REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NDATHI SECONDARY SCHOOL

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

NYERI COUNTY

NDATHI SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE SIX (6) MONTHS ENDED
30th June 2021

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in January 1972 under registration number H/A/423/83 and is currently categorized as a County public school established, owned and operated by the Government.

The school is a boarding school and had 295 students as at 30th June 2021. It has seven (7) streams and 16 teachers of which 3 teachers are employed by the School's Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 and 56 (1) of the Basic Education Act, 2013 is composed of the following members:

Ref:	Name of Board Member	Designation	Year of appointment
1	Vincent Githinji Ngari	Chairman	2017
2	Julius Kangethe Mwangi	Secretary-Principal	2021
3	Murimi Nguuri	Member	1995
4	Dr. James Munga Kimondo	Member	1995
5	Anthony Gichingiri Gathara	Member	2017
6	Ann Wanjuhi Njoroge	Member	2017
7	Isaac Muhuro	Member Rep Parents	2017
8	Monica Wahito	Member Rep Teachers	2017
9	Daina Wanja Muchoki	Member - Sponsor	2017
10	Esther Wamuyu Minungo	Member - Sponsor	2017
11	Simon Wachira Njuki	Member -Sponsor	1991
12	Muhuuni Wachira	Member Rep Community	2017
13	Stephen Githaiga Kinyua	Member Rep Special Needs	2017
14	Mwai Kabura	Member Rep Students	2017

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; and
- 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 par. 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Number of meetings attended during the year
1	Executive Committee	• Vincent Githinji • Daina Wanja • Esther Wamuyu • Julius Kangethe	3/3
2	Audit Committee	• Vincent Githinji • Muhuuni Wachira • Daina Wanja	Dormant
3	Finance,procurement and general purposes Committee	• Murimi Nguuri. • Muhuuni Wachira • Anthony Gichingiri	3/3
4	Academic Committee	• Dr. James Munga • Monica Wahito • Simon Wachira	2/3
5	Development Committee	• Murimi Nguuri • Anthony Gichingiri • Muhuuni Wachira	3/3
6	Discipline and welfare Committee	• Monica Wahito • Esther Wamuyu • Julius Kangethe	3/3

(d) School operation Management

For the six (6) months ended 30th June 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Julius Kang'ethe Mwangi	335057
2	Deputy Principal	Joseph Maina Nyingi	333787
3	School Bursar	Francis Wachira Githu	

(e) Schools contacts

Post Office Box: 122- Kiganjo-10102
Telephone: 0799344810
E-mail: Ndathisec@gmail.com

(f) School Bankers

The school operated seven (7) bank accounts in the following banks:

1. **School Fund Account**
   Kenya Commercial Bank
   Branch: Nyeri
   Account Number: 1101922192
2. **Operations Account**

Kenya Commercial Bank
Branch: Nyeri
Account Number: 1101935065

3. **Tuition Account**
Kenya Commercial Bank
Branch: Nyeri
Account Number: 1101933321

4. **Infrastructure Account**
Kenya Commercial Bank
Branch: Nyeri
Account Number: 1107540364

5. **Gratuity Account**
Kenya Commercial Bank
Branch: Nyeri
Account Number: 1109933193

6. **Parent Association Development Account**
Kenya Commercial Bank
Branch: Nyeri
Account Number: 1207784672

7. **Income Generating Activities**
TAIFA SACCO
Branch: Kimahuri
Account Number: 1021300412

(g) Independent Auditors
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

The following is a summary report of the performance of the school for the last three (3) years.

S/NO	ACCOUNT	2021 Kshs	2020 Kshs	2019 Kshs
1	School Fund	354,292	891,115	552,959
2	Operations	519,714	1,322,158	-29,875
3	Tuition	(9,507)	(283,273)	13,092
4	Infrastructure	(294,930)	-	-
5	Savings	(59,250)	-	-
6	Gratuity	-	-	-
7	Taifa Sacco	13,428	-	-
	Surplus/(Deficit)	**523,747**	**1,930,000**	**654,006**

- The surplus for the six (6) months was Kshs. 523,747 compared to Kshs. 1,930,000 in 2020.

Capitation grants from the Ministry of Education for the last three (3) years

ACCOUNTS	2021 Kshs	2020 Kshs	2019 Kshs
Tuition	383,354	533,095	962,891
Operations	2,404,069	3,501,275	4,896,686
Total	**2,787,423**	**4,034,370**	**5,859,150**

b) Teacher Student ratio:

The school had 295 students during the year while the number of teachers were 16 resulting to teacher student ration of 1:18. The school had sixteen (16) teachers of whom three (3) were BOM Teachers and thirteen (13) were TSC Teachers. During the period reported, two (2) new teachers were posted while one (1) retired.

c) Mean score in the 2020 KCSE:

The school mean score over the last three (3) years were as follows:

Year	Students Sitting KCSE	Mean Score	Mean Grade
2020	67	3.358	D
2019	20	3.421	D
2018	49	3.224	D

The schools mean score declined from 3.421 in 2019 to 3.3528 in 2020.

d) Number of Candidates in the 2020 KCSE:

The number of students sitting for KCSE in 2018, 2019 and 2020 were 49, 20 and 67 respectively.

e) Capacity of the school:

The summary of the school facilities vis a vis the student population is as summarized below:

Facility	**Dormitories**	**Dining hall**	**Laboratories**	**Toilets**
No of Facilities	2	1	2	22
No. of Students	295	295	295	295
Ratio	**1:148**	**1:295**	**1:148**	**1:13**

f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects are as follows:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Administration Block	1. Parents 2. CDF	On-Going	7,800,000	4,680,000	2022
Repair of Dormitory	RMI Funds	Completed	884,270	884,270	2021

Sign

School Principal

PRINCIPAL
NDATHI HIGH SCHOOL
P.O. Box 122-10102, KIGANJO
DATE..................SIGN....................

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of Ndathi 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 the 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 six (6) months ended 30th June 2021, and of the school's financial position as at that date.

....

Name: PAUL KAMATI MWAI
Designation: Chairman, School Board of Management
Date: 23-3-2026

....

Name: PETER M. MURAGE
Designation: School Principal & Secretary to Board of Management
Date: 23-3-2026

....

Name: FRANCIS NACHIRA GITHUI
Designation: School Bursar
Date: 23-3-2026

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NDATHI SECONDARY SCHOOL FOR THE SIX (6) MONTHS' ENDED 30 JUNE, 2021 - NYERI COUNTY

PREAMBLE

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

A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,

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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ndathi Secondary School set out on pages 9 to 24, 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 cash flows and 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 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 Ndathi Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the six (6) months then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs. 2,432,787 as disclosed in Note 10 and Note 11 to the financial statements. Included in the balance are four (4) bank accounts with account balances amounting to Kshs.1,076,524 that were not supported with cash books and bank reconciliation statements.

Further, review of financial records revealed that the school is operating an account with Taifa SACCO, which is not a recognized bank account for holding public funds and there was no evidence of authorization from the Ministry of Education. In addition, Note 11 to the financial statements reflects cash in hand balance of Kshs.97,752 which was not supported with a Cash Survey Report.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.2,432,787 could not be confirmed.

2. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.12,967,051 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.12,967,051 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.13,107,600 and Kshs.6,879,009 respectively, resulting in an under-funding of Kshs.6,228,591 or 48% of the budget. However, the School spent an amount of Kshs.6,060,332 against actual receipts amounting to Kshs.6,879,009, resulting in an under-utilization of Kshs.818,677 or 12% of actual receipts.

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

2. Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page 2 to 7 which comprise of Key School Information and Management, Summary Report of Performance of the School, and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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 payments for operations and boarding and school fund payments amount of Kshs.1,884,022 and Kshs.3,783,450 as disclosed in Note 7 and Note 9 to the financial statements respectively. Included in the expenditure is an amount of Kshs.251,150 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.251,150 could not be confirmed.

2. Limited Supply of Books

During the year under review (FY 2020/2021), the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed two thousand, five hundred and eighty-nine (2,589) books against the required total of two thousand six hundred and forty (2,640) books for the students, resulting in a shortfall of fifty-one (51) books. Consequently, some students lacked adequate access to the required textbooks in certain subjects, which may have affected effective teaching and learning.

In the circumstances, value for money on the textbooks supplied could not be fully confirmed due to the shortfall, which limited equitable access to learning materials among students.

3. Failure to Prepare School Improvement Plan

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

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

4. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.2,404,069 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.884,500 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.590,000 was transferred on 30 August, 2020 to infrastructure account, leaving a balance of Kshs.294,500 as at 30 June, 2021. This was contrary to the Ministry of Education Circular Ref. No: MOE. HQS/3/10/18/(112) dated 15 November, 2022 directs 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 Ministry guidelines.

5. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 18 February, 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 and Section 81 (4) of the Public Finance Management Act, 2012 which requires that not later than three (3) months after the end of each financial year, the Accounting Officer for the entity shall submit the entity's financial statements to the Auditor-General.

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

6. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

6.1 Unstructured Procurement Processes

During the year under review, the School did not adhere to established procurement procedures, as evidenced by the absence of a procurement plan, failure to advertise tenders, use of inappropriate procurement methods including reliance on direct procurement which circumvented competitive bidding, lack of key committees and supporting reports, including evaluation, inspection, and acceptance reports. Further, no market surveys were conducted. This was contrary to Section 44 (2) (d) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act.

6.2 Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(1) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

6.3 Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.7,469,009 and Kshs.6,945,262 in respect of total receipts and payments respectively. However, during the year Management did not prepare an Annual Procurement Plan as part of the annual budget preparation process. This was 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.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 effects of 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 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), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Weaknesses in the Board of Management

The School Board of Management (BOM) is constituted by thirteen (13) Members. However, letters of appointment for eleven (11) Board Members were not provided. Further, notice of meetings and attendance registers were not provided while the minutes of meetings attended had not been signed by BOM Secretary and the BOM Chairman.

In the circumstances, the effectiveness of the governance mechanism at the School could not be confirmed.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects a summary of the fixed assets register with a valuation of Kshs.3,384,270, which includes school land of an unknown value. However, land ownership documents were not provided. Further, Management did not provide an updated fixed assets register to support the reported assets. Also, several assets including class desks, laboratory worktops, dormitory beds, and school computers were not tagged for identification and control purposes.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

4. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.12,967,051 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivables balance of Kshs.12,412,365 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 full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

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

Responsibilities of the 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 April, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX (6) MONTHS ENDED 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	383,354	533,095
Capitation grants for operations	2	2,404,069	3,501,275
Capitation for Infrastructure	3	590,000	1,152,000
School Fund Income- Parents' Contributions	4	4,091,586	6,021,313
Other Receipts – School Fund Account	5	-	3,698,704
TOTAL RECEIPTS		**7,469,009**	**14,906,387**
PAYMENTS			
Payments for Tuition	6	392,860	816,318
Payments for operations	7	1,884,022	3,205,117
Payments for Infrastructure	8	884,930	-
Boarding and school fund payments	9	3,783,450	8,954,952
TOTAL PAYMENTS		**6,945,262**	**12,976,387**
SURPLUS/DEFICIT		**523,747**	**1,930,000**

Notes

- The comparative Period figures (2019-2020) relate to the period 1 January 2020 to 31 December 2020 while the current period figures (2020-2021) relate to the six (6) months ended 30 June 2021. As a result, the figures are not comparable.
- The comparative period figures (2019-2020) are unaudited.

The school financial statements were approved on 1/3/ 2022 and signed by:

Name: PAUL K NJWAI

Chairman, BoM

Date: 23/3/2026.

Name: PETER MURAE

School Principal/Secretary to BoM

Date: 23-3-26.

Name: FRANCIS N GITI

School Bursar

Date: 23-3-26

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

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	2,335,035	1,903,626
Cash Balances	11	97,752	5,415
Short term Investment	12	-	-
Total Cash and cash equivalent		**2,432,787**	**1,909,041**
Account's receivables	13	12,967,051	13,869,565
TOTAL FINANCIAL ASSETS		**15,399,838**	**15,778,606**
FINANCIAL LIABILITIES			
Accounts Payables	14	-	902,515
NET FINANCIAL ASSETS		**15,399,838**	**14,876,091**
REPRESENTED BY			
Accumulated Fund b/fwd	15	14,876,091	12,946,091
Surplus/Deficit for the year		523,747	1,930,000
NET FINANCIAL POSSITION		**15,399,838**	**14,876,091**

The school's financial statements were approved on 1/3/ 2022 and signed by:

Name: PAUL K'MWAI | **Name:** PETER MURAGE | **Name:** FRANCIS W'GITIL

Chairman, BoM | **School Principal/Secretary to BoM** | **School Bursar**

Date: 23-3-2026 | **Date:** 23/3/2026 | **Date:** 23-3-2026

VII. STATEMENT OF CASH FLOWS FOR THE SIX (6) MONTHS ENDED 30TH JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	383,354	533,095
Capitation grants for operations	2	2,404,069	3,501,275
Capitation grants for Infrastructure	3	590,000	1,152,000
School fund income- Parents contributions/ fees	4	4,091,586	6,021,313
School fund income- other receipts	5	-	3,698,704
Total receipts		**7,469,009**	**14,906,387**
Payments			
Payments for Tuition	6	392,860	816,318
Payments for operations	7	1,884,022	3,205,117
Payments for Infrastructure	8	884,930	-
Boarding and school fund payments	9	3,783,450	8,954,952
Total payments		**6,945,262**	**12,976,387**
Net cash flow from operating activities		**523,747**	**1,930,000**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		**-**	**-**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		**-**	**-**
Net increase in Cash and Cash Equivalents		**523,747**	**1,930,000**
Cash and cash equivalent at Beginning of the year		1,909,041	(20,959)
Cash and cash equivalent at End of the year		**2,432,788**	**1,909,041**

Notes

- The presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS and recommended by PSASB.
- School fund income- Parents contributions/ fees includes fee recoveries relating to the prior years.
- Boarding and school fund payments includes payments of prior year creditors.

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX (6) MONTHS ENDED 30TH JUNE 2021

RECEIPT/ EXPENSES ITEM	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	BUDGET UTILIZATION DIFFERENCE	% OF UTILIZATION
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	161,579	(161,579)	>100%
Laboratory equipment	-	-	-	120,000	(120,000)	>100%
Teaching / learning materials	932,400	-	932,400	101,775	830,625	11%
Chalks	-	-	-	-	-	0%
Exams and assessment	-	-	-	-	-	0%
Teachers guides	-	-	-	-	-	0%
Sub-Total	**932,400**	**-**	**932,400**	**383,354.00**	**549,046**	**41%**
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,300,500	-	1,300,500	551,656	748,844	42%
Repairs and maintenance	1,125,000	-	1,125,000	960,734	164,266	85%
Local transport / travelling	182,250	-	182,250	202,178	(19,928)	111%
Electricity and water	450,000	-	450,000	315,956	134,044	70%
Medical	450,000	-	450,000	-	450,000	0%
Administration costs	182,250	-	182,250	373,545	(191,295)	205%
Activity	337,500	-	337,500	-	337,500	0%
Gratuity	-	-	-	-	-	0%
SMASSE	45,000	-	45,000	-	45,000	0%
Sub-Total	**4,072,500**	-	**4,072,500**	**2,404,069**	**1,668,431**	**59%**

RECEIPT/ EXPENSES ITEM	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	BUDGET UTILIZATION DIFFERENCE	% OF UTILIZATION
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs			Kshs	Kshs
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,102,500	-	1,102,500	572,822	529,678	52%
Repairs and maintenance	450,000	-	450,000	233,805	216,195	52%
Local transport / travelling	675,000	-	675,000	350,707	324,293	52%
Electricity and water	450,000	-	450,000	233,805	216,195	52%
Medical	-	-	-	-	-	0%
Administration costs	675,000	-	675,000	350,707	324,293	52%
Activity	56,250	-	56,250	29,226	27,024	52%
SMASSE	-	-	-	-	-	0%
Fee on Boarding Equipment and Stores	4,466,250	-	4,466,250	2,320,514	2,145,736	52%
Sub-Total	**7,875,000**	-	**7,875,000**	**4,091,586**	**3,783,414**	**52%**
(4) OTHER INCOME						
Rent income	49,200		49,200	-	49,200	0%
Income from farming activities	178,500		178,500	-	178,500	0%
Insurance compensation	-	-	-	-	-	0%
Sub-Total	**227,700**	**-**	**227,700**	**-**	**227,700**	**0%**
Total Income	**13,107,600**	**-**	**13,107,600**	**6,879,009**	**6,228,591**	**52%**
PAYMENTS						
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-	-	-	0%

RECEIPT/ EXPENSES ITEM	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	BUDGET UTILIZATION DIFFERENCE	% OF UTILIZATION
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs			Kshs	Kshs
Exercise books	-	-	-	38,755	(38,755)	>100%
Laboratory equipment	-	-	-	135,000	(135,000)	>100%
Internal exams	-	-	-	-	-	0%
Teaching / learning materials	932,400	-	932,400	209,865	722,535	23%
Chalks	-	-	-	1,380	(1,380)	>100%
Exams and assessment	-	-	-	-	-	0%
Teachers guides	-	-	-	7,500	(7,500)	>100%
Administration costs	-	-	-	-	-	0%
Bank Charges	-	-	-	360	(360)	>100%
Sub-total	**932,400**	**-**	**932,400**	**392,860**	**539,540**	**42%**
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,300,500	-	1,300,500	966,965	333,535	74%
Repairs and maintenance	1,125,000	-	1,125,000	590,000	535,000	52%
Local transport / travelling	182,250	-	182,250	82,640	99,610	45%
Electricity and water	450,000	-	450,000	101,300	348,700	23%
Medical	450,000	-	450,000	-	450,000	0%
Administration costs	182,250	-	182,250	143,117	39,133	79%
Activity	337,500	-	337,500	-	337,500	0%
Gratuity	-	-	-	-	-	0%
SMASSE	45,000	-	45,000	-	45,000	0%
Sub-total	4,072,500	-	4,072,500	1,884,022	2,188,478	46%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,102,500	-	1,102,500	242,793	859,707	22%
Repairs and maintenance	450,000	-	450,000	190,550	259,450	42%

RECEIPT/ EXPENSES ITEM	ORIGINAL BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL ON COMPARABLE BASIS	BUDGET UTILIZATION DIFFERENCE	% OF UTILIZATION
	A	B	C=A+B	D	E=C-D	F=D/C %
	Kshs	Kshs			Kshs	Kshs
Local transport / travelling	675,000	-	675,000	131,700	543,300	20%
Electricity and water	450,000	-	450,000	76,600	373,400	17%
Medical	-	-	-	315	(315)	>100%
Administration costs	675,000	-	675,000	-	675,000	0%
Activity	56,250	-	56,250	40,000	16,250	71%
SMASSE	-	-	-	-	-	0%
Fee on Boarding Equipment and Stores	4,466,250	-	4,466,250	2,779,462	1,686,788	62%
Rent income	49,200	-	49,200	-	49,200	0%
Income from farming activities	178,500	-	178,500	-	178,500	0%
Insurance Costs	-	-	-	174,458	(174,458)	>100%
BOM Teacher	-	-	-	147,572	(147,572)	>100%
Sub-total	**8,102,700**	**-**	**8,102,700**	**3,783,450**	**4,319,250**	**47%**
Total Payments	**13,107,600**	**-**	**13,107,600**	**6,060,332**	**7,047,268**	**46%**

Notes

- Statement of Comparison budget versus actual prepared on cash basis.
- Budgeted revenue was Kshs. 13,107,600 that was financed by Kshs. 6,879,009 resulting to 52% financing.
- Budgeted payments amounted to Kshs. 13,107,600 while actual payments amounted to Kshs. 6,060,332 resulting to an absorption rate of 46%.
- The budget figures relate to the whole financial year ended 30 June 2021 while the actual amounts relate to the six (6) months ended 30 June 2021.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with the 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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	161,579	-
Laboratory equipment	120,000	-
Teaching / learning materials	101,775	532,800
Internal exams	-	-
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	295
Total	**383,354**	**533,095**

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	551,656	1,228,500
Repairs and maintenance	960,734	1,299,500
Local transport / travelling	202,178	144,000
Electricity and water	315,956	210,375
Medical	-	57,600
Administration costs	373,545	326,100
Activity	-	115,200
BOM	-	120,000
Total	**2,404,069**	**3,501,275**

3 GOVERNMENT GRANTS FOR INFRASTRUCTURE

Description	2020-2021	2019-2020
	Kshs	Kshs
Maintenance & Improvement	590,000	1,152,000
Transition infrastructure grants	-	-
Total	**590,000**	**1,152,000**

4 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	2,320,514	3,494,772
Repairs and maintenance	233,805	346,713
Local transport / travelling	350,707	455,785
Administration	350,707	459,907
Electricity, Water and Conservancy	233,805	457,763
Personnel emoluments	572,822	747,308
Activity	29,226	59,065
Total	**4,091,586**	**6,021,313**

5 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
School Farm	-	1,843,411
PTA/Development Fund - journal adjustment	-	(2,184,194)
Examination Fund	-	1,121,304
Uniform	-	901,180
Harambee Fund	-	221,760
Rent Income	-	9,300
Fee Arrears	-	445,785
Caution Money	-	1,114,120
Clubs	-	-
Total	**-**	**3,472,666**

6 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	41,461
Exercise books	38,755	280,224
Laboratory equipment's and apparatus	135,000	-
Teaching/learning materials	209,865	409,663
chalks	1,380	-
Internal exams	-	84,730
Creditors	-	-
Bank charges	360	240
Exams and assessment	7,500	-
Total	**392,860**	**816,318**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	966,965	658,530
Activity Expenses	-	425,985
Administration Cost	143,117	364,314
Repairs and maintenance & improvements	590,000	1,387,630
Local transport / travelling	82,640	44,800
Electricity and water	101,300	210,600
Medical/Insurance	-	113,258
Administration Cost	-	-
Total	**1,884,022**	**3,205,117**

8 PAYMENTS FOR INFRASTRUCTURE

Description	2020-2021	2019-2020
	Kshs	Kshs
Construction of dormitory	884,270	-
Bank Charges	660	-
Total	**884,930**	-

9 BOARDING AND SCHOOL FUND PAYMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	242,793	1,590,532
Service Gratuity	-	-
Repairs and maintenance & Improvements	190,550	586,650
Local transport / travelling	131,700	262,202
Electricity and water	76,600	168,899
Medical Expenses	315	780
Administration costs	-	406,615
Lunch Programme	-	-
Bank Charges	-	-
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	2,779,462	4,705,916
Rent Expenses		59,200
Insurance Cost (Bus)	174,458	-
BOM Teacher	147,572	177,000
Activity	40,000	45,328
Acquisition of Assets	-	-

Description	2020-2021	2019-2020
	Kshs	Kshs
Harambee	-	37,000
School Fund	-	45,940
Uniform paid	-	868,890
Total	**3,783,450**	**8,954,952**

10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1101933321	6,845	16,352
Operations Account	1101935065	720,366	200,652
School Fund Account/Boarding	1101922192	531,301	108,346
Savings Account	1207784672	199,922	259,172
Income generating activities Account -Taifa Sacco	1021300412	13,428	161,000
Infrastructure Account	1107540364	859,349	1,154,279
Gratuity	1109933193	3,825	3,825
Total		**2,335,036**	**1,903,626**

11 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	333	333
School Fund account	97,419	5,082
Total	**97,752**	**5,145**

12 SHORT-TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	12,967,051	13,869,565
Imprest	-	-
Total	**12,967,051**	**13,869,565**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	554,685	554,685
Fees arrears for the previous year	946,731	559,892
Fees arrears for prior periods (over two years)	13,060,453	12,754,988
Less: Recoveries	(1,594,819)	
Total	**12,967,050**	**13,869,565**

14 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	-	846,854
Prepaid fees	-	-
Retention monies	-	-
Total	**-**	**846,854**

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	-	846,854
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
Total	**-**	**846,854**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 FUND BALANCE BROUGHT FORWARD – 1 July 2021

Description	2020-2021
	Kshs
Bank balances	1,903,626
Cash balances	5,415
Short Term Investments	0
Receivables	13,869,565
Payables	-902,515
Total	**14,876,091**

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.

16 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Gratuity and leave provision	-	-
Total	-	-

17 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	12	-	-
Goats		-	-
Trees		-	-
Total		-	-

- In the six (6) months to 30 June 2021, the school had 12 cattle whose value was not determined as the cattle had not been valued.

18 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-

Balance at end of the year	-	-

19 Stock/ Inventory

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

20 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st January 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1 (Approximately 17 Acres)						
Buildings and structures	-	-	-	884,270	-	884,270
Motor vehicles – School Bus	6/6/2008	School	2,500,000	-	-	2,500,000
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total			**2,500,000**	**884,270**		**3,384,270**

- The school holds assets including land, buildings, office computers, furniture, and textbooks. However, their values could not be determined due to the absence of a formal asset valuation.