000.00	
Bus Fund	355,100.00	1,072,860.00
BOM Teachers Salaries	1,000,600.00	1,056,152.00
Salary advance		20,000.00
<b>Total</b>	<b>18,446,185.95</b>	<b>19,370,385.40</b>

*(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**

Tuition Account	1107820715	1,104.95	5,872.70
Operations Account	1107820871	1,507,275.65	15,808.50
School Fund Account/Boarding	1107819954	1,927,961.90	474,297.50
Exam & Caution Money Savings Account	1105987620	2,516.90	2,516.90
Parent Association Development Account	1105987507	1,897.60	1,897.60
Gratuity Saving Account	1152366955	2,047.20	2,047.20
Infrastructural Account	1254149856	7,161.80	7,287.80
<b>Total</b>		<b>3,449,966.00</b>	<b>503,855.50</b>

**9 Cash In Hand**

Tuition Account	0.00	0.00
Operation Account	3,209.35	3.50
School Fund account	1,998.25	525.95
<b>Total</b>	<b>5,207.60</b>	<b>529.45</b>

**10 Short Term Investments**

Cooperative Shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed Deposit	xxx	xxx
Equity Stock	xxx	xxx
Other Investments	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

## Notes To The Financial Statements (Continued)

### 11 Accounts Receivable

<b>Fees Arrears</b>	29,358,940.90	27,605,091.00
<b>Other Non-Fees Receivables</b>		
<b>Salary Advances</b>	28,300.00	0.00
<b>Imprest</b>	0.00	0.00
<b>Total</b>	<b>29,387,240.90</b>	<b>27,605,091.00</b>

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

<b>Fees Arrears For Current Year</b>	7,200,062.00	9,044,740.00
<b>Fees Arrears For The Previous Year</b>	3,573,299.00	8,352,108.00
<b>Fees Arrears For Prior Periods (Over Two Years)</b>	18,585,579.90	10,208,242.90
<b>Total</b>	<b>29,358,940.90</b>	<b>27,605,091.00</b>

### 12 Accounts Payable

<b>Trade Creditors (See Ageing Below and Appendix 1)</b>	3,403,195.00	1,906,251.00
<b>Prepaid Fees</b>	1,126,376.00	94,696.00
<b>Retention Monies</b>		
<b>Total</b>	<b>4,529,571.00</b>	<b>2,000,947.00</b>

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

<b>Trade Creditors for Current Year</b>	1,829,558.00	1,573,637.00
<b>Trade Creditors for The Previous Year</b>	1,573,637.00	
<b>Trade Creditors for Prior Periods (Over Two Years)</b>		
<b>Total</b>	<b>3,403,195.00</b>	<b>1,573,637.00</b>

## Notes To The Financial Statements (Continued)

**13 Fund Balance Brought Forward**

Description	2015-2016	2016-2017
Bank Balances	534,704.50	1,053,834.00
Cash Balances	756.50	529.00
Short Term Investments		
Receivables	29,358,940.90	30,059,973.00
Payables	(4,501,271.00)	(4,455,830.30)
<b>Total</b>	<b>25,393,130.90</b>	<b>26,658,505.70</b>

### Other important disclosure notes

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

#### 14 Non-current Liabilities Summary

Description	2021-2021	2019-2020
	Kshs	Kshs
Bank Loan(S)	xxx	xxx
Outstanding Leases	xxx	xxx
Hire Purchase	xxx	xxx
Gratuity And Leave Provision	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

#### 15 Biological assets

Description	Numbers	2021-2021	2019-2020
		Kshs	Kshs
Cattle		00	00
Goats		00	00
Trees		90trees	80trees
Coffee Or Tea Plantation		00	00
Poultry			
<b>Total</b>			

#### 16 Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments of during the year	(xxx)	(xxx)
<b>Balance at end of the year</b>	<b>xxx</b>	<b>xxx</b>

## Other important disclosure notes

## 17 Stock/ Inventory

Description		
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year	55,530.00	xxx
Stock/ inventory purchased during the year	5,368,360.00	xxx
Stock/ inventory issued during the year	(4,963,115)	(xxx)
<b>Balance at end of the year</b>	<b>459,197.00</b>	<b>xxx</b>

### 18 Progress On Follow Up Of Auditor Recommendations

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

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

-----  
 Sign and Date  
 Principal



15. Pekele Stationery	615,558.00	01.01.2021	329,300.00	286,258.00	286,258.00	
16. Tambaliza Millers Ltd	900,000.00	01.01.2021	780,000.00	120,000.00	120,000.00	
<b>Sub-Total</b>	<b>11,449,075.00</b>		<b>9,837,612.00</b>	<b>1,611,463.00</b>	<b>1,611,463.00</b>	
<b>Supply Of Services</b>						
17. Granlab Digital Fixers Ltd	475,000.00	01.01.2021	250,000.00	225,000.00	225,000.00	
18. KPLC				49,724.00	49,724.00	
19. PAYE				2,671.00	2,671.00	
<b>Sub-Total</b>	<b>475,000.00</b>		<b>250,000.00</b>	<b>277,395.00</b>	<b>277,395.00</b>	
<b>Grand Total</b>	<b>16,939,526.00</b>		<b>13,588,726.00</b>	<b>3,403,195.00</b>	<b>3,403,195.00</b>	

**Annex 2 – Summary Of Fixed Assets Register**

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	Donated					
Land 2	2013		750,000.00			750,000.00
Buildings And Structures						
School Bus	2015		5,700,000.00			5,700,000.00
Genset 20KVA Generator	2013		1,421,000.00			1,421,000.00
Copyprinter Machine	2021		560,000.00			560,000.00
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						
<b>Total</b>						<b>8,431,000.00</b>

*(The school should ensure that a detailed fixed assets register is maintained).*