

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
MEMBERS LAID

DATE: 26 NOV 2024

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PARLIAMENT
OF KENYA
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REPORT

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HON. NAOMI WAQO MP
DEP. MAJORITY PARTY WHIP

CLERK AT
THE TABLE:

MERU CHUMD

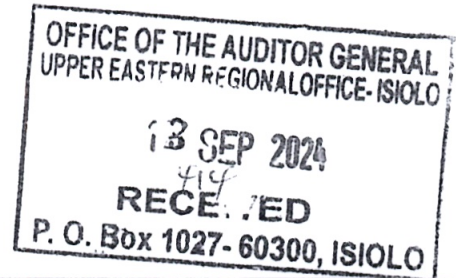
OF

THE AUDITOR-GENERAL

ON

**GARBATULLA BOYS HIGH SCHOOL
FOR THE SIX (6) MONTH'S PERIOD ENDED
30 JUNE, 2021**

ISIOLO COUNTY



GARBATULLA

High School

REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Glossary of Terms

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

2. Key School Information and Management

(a) Background information

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

The school was registered in 03/2004 under registration number GP/A2410/2004 and is currently categorized as a NATIONAL public school established, owned or operated by the Government.

The school is a day/boarding school and had 131 number of students as at 30th June 2021. It has SINGLE streams and 10 teachers of which 1 teacher 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	Rev. Anampui J.Kinoti	Chairman	1ST JULY 2019
2	Henfrey Ntarara	Secretary - Principal	1ST JULY 2019
3	Mariam Huka Sama	Member	1ST JULY 2019
4	Yussuf Warab	Member	1ST JULY 2019
5	Jaffar Galgallo	Member	1ST JULY 2019
6	Bilquess Ingrid	Member	1ST JULY 2019
7	Hussein Abdi Huka	Member	1ST JULY 2019
8	Dr. Christopher Galgallo	Member – Rep CEB	1ST JULY 2019
9	Edin Ambrose Salesa	Member Rep Teachers	1ST JULY 2019
10	Stanley Gitari	Member Sponsor	1ST JULY 2019
11	Hussein Abdalla	Member Community	1ST JULY 2019
12	Abdulla Hussein	Member Special Needs	1ST JULY 2019
13	Kombe Simba Stanley	Rep Students	1ST JULY 2019
14	Ahmed Racho	Member Coopted	1ST JULY 2019
15	Mumina Halkano	Member Coopted	1ST JULY 2019
16	Rukia Atkiya	Member Coopted	1ST JULY 2019
17	Tache Bonsa	Member Rep Special Interest	1ST JULY 2019

The functions of the School Board of Management are to:

- 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	1. YUSSUF WARABO 2. MARIAM HUKA 3. REV. KINOTI ANAMPIU 4. JAFAR GALGALLO	CHAIRMAN SECRETARY VICE CHAIR MEMBER	5
2	Audit Committee	1. MUMINA GOBO 2. KARAN KAWIRA 3. JAFFAR GALGALLO 4. SHEIKH HUSSEIN 5. ABDALLA 6. ABDULLAHI HASSAN	CHAIRMAN MEMBER MEMBER MEMBER MEMBER MEMBER	3
3	Finance, procurement and general purposes Committee	1. DR. CHRIS GALGALLO 2. KAREN KAWIRA 3. HUSSEIN DUBA 4. YUSSUF WARABO	CHAIRMAN MEMBER MEMBER MEMBER	3
4	Academic Committee	1. BILQUEES INGRID 2. DR. RUKIA ATKIYA 3. AHMED RACHO 4. MUMINA GOBO 5. SALAT DIBA SALESA	CHAIRMAN MEMBER MEMBER MEMBER MEMBER	3
5	Development Committee	1. AHMED RACHO 2. KINOTI ANAMPIU 3. MARIAM HUKA 4. STANLEY GITARI	CHAIRMAN MEMBER MEMBER MEMBER	3

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6	Discipline and welfare Committee	1. TACHE BONSA 2. MARIAM HUKA 3. KINOTI ANAMPIU 4. BILQUEES INGRID 5. YUSSUF WARABO	CHAIRMAN MEMBER MEMBER 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	Identification
1	Principal	HENFREY NTARARA	TSC No. 260639
2	Deputy Principal	EDIN SALESA	TSC No. 548570
3	School Bursar	MOHAMED MURSALE	ID No. 24882716
4	Other (specify)		

(e) Schools contacts

Post Office Box: 4 - 60300
 Telephone: 0721 951 819
 E-mail: garbatullaschool@gmail.com
 Website:
 Facebook:
 Twitter:

(f) School Bankers

Provide details of the school bankers.

- Name of Bank: KCB
 Branch: Maua
 Account Number: **1103253522**
School Main Account
- Name of Bank: CONSOLIDATED
 Branch: Maua
 Account Number: **1010120300036**
Operation Account
- Name of Bank: CONSOLIDATED
 Branch: Maua
 Account: **1010120300006**
Rehabilitation Account
- Name of Bank: KCB

Branch Maua
Account 12122796225
Infrastructure Account

5 Name of Bank KCB
Branch Maua
Account 11032554715
Tuition Account

6 **Name of Bank** KCB
Branch Maua
Account 1212795318
Bus Account

7 **Name of Bank** Barclays
Branch Maua
Account 2032402952
Alumni Account

(g) Independent Auditors

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

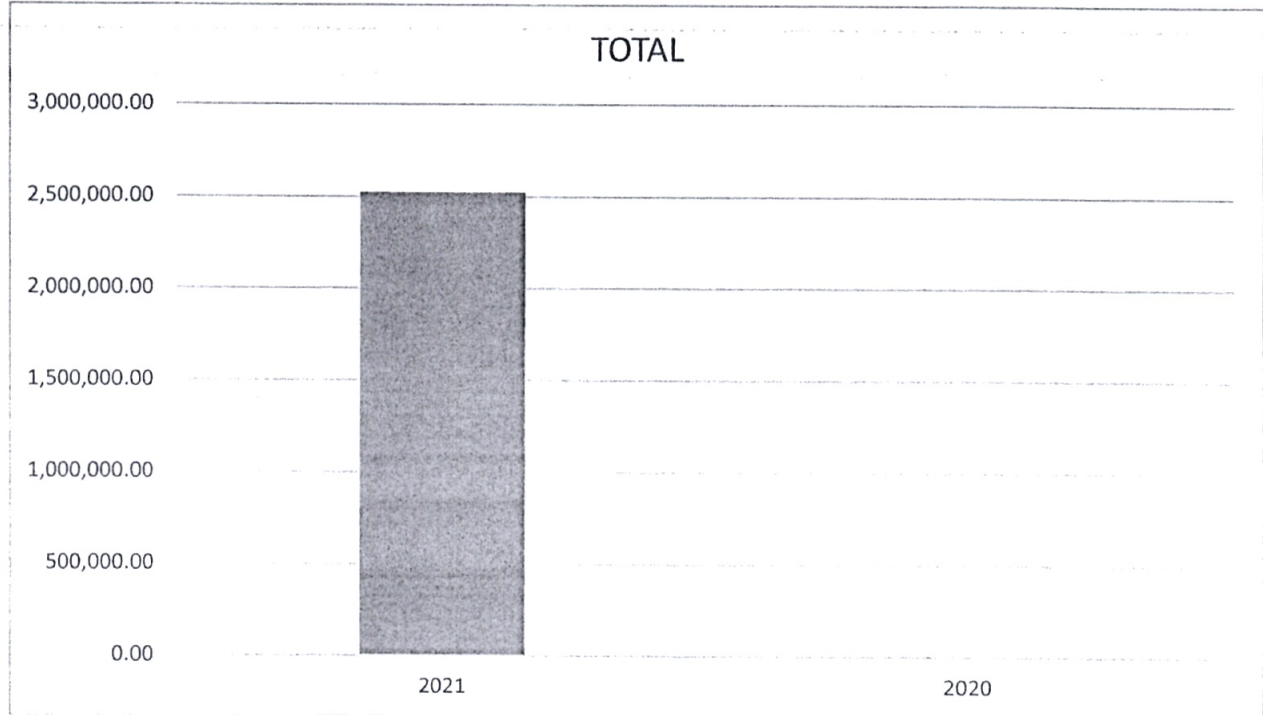
3. Summary Report of Performance of The School

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

a) Financial performance:

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

	2021	2020
TOTAL	2,523,215	-

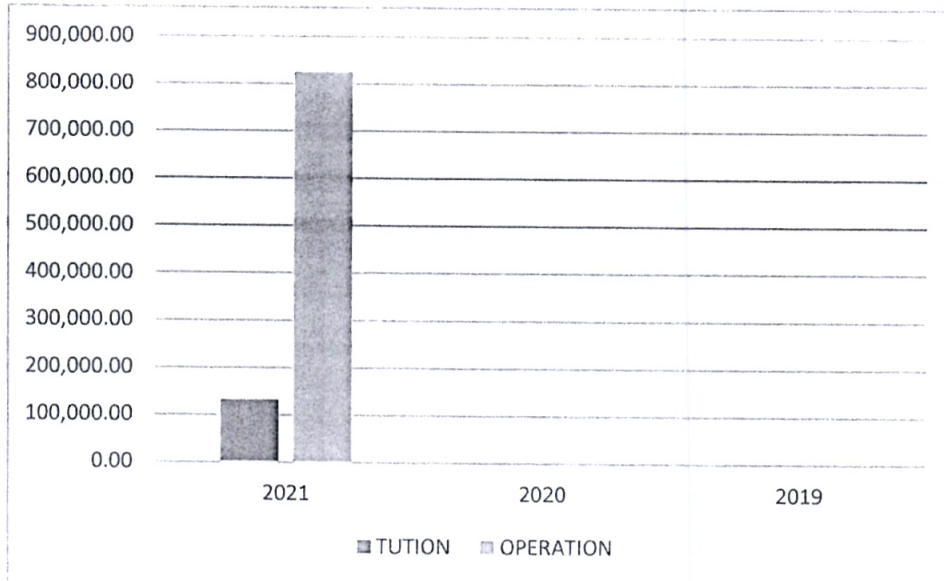


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Report and Financial Statements For The Six Months Period Ended 30th June 2021

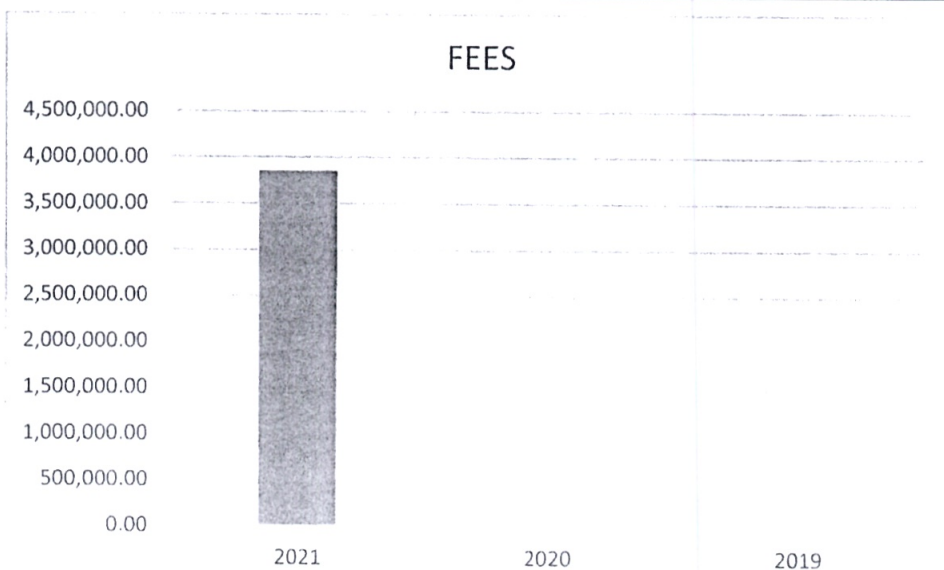
b. Capitation grants from the Ministry of Education for the last three years

	2021	2020	2019
TUTION	131,578	-	-
OPERATION	824,721	-	-



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

	2021	2020	2019
FEES	3,857,522	-	-

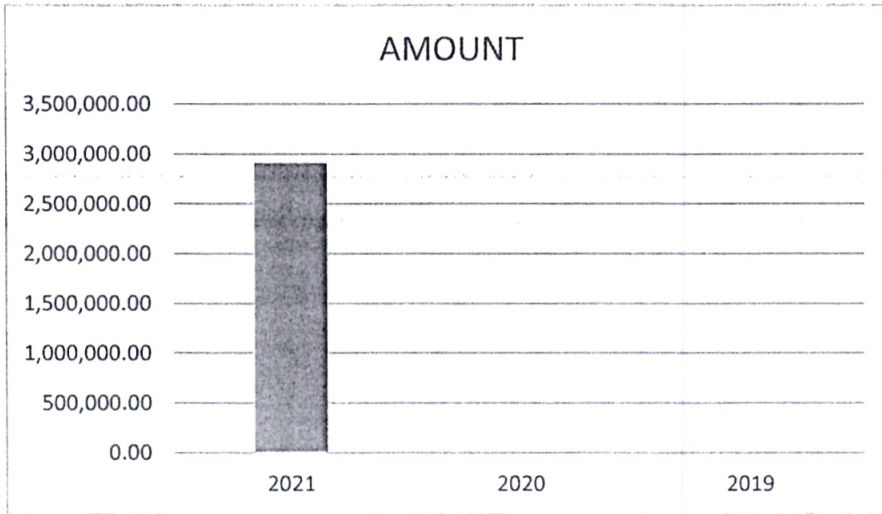


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d. Movement of debtors of the school over the last three years

	2021	2020	2019
AMOUNT	2,909,315	-	-



e. Movement of creditors of the school over the last three years

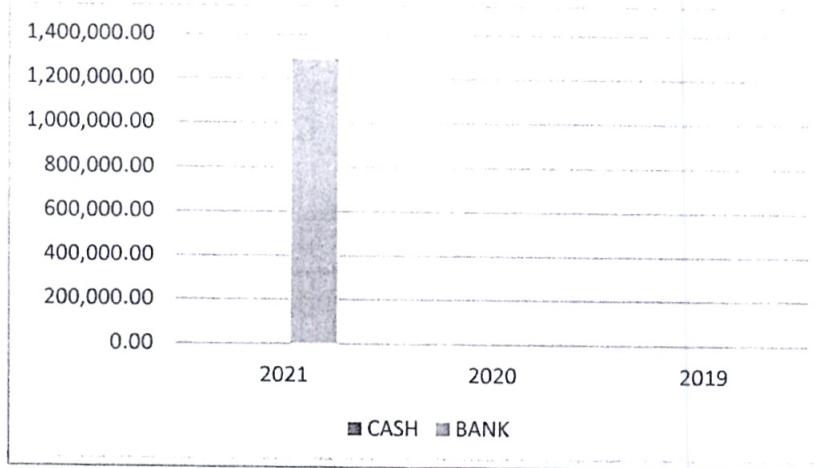
	2021	2020	2019
AMOUNT	-	-	-

f. Movement of cash and bank balances over the last three years

	2021	2020	2019
CASH	1,472		-
BANK	1,286,812		-

GARBATULLA HIGH SCHOOL

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b) Teacher Student ratio:

<i>No: Of Teachers Recruited</i>	<i>No: Of Teachers Transferred</i>	<i>TSC Teachers Currently At School</i>	<i>BOM Teachers Currently At School</i>	<i>Subjects</i>	<i>No Of Teachers Per Subjects</i>	<i>Shortage</i>
1	0	1	0	ENG&LIT	1	0
1	0	1	0	MATH/CHEM	1	0
1	0	1	0	KIS/HIS	1	0
1	0	1	0	BIO/CHEM	1	0
1	0	1	0	IRE/ARABIC	1	0
1	0	1	1	B/STUDIES/GEO	1	0
1	0	1	0	AGRIC/BIO	1	0
1	0	1	0	COMPUTER	1	0
1	0	1	0	PHYS	1	0

c) Mean score in the 2021 KCSE:

mean score 2020 – 4.5 C-

d) Number of Candidates in the 2021 KCSE:

2020 – 21 Candidates

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e) Capacity of the school: 2021

NO:OF THE STUDENTS	DORMITORIES	DINING HALL	LABORATORIES	TOILETS (BOYS)	TOILET (GIRLS)
	8	1	3	10	-

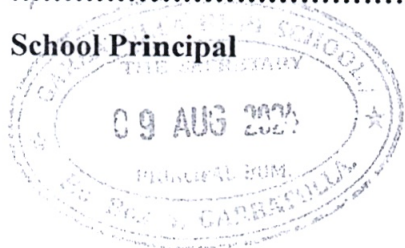
f) Development projects carried out by the school:

There was no project carried out during six month period ended 2021

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

HENRY NIARASA

School Principal



REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON GARBATULLA BOYS HIGH SCHOOL FOR THE SIX (6) MONTH'S PERIOD ENDED 30 JUNE, 2021 - ISIOLO COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Garbatulla Boys High School set out on pages 1 to 18, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of

Report of the Auditor-General on Garbatulla Boys High School for the Six (6) Month's period ended 30 June, 2021 - Isiolo County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Garbatulla Boys High 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 the Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Payments for Tuition and Operations

The statement of receipts and payments reflects payments for tuition and operations of Kshs.122,593 and Kshs.528,200 all totalling Kshs.650,793 as disclosed in Note 6 and Note 7 to the financial statements. The payments include expenditure of Kshs.632,130 in relation to food supplies, stationery and other services which lacked supporting documents such as local purchase order, electronic tax receipts and reports from Inspection and Acceptance Committee.

In the circumstances, the validity of tuition and operations payments totalling Kshs.650,793 could not be confirmed.

2. Unsupported School Fund Income - Parent Contributions

The statement of receipts and payments reflects school fund income -parent contributions of Kshs.3,851,522. However, the amount was not supported with schedule of each class of incomes generated during the period.

In the circumstances, the accuracy of the school fund income amount of Kshs.3,851,522 could not be confirmed.

3. Unsupported Account's Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.24,140,669 as disclosed in Note 13 to the financial statements. However, the balance includes recoveries of Kshs.452,030 which was not provided for audit. Further, management lacks mechanisms to recover the long outstanding school fees arrears, casting doubt on their recoverability.

In the circumstances, the accuracy and recoverability of account receivable balance of Kshs.24,140,669 could not be confirmed.

4. Unsupported Accounts Payable

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.3,861,610 as disclosed in Note 14 to the financial statements. However, the aging analysis and detailed ledger in support of accounts payables balance were not provided for audit.

In the circumstances, the accuracy of accounts payable balance of Kshs.3,861,610 could not be confirmed.

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

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 period 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 Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 1 December, 2023 instead of the statutory deadline 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, Management was in breach of the law.

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

During the period under review, the school received operations capitation grants of Kshs.446,221 out of which an amount of Kshs.353,500 was to be transferred to the infrastructure account. However, only Kshs.202,000 was transferred contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which required infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account. Further infrastructural development and renovation were not carried out during the period under review.

In the circumstances, Management was in breach of the Ministry of Education Circular.

3. Non-Compliance with the Public Procurement and Asset Disposal Act, 2015

The statement of receipts and payments reflects payments for tuition and operations of Kshs.122,593 and Kshs.528,200 respectively as disclosed in Note 6 and 7 to the financial statements. However, the school did not have a list of registered suppliers as required by Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 where the head of the procurement function of a procuring entity is required to maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

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

The statement of receipts and payments reflects payment for operations of Kshs.528,200 as disclosed in Note 7 to the financial statements. Included in the amount is Kshs.15,000 transferred to Kenya Secondary Schools Heads Association (KSSHA). 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.15,000 could not be confirmed.

5. 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 Operational manual for Utilization of learner capitation grant and other School funds, which requires school 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 effectiveness of Management Implementation of school Improvement Plan could not be confirmed.

6. Excess Supply of Textbooks

Physical inspection of the school library, revealed that various text books of undisclosed value delivered to the school from year 2018/ 2019 had not been issued to student as at 30 June, 2024. Further the storage space was poorly maintained exposing the books to damage from leaking roof. In addition, the list of undistributed books and the stock taking report (text books) as at 30 June, 2021 was not provided for audit.

In the circumstances, value for money on the excess text books could not be confirmed.

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. Weak Governance System

During the period under review, the board of Management held only one (1) meeting contrary to Section 6(1) of the Basic Education Act, 2013 which states that a Board of Management shall meet at least once every four months. Further, examination of individual personal files of the members of the Board of Management revealed that details such as academic qualifications, appointment letters and curriculum Vitae (CVs) were missing in their files.

In the circumstances, the effectiveness of the school governance system could not be confirmed.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.119,800,000 in respect of fixed assets which includes land with a balance of

Kshs.20,000,000 and motor vehicles with a balance of Kshs.16,500,000. However, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the ownership of land and motor vehicles 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 School policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

29 October, 2024

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

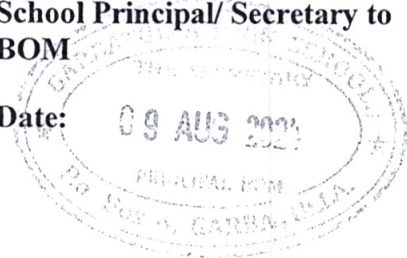
6. Statement Of Receipts and Payments For The Six Months Period the Year Ended 30th June 2021

Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Government grants for tuition	1	131,578	
Government grants for operations	2	446,221	
Government Grants for infrastructure	3	378,500	
School fund income- parents' contributions	4	3,851,522	
Miscellaneous incomes	5	2,000	
Total Receipts		4,809,820	
Payments			
Tuition	6	122,593	
Operations	7	528,200	
Infrastructure	8	378	
Boarding and school fund	9	1,635,812	
Total Payments		2,286,983	
Surplus/Deficit		2,522,837	

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

.....
 Name: David Kaiya
 Chair BOM
 Date: 09/08/21

.....
 Name: Henry Njara
 School Principal/ Secretary to
 BOM
 Date: 09 AUG 2021



.....
 Name: Mohamednour M.
 Bursar/ Finance Officer
 Date: 9/9/2021

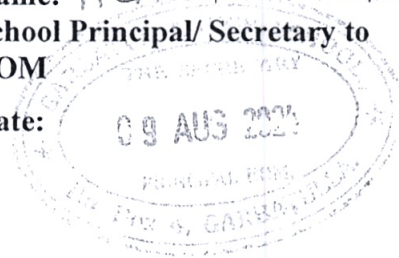
7. Statement Of Assets And Liabilities As At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,286,812	
Cash balances	11	1,472	
Short term investments	12	-	
Total cash and cash equivalent		1,288,284	
Account's receivables	13	24,140,669	
Total financial assets		25,428,952	
Financial liabilities			
Accounts payables	14	3,861,610	
Net financial assets		21,567,342	
Represented by			
Accumulated fund b/fwd	13	19,044,505	
Surplus/deficit for the year		2,522,837	
Net financial position		21,567,342	

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

.....
 Name: David Kaiga
 Chair BOM
 Date: 09/08/24

.....
 Name: HENRY NIARWA
 School Principal/ Secretary to
 BOM
 Date: 09 AUG 2024



.....
 Name: Mohamednour
 M.
 Bursar/ Finance Officer
 Date: 9/9/2024

9. Statement Of Budgeted Versus Actual Amounts For The Six Months Period the Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	209,550		209,550	131,578	63%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	748,150		748,150	-	-
Repairs And Maintenance	650,000		650,000	378,500	-
Local Transport / Travelling	136,500		136,500	-	-
Electricity And Water	409,630		409,630		-
M & I					
Medical					
Administration Costs					
Activity	163,280		163,280	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Gratuity					
Other vote heads	-		-	446,221	-
3) Fees Charged on parents					
Personnel Emoluments	429,000		429,000	20,200	4%
Repairs And Maintenance	240,000		240,000	15,800	7%
Local Transport / Travelling	240,000		240,000	17,300	7%
Electricity And Water	632,000		632,000	28,000	4%
Medical	-		-		
Administration Costs	240,500		240,500	7,400	3%
Activity	195,000		195,000	9,000	5%
Smasse	-		-		
Fee On Boarding Equipment and Stores / Lunch	3,000,400		3,000,400	3,750,622	124%
Other Income	-		-		
Rent Income	-		-	2,000	
Income From Farming Activities	-		-		
Insurance Compensation	-		-		
Income From Posho Mill	-		-		
Income From Bus Hire	-				
Fee For Hire of Ground And	-				

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Equipment					
Interest Income	-				
Income From Any Other Investment	-				
Total Income	7,294,010		7,294,010	4,809,820	66%
<i>(1) Expenditure For Tuition</i>					
Textbooks And Reference Materials	-		-		
Exercise Books	141,600		141,600	-	-
Laboratory Equipment	150,000		150,000	-	-
Internal Exams	-		-	-	-
Teaching / Learning Materials	75,000		75,000	105,955	141%
Chalks	30,000		30,000	-	-
Exams And Assessment	22,500		22,500	15,900	-
Teachers Guides	-		-	-	-
Administration Costs	-		-	-	-
Bank Charges	-		-	738	-
<i>(2) Expenditure For Operations</i>					
Personnel Emoluments	748,150		748,150	433,880	58%
Repairs, Maintenance & Improvements	650,000		650,000	-	0%
Local Transport / Travelling	136,500		136,500	21,250	16%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	409,630		409,630	41,500	10%
Medical	-		-	-	-
Administration Costs	136,500		136,500	29,070	21%
Activity Expenses	163,280		163,280	2,500	2%
Gratuity					
Smasse					
(3) Expenditure For School Fund					
Personnel Emoluments			-		
Repairs, Maintenance and Improvements	180,000		180,000	246,042	2.7%
Local Transport / Travelling	180,000		180,000	189,729	99%
Electricity, Water and Conservancy	367,500		367,500	53,490	15%
Medical Expenses	3,200		3,200	-	
Administration Costs	138,750		138,750	47,953	36%
Activity	112,500		112,500	15,000	13%
Gratuity	-		-	-	
Lunch Programme	1,731,000		1,731,000	894,204	49%
Boarding Equipment and Stores	-		-		
Expenditure For IncomeGenerating Activity	-		-		
Lab Equipment	-		-	184,494	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Other Expenses On Investments	-		-		
Rent Expenses	-		-		
Bank Charges	-		-		
Loan Interest Repayment	-		-		
Loan Principal Repayment	-		-		
Acquisition Of Assets					

- i. Inflation Of Price Commodities
- ii. Late Grant Remittance
- iii. Poor Fees Payment

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which

are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, 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. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are 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 six months' period ended 30th June 2021.

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Textbooks And Reference Materials	-	
Exercise Books	-	
Laboratory Equipment	-	
Internal Exams	-	
Teaching / Learning Materials	131,578	
Chalks	-	
Exams And Assessment	-	
Teachers Guides	-	
Total	131,578	

2 Government Grants for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	-	
Repairs And Maintenance	-	
Local Transport / Travelling	-	
Electricity And Water	-	
Other Votes	446,221	
Administration Costs	-	
Activity	-	
Total	446,221	

3 Government Grants for infrastructure

Description	2020-2021	2019-2020
	Kshs	Kshs
Maintenance & Improvement	378,500	
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	378,500	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

4 Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	20,200	
Repairs and maintenance	15,800	
Local transport / travelling	17,300	
Electricity and water	28,000	
Medical	3,200	
Administration costs	7,400	
Activity	9,000	
Fee on Boarding Equipment And Stores	3,750,622	
Total	3,851,522	

5 Miscellaneous Incomes

Description	2020-2021	2019-2020
	Kshs	Kshs
Rent Income	2,000	
Income From Farming Activities	-	
Insurance Compensation	-	
Income From Posho Mill	-	
Income From Bus Hire	-	
Fee For Hire of Ground and Equipment	-	
Income From Grants and Donations*	-	
Interest Income	-	
Dividends Income	-	
Total	2,000	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

6 Payments For Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Textbooks And Reference Materials	-	
Exercise Books	-	
Laboratory Equipment	-	
Internal Exams	-	
Teaching / Learning Materials	105,955	
Chalks	-	
Exams And Assessment	15,900	
Teachers Guides	-	
Administration Costs	-	
Bank Charges	738	
Total	122,593	

Notes to the Financial Statements (continued)

7 Payments For Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	433,880	
Service Gratuity	-	
Administration Cost	29,070	
Repairs And Maintenance & Improvements	-	
Local Transport / Travelling	21,250	
Electricity And Water	41,500	
Medical	-	
Activity Expenses	2,500	
Smasse	-	
Insurance Cost	-	
Acquisition Of Assets	-	
Total	528,200	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

8 Infrastructure

Description	2020-2021	2019-2020
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify) Bank charges	378	-
Total	378	-

9 Boarding And School Fund Payments

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	246,042	
Service Gratuity	-	
Repairs And Maintenance & Improvements	4,900	
Local Transport / Travelling	189,729	
Electricity And Water	53,490	
Medical Expenses	-	
Administration Costs	47,953	
Lunch Programme	-	
Activity	15,000	
Expenses On Income Generating Activities	-	
Fee On Boarding Equipment and Stores	894,204	
Rent Expenses	-	
Insurance Cost (<i>Life Property</i>)	-	
Loan Principal Repayment	-	
Loan Interest Repayment	-	
Lab Equipment	184,494	
Total	1,635,812	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2020-2021	2019-2020
	Active/Dormant		Kshs	Kshs
Tuition Account		1103254715	31,885	
Operations Account		10101203000006	63,575	
School Fund Account/Boarding		1103253522	60,427	
Savings Account			-	
Parent Association Development Account			-	
Income Generating Activities Account			-	
Infrastructural Account		1212796225	1,130,925	
Total			1,286,812	

11 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	
Operation Account	1,360	
School Fund account	112	
Total	1,472	

12 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares	-	
Treasury Bills	-	
Fixed Deposit accounts	-	
Other Investments	-	
Total	-	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	24,140,669	
Other Non-Fees Receivables	-	
Salary Advances	-	
Imprest	-	
Total	24,140,669	

Description	2020-2021	2019 - 2020
	Kshs	Kshs
Fees Arrears For Current Year	2,909,315	
Fees Arrears For The Previous Year	1,665,830	
Fees Arrears For Prior Periods (Over Two Years)	20,017,554	
Less recovery	(452,030)	
Total	24,140,668.65	

14 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,861,610	
Prepaid Fees	-	
Retention Monies	-	
Total	3,861,610	

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year	-	
Trade Creditors for The Previous Year	441,039	
Trade Creditors for Prior Periods (Over Two Years)	3,536,173	
Less creditors paid	105,601	
Total	3,861,610	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

Notes to the Financial Statements (continued)

13 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	1,328,134	
Cash Balances	199	
Short Term Investments	-	
Receivables	21,683,384	
Payables	3,967,211	
Total	19,044,505	

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loans	-	
Outstanding Leases	-	
Hire Purchase	-	
Gratuity And Leave Provision	-	
Others (specify)	-	
Total	-	

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	-	-	
Goats	-	-	
Trees	-	-	
Coffee Or Tea Plantation	-	-	
Poultry	-	-	
Others (specify)	-	-	
Total	-	-	

GARBATULLA HIGH SCHOOL

Report and Financial Statements For The Six Months Period Ended 30th June 2021

16 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	
Borrowings during the year	-	
Repayments during the year	-	
Balance at the end of the year	-	

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	656,430	
Stock/ inventory purchased during the year	800,000	
Stock/ inventory issued during the year	890,000	
Balance at end of the year	566,430	

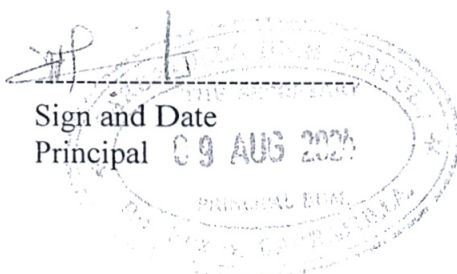
18 Progress On Follow Up Of Auditor Recommendations

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)

Sign and Date

Principal 09 AUG 2021



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	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.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land	20,000,000			20,000,000
Buildings And Structures	80,000,000			80,000,000
Motor Vehicles bus	13,000,000			13,000,000
Motor Vehicle school van	3,500,000			3,500,000
Office Equipment, Furniture And Fittings	2,000,000			2,000,000
Textbooks	200,000			200,000
ICT Equipment	500,000			500,000
Tools And Apparatus	400,000			400,000
Other Machinery And Equipment	200,000			200,000
Heritage And Cultural Assets	-			-
Intangible Assets- Soft Ware	-			-
Total	119,800,000			119,800,000