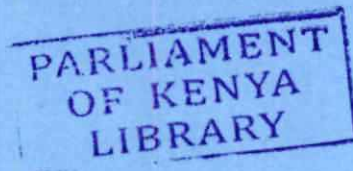


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**


**THE AUDITOR-GENERAL**

**ON**

**NANYUKI HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**LAIKIPIA COUNTY**

 <b>THE NATIONAL ASSEMBLY</b> PAPERS LAID	
DATE: 11 MAR 2025	DAY: Tuesday
TABLED BY:	Hon Owen Baya, MP Deputy Majority Leader
CLERK-AT THE-TABLE:	Getruele Chebet



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# NANYUKI HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2022

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

**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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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 Laikipia County, Laikipia East Sub-County

The school was registered in 1965 under registration number 31S30000334 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 965 students as at 30<sup>th</sup> June 2022. It has 5 streams and 49 teachers of which 8 teachers are employed by the School Board Of Management.

**(b) School Board of Management - Board Members**

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Robert Mburu Mungai	Chairman	1/6/2019
2	Mr. Oliver Minishi	Secretary - Principal	1/6/2019
3	Dr. Beatrice Ombaka	Member	1/6/2019
4	Mr. Evans Kamau Nduati	Member	1/6/2019
5	Mrs. Karen Mwangi	Member	1/6/2019
6	Ms. Jayne Mathenge	Member	1/6/2019
7	Mr. Julius Ndatha	Member	1/6/2019
8	Prof. Wanjiku Chiuri	Member – Rep CEB	1/6/2019
9	Mr. Isaiah Muriuki Kiugu	Member Rep Teachers	1/6/2019
10	Mr. Noah Sillah	Members - Sponsor	1/6/2019
11	Mr. George Muchai	Members - Sponsor	1/6/2019
12	Mr. Raphael Kimatu	Members - Sponsor	1/6/2019
13	Mrs Monicah Kerebei	Member - Community	1/6/2019
14	Mr. Robert Makuyu Mworio	MemberSpecial Needs	1/6/2019
	Quren Njagi Murugi	Rep Students	1/6/2019

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Robert Mburu Mr. Oliver Minishi Mr. George Muchai Dr. Beatrice Ombaka Mr. Noah Sillah Mr. Robert Mworio Mr. Philip Njoroge Mr. Raphael Kimatu Mr. Muriuki Kiugu	Chair Secretary Member Member Member Member Member Member Member	2
2	Finance, procurement and general purposes Committee	Mr. Noah Sillah Mr. Oliver Minishi Mr. Robert Mworio Mr. George Muchai Mr. Isaiah Muriuki Mr. Raphael Kimatu Ms. Monicah Karimi Mr. Paul Mugoh	Chair Secretary Member Member Member Member Member Member	2
3	Academic Committee	Dr. Beatrice Ombaka Mr. Oliver Minishi Mr. Gitonga King'ori Mr. Peter Yegon Mrs. Karen Mwangi Mr. Noah Sillah	Chair Secretary Member Member Member Member	2

**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

		Mr. Ndatha Julius Prof. Wanjiku Chiuri Mr. Muriuki Isaiah Mr. MuriithiMburea	Member Member Member member	
4	Development Committee	Mr. Robert Mworira Mr. Oliver Minishi Mr. Raphael Kimatu Mr. Julius Ndatha Sub- County Director Mr. George Muchai	Chair Secretary Member Member Member Member	2
5	Discipline and welfare Committee	Ms. Jayne Mathenge Mr. Ndatha Julius Mrs. Karen Mwangi Mr. Muriuki Isaiah Mr. George Muchai Master Njagi Quren	Chair Secretary Member Member Member Member	2

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Oliver Minishi	236168
2	Deputy Principal	Ag. George Muchai	414537
3	Deputy Curriculum	Mr. Paul Gitonga	437274
4	Deputy Boarding	Mr. Philip Njoroge	473800
3	School Bursar	Mr. Justus Maina	ID NO.

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 233-10400 NANYUKI  
Telephone: 0202133352  
E-mail: nanyukischool@gmail.com  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

The school operated ten bank accounts in the following banks:

- |                  |                 |                     |
|------------------|-----------------|---------------------|
| 1. Name of Bank: | KCB             | SCHOOL FUND ACCOUNT |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 1103131370      |                     |
| 2. Name of Bank: | KCB             | OPERATION ACCOUNT   |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 1103 130668     |                     |
| 3. Name of Bank: | KCB             | TUITION ACCOUNT     |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 1103 142 992    |                     |
| 4. Name of Bank: | COOP BANK       | INFRASTRUCTURE A/C  |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 011393 69952000 |                     |
| 5. Name of Bank: | EQUITY          | NG-CDF ACCOUNT      |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 027027 955 0988 |                     |
| 6. Name of Bank: | EQUITY          | GRATUITY ACCOUNT    |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 0270191514689   |                     |
| 7. Name of Bank: | KCB             | SAVINGS ACCOUNT     |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 1102448419      |                     |
| 8. Name of Bank: | KCB             | FARM ACCOUNT        |
| Branch:          | NANYUKI         |                     |
| Account Number:  | 1269192469      |                     |

**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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9. Name of Bank:	KCB	INCOME GENERATING A/C
Branch:	NANYUKI	
Account Number:	1269192345	
10. Name of Bank:	FAULU	FIXED DEVT ACCOUNT
Branch:	NANYUKI	
Account Number:	01007392865	

**(g) Independent Auditors**

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

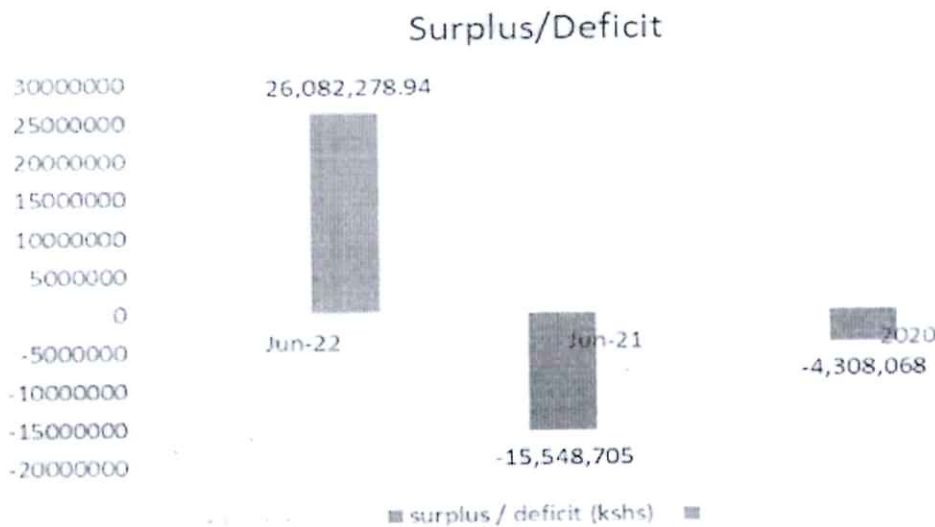
**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

a) **Financial performance:**

i) Surplus/Deficit

Surplus/Deficit			
	Jun-22	Jun-21	2020
surplus / deficit (kshs)	26,082,278.94	-15,548,705	-4,308,068



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

Capitation Grants			
	2021-2022	Jun-21	2020
Capitation Grants	15,885,356.00	7,951,685.00	11,310,023.00

Capitation Grants



- *Ratio of capitation grant per student over the last three years*

<b>2021-2022</b>	<b>1:11,093</b>
<b>30<sup>th</sup> June 2021</b>	<b>1:18,908</b>
<b>2020</b>	<b>1:13,627</b>

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

Other Incomes

Year	Jun-22	Jun-21	2020
Other Incomes	<b>135,538,188.00</b>	<b>21,890,081.00</b>	<b>41,008,593.00</b>

Other Incomes

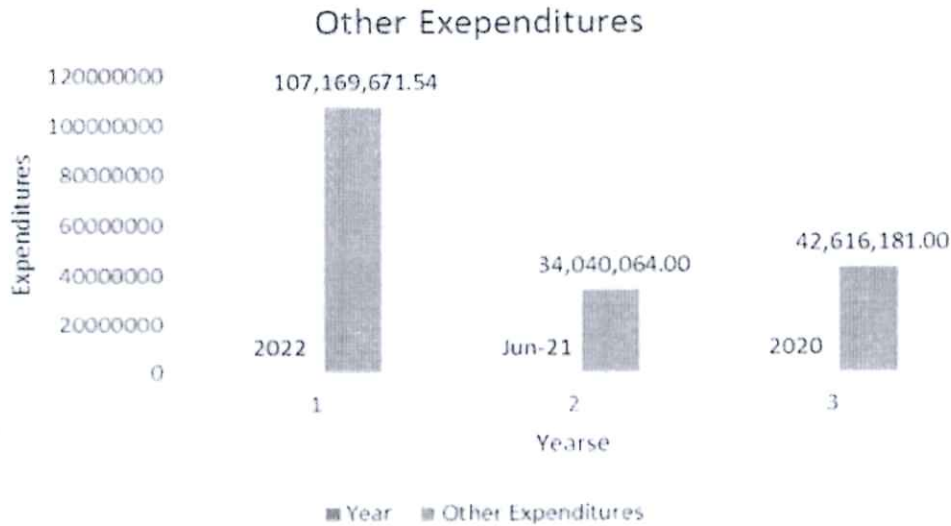


**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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

Other  
Expenditures

Year	2022	Jun-21	2020
Other Expenditures	<b>107,169,671.54</b>	<b>34,040,064.00</b>	<b>42,616,181.00</b>



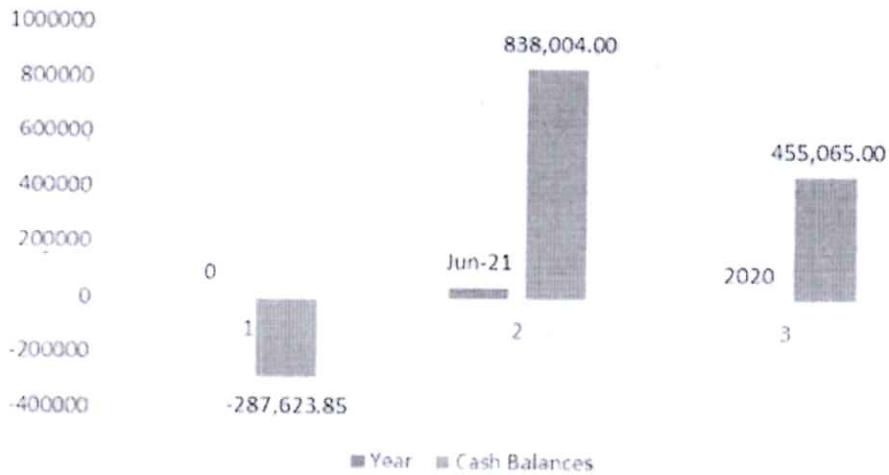
- *Movement of cash and bank balances over the last three years*

Cash Balances

Year	2021-2022	Jun-21	2020
Cash Balances	- <b>287,623.85</b>	<b>838,004.00</b>	<b>455,065.00</b>

**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

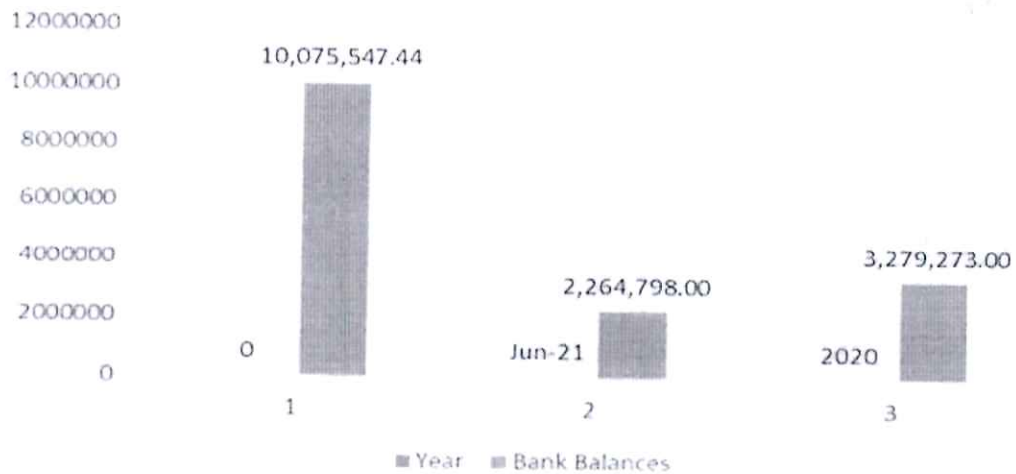
Cash Balances



Bank Balances

Year	2021-2022	Jun-21	2020
Bank Balances	10,075,547.44	2,264,798.00	3,279,273.00

Bank Balance

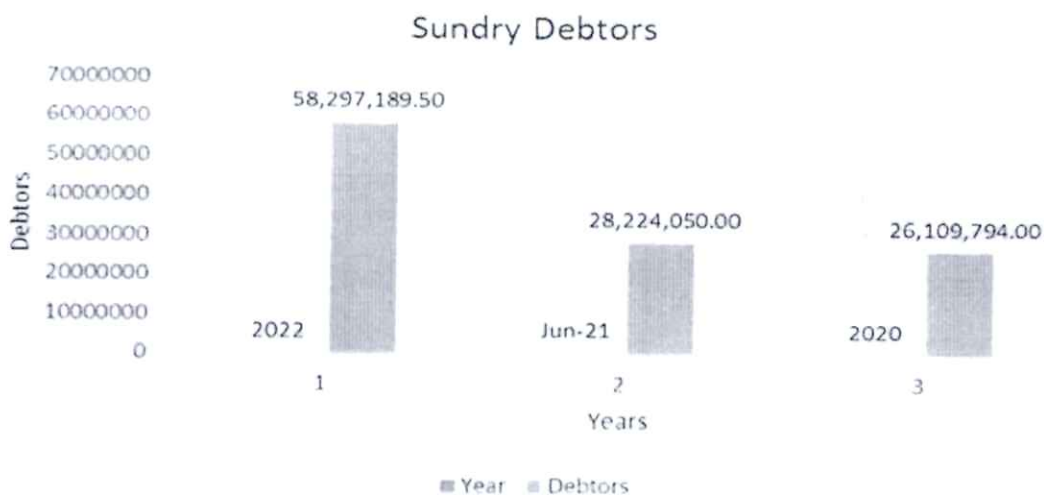


**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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

Sundry Debtors

Year	2022	Jun-21	2020
Debtors	<b>58,297,189.50</b>	<b>28,224,050.00</b>	<b>26,109,794.00</b>



Sundry Creditors

Year	Jun-22	Jun-21	2020
Sundry Creditors	<b>57,587,761.88</b>	<b>45,498,528.00</b>	<b>28,850,042.00</b>



**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**b) Teacher Student ratio:**

- Teacher to student ratio is **1:20**

<b>YEAR</b>	<b>STUDENTS</b>	<b>TSC TEACHERS</b>	<b>B.O.M TEACHERS</b>	<b>TEACHERS TRANSFERRED</b>
<b>2020</b>	966	42	2	5
<b>2021</b>	965	41	8	1
<b>2022</b>	1433	54	18	0

**c) Mean score in the 2020, 2021, 2022 KCSE:**

<b>YEAR</b>	<b>MEAN</b>
<b>2020</b>	8.683
<b>2021</b>	8.739
<b>2022</b>	8.890

**UNIVERSITY DIRECT ADMISSION**

<b>YEAR</b>	<b>STUDENTS</b>
2018	<b>100</b>
2019	<b>140</b>
2020	<b>165</b>
2021	<b>169</b>
2022	<b>217</b>

**d) Number of Candidates in the 2020, 2021 & 2022 KCSE:**

<b>YEAR</b>	<b>CANDIDATES</b>
2020	<b>186</b>
2021	<b>180</b>
2022	<b>237</b>

**NANYUKI HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

e) **Capacity of the school:**

FACILITY	NUMBER	RATIO
DORMITORY	9	
DINING HALL	1	
LABORATORY	3	
TOILETS	33	
LIBRARY	3	
CLASSROOM	25	

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

	Projects	source of funds	status	Initial cost (ksh)	amount spent (ksh)	expected completion time
1	MODERN LIBRARY	MOE/TIG	Completed	10,000,000	10,000,000	N/A
2	CLASSROOM	MOE/TIG	Completed	1,500,000	1,500,000	N/A
3	WORKSHOP	MOE/RMI	Completed	3,900,000	3,900,000	N/A
4	LIBRARY HALL PH2	MOE/TIG/RMI	Ongoing	6,000,000	4,200,000	2022-2023 YR
5	HOSTELS	PARENT/RMI	Completed	34,991,773	38,183,016.900	2022

Sign

School Principal



### III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of **Nanyuki High School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: MOSES IKIARA.....

Designation: Chairman, School Board of Management

Sign: .....

Date: 31.05.2024.....

Name: Solomon A. Kach.....

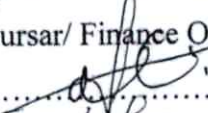
Designation: School Principal & Secretary to Board of Management

Sign: .....

Date: 31.5.24.....

Name: Justus MADA.....

Designation: Bursar/ Finance Officer

Sign: .....

Date: 31/5/24.....

# REPUBLIC OF KENYA



*Enhancing Accountability*

Phone: +254-(20) 3214000  
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Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON NANYUKI HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - LAIKIPIA 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on the 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 Nanyuki High School - Laikipia County set out on pages 16 to 37, which comprise the statement of financial assets and

financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year 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 Nanyuki High School – Laikipia County as at 30 June, 2022 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 the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unsupported and Long Outstanding Accounts Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects accounts payable balance of Kshs.62,612,351. However, trade creditors of Kshs.50,392,797 were not supported with ledger and schedules. Further, trade creditors amounting to Kshs.24,745,076 had been outstanding for more than two (2) years and did not form the first charge during the period as a requirement of Regulation 42 (1)(b) of the Public Finance Management (National Government) Regulations, 2015 which requires debts service payments to form first charge during the year.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.62,305,190 could not be confirmed.

#### **2. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.28,224,050. Included in the balance are fees arrears balance of Kshs.28,132,550 out of which Kshs.21,332,966 had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears and evidence of efforts being made by the School to recover the long outstanding fees arrears.

Further, the schedule provided for fees arrears of less than one (1) year amounted to Kshs.58,205,689 while figure recorded in the financial statements is Kshs.2,169,533, resulting in an unreconciled variance of Kshs.56,036,156.

In the circumstances, the accuracy and full recoverability of the accounts receivables balance of Kshs.85,344,535 could not be confirmed.

### 3. Unsupported Bank Balances

Note 10 to the financial statements reflects a balance of Kshs.1,426,794 in respect to bank balances as at 30 June, 2022. However, supporting documents including cashbooks, bank statements, bank reconciliation statements and certificate of bank balances were not provided for audit; as listed below:

Items	Accounts not Supported
Cashbook	Savings-Gratuity Account, Savings Account, Parent Association Development Account, NGCDF Account, Income generating activities Account
Bank Statements	Savings-Gratuity Account, Parent Association Development Account, NGCDF Account, Income generating activities Account
Bank Reconciliation Statements	Tuition Account, Operations Account, School Fund Account-Boarding, Savings-Gratuity Account, Farm Account, Savings Account, Parent Association Development Account, NGCDF Account, Income generating activities Account, Infrastructural Account
Certificate of Bank Balances	Parent Association Development Account, NGCDF Account

In the circumstances, the accuracy and completeness of the bank balances of Kshs.1,426,794 could not be confirmed.

### 4. Unsupported School Fund Income - Parents' Contributions

Note 3 to the financial statements reflected Kshs.21,427,218 in respect to school fund income from parents' contributions. However, detailed ledgers/schedules showing details including date, student name, admission number, mode of payment, receipt number, amount of money received and detailed student fee ledgers were not provided for audit review.

In the circumstances, the accuracy and completeness of school fund income - parents' contributions of Kshs.21,427,218 could not be confirmed.

### 5. Variances in the Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.3,313,798 and Kshs.14,189,578 respectively. However, review of the bank statements and financial statements on National Education Management and information System (NEMIS) capitation disbursements made to the School revealed the following variances which have not been reconciled:

<b>Account</b>	<b>School Receipt/ Bank Statements</b>	<b>Financial Statements</b>	<b>Variance</b>
	<b>(Kshs)</b>	<b>(Kshs)</b>	<b>(Kshs)</b>
Tuition	3,313,798	1,123,291	2,190,507
Operation	14,189,578	6,828,394	7,361,184
Infrastructure	4,034,500	0	4,034,500

In the circumstances, the accuracy and completeness capitation grants for tuition and capitation grants for operations of Kshs.3,313,798 and Kshs.14,189,578 respectively could not be confirmed.

## **6. Unsupported Biological Assets**

Note 15 of the financial statements reflects a balance of Kshs.3,545,000 in respect to biological assets which includes cattle and trees. However, audit review of records revealed that the school uses an estimation method to value biological assets, which is not a prescribed valuation method under IPSAS 27 (Agriculture). Further, biological asset register showing opening balances, increases, and decreases in assets within the year was not provided for audit review.

In the circumstances, the accuracy and completeness of the biological assets balance of Kshs.3,545,000 could not be confirmed.

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

### **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 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.

## **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 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. Late Submission of the Financial Statements to the Auditor-General**

During the year under review, Management submitted the financial statements to the Auditor-General on 8 March, 2024 instead of the statutory deadline of 30 September, 2022. 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 submitted by 30 September of every year 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. Lack of a Procurement Function**

During the year under review, the Management had not put in place a procurement function including the recruitment of a procurement officer, to assist in preparation of procurement documents, giving professional opinion on procurement process and provide guidance on general adherence to procurement laws. This was contrary to Section 45(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall establish systems and procedures to facilitate decision making for procurement and asset disposal. Further, Management did not provide an annual procurement plan that is prepared as part of the annual budgeting process for audit verification.

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

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

The School received operations capitation grants of Kshs.14,189,578 during the period under review out of which Kshs.4,906,500 was supposed to be transferred to the infrastructure account. However, only Kshs.3,326,500 was transferred resulting in a variance of Kshs.1,580,000. Further, it was noted that the School took eighteen (18) days to transfer Kshs.653,000 from the operations account to infrastructure account. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account. In addition, the school failed to acknowledge receipt of the infrastructure funds by not uploading the official receipt on the NEMIS platform contrary to paragraph 3.6.2 of circular MOE.HQS/3/10/18/ (112) dated 15th November, 2022.

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

### **4. Unconfirmed Student Enrolment Data**

Review of student enrolment data used in the tuition and operations capitation grants disbursement revealed variances as analysed below:

### Tuition Account

Month	No. of Students per NEMIS	No. of students as per Register	Variance
July-07-2021	923	1121	198
Aug-08-2021	754	1121	367
Oct-08-2021	777	1121	344
Jan-06-2022	170	487	317
Jan-06-2022	190	487	297
Jan-06-2022	946	1433	487
April-20-2022	1125	1433	308

### Operation Account

Month	No. of Students per NEMIS	No. of Students as per Register	Variance
July-07-2021	923	1121	198
Aug-08-2021	754	1121	367
Oct-08-2021	777	1121	344
Jan-06-2022	170	487	317
Jan-06-2022	190	487	297
Jan-06-2022	946	1433	487
April-20-2022	1125	1433	308

As a result, the school was underfunded by Kshs.7,850,329 for the year ended 30 June, 2022 contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June 2021, which mandates that all learners be registered in National Education Management and information System (NEMIS) and that school principals ensure the accuracy of their records.

In the circumstances, the reliability of enrolment data used to determine capitation grants could not be confirmed and the Management was in breach of the law.

### 5. Non-Compliance with Ministry of Education Guidelines on Income-Generating Activities

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs.173,050 in respect to other receipts. However, examination of bank statements for the school fund account revealed that the school was co-mingling other receipts with the school fund. Income generated from rental facilities within the school totalling Kshs.95,000 was banked into the school fund account instead of a designated income-generating activities account contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June 2021, which requires schools with income-generating activities to open separate bank accounts and account for such income in accordance with financial regulations.

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

## **6. Excess Supply of Books**

During the year under review, the Ministry of Education distributed textbooks to the School through Kenya Institute of Curriculum Development (KICD) which included three hundred and fifteen (315) copies of An Artist of the Floating World set book. However, the books had been left unutilized in the book store since the school had not chosen the set book.

In the circumstances, value for money on the excess supplied 315 books could not be confirmed.

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 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 effect 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 overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Audit Committee**

During the year under review, the School did not have an operational audit committee. This was contrary to the provisions of Section 7(5) of the Public Finance Management Act, 2012 which requires that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the Regulations. The School, therefore, did not benefit from the oversight of an Audit Committee.

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

## **2. Incomplete Asset Register**

Annex 2 to the financial statements reflects Kshs.726,360,750 in respect to summary of fixed assets register historical cost as at 30 June, 2022. However, the value of these assets, the date when the assets were acquired, the tag number of assets, the location of the assets and any additions during the year have not been disclosed. Further, there were no valuation reports for the school's pieces of land and motor vehicles.

In the circumstances, the valuation, ownership, existence, and security of the assets could not be ascertained.

## **3. Lack of Approved Staff Establishment and Job Evaluation**

Review of records revealed that the School did not have an approved Staff Establishment outlining the authorized staffing levels for employees outside those employed by the Teachers Service Commission (TSC). Further, no evidence was provided to demonstrate that the School had conducted a job evaluation to assess and determine the staffing needs for each category of employee.

In the circumstances, the school may face challenges in human resource planning, cost control, and service delivery efficiency.

## **4. Weaknesses in Identification, Collection, and Accounting for Own-Generated Revenue**

Review of the school's identification, collection, and accounting for own-generated revenue for the year under review revealed shortcomings. The main revenue sources, including rental income from teachers' houses and income from farming activities had no clear basis or policy for the pricing. Further, there was no evidence of Board of Management deliberations or approvals for housing and farm item rates. Further, several potential revenue streams, such as hire of school grounds, school bus and van, interview fees for new students, and sales of biological assets, were either not reported or explored.

In the circumstances, the effectiveness of the internal controls on own-generated revenue could not be confirmed.

## **5. Lack of Approved Information Technology Security Policy**

During the year under review, the school did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets.

In the circumstances, the school's ability to ensure data integrity, business continuity, and effective ICT management could not be confirmed.

## **6. Lack of a Proper Inventory Management System**

The School lacked a proper inventory management system and the necessary accountable documents to effectively track inventory in the stores. Key deficiencies included the absence of counter requisition and issue vouchers for recording the movement of goods and services within the store. Further, the stores ledger and stock control register were incomplete and there was a lack of electronic backup of inventory data. In addition, Management did not carry out quarterly and annual stock takes of the School's inventories. As a result, there were no mechanisms put in place to track the inventory items at handover date by various users contrary to Section 162(2) of Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the effectiveness of inventory controls and accountability over school assets could not be confirmed.

## **7. Weaknesses in Cashbook Management**

Note 8 to the financial statements reflects Kshs. 1,426,794 in respect to bank balances as at 30 June, 2022 across ten (10) bank accounts. However, the following weaknesses were observed in cashbook management:

- i. Several entries in the cashbook were written in pencil, raising risk of potential alterations and lack of permanence in financial records.
- ii. Monthly entries were not properly structured, with balances not clearly brought forward or carried down, making it difficult to track financial movements.
- iii. Accounts were not properly closed and certified at the end of the financial year.
- iv. Entries in the cashbook were not consistently dated, affecting the accuracy and reliability of financial records.
- v. Payment voucher numbers and cheque numbers were not recorded, making it difficult to verify transactions.
- vi. Multiple instances of cancellations of accounting entries were noted.

In the circumstances, the effectiveness of internal controls on financial management and record keeping 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 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to as 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 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 overall 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 for 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

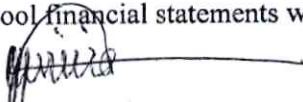
17 October, 2024

**NANYUKI HIGH SCHOOL**  
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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022**


<b>DESCRIPTION OF VOTE HEAD</b>	<b>Note</b>	<b>2021-2022</b>	<b>June 2021</b>
<b>RECEIPTS</b>		<b>KSH</b>	<b>KSH</b>
Capitation grants for Tuition	1	3,313,798	1,123,291
Capitation grants for Operations	2	14,189,578	6,828,394
School fund income-Parents contributions	3	156,698,104	21,427,218
School fund income- Other receipts	4	173,050	462,863
Operation A/C - Refund		1,200,000	-
			-
<b>TOTAL RECEIPTS</b>		<b>175,574,530</b>	<b>29,841,766</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	5,730,860	3,223,924
Payments for Operations	6	15,258,754	8,126,483
Boarding/Lunch and School fund payments	7	112,194,261	34,040,064
			-
<b>TOTAL PAYMENTS</b>		<b>133,183,875</b>	<b>45,390,471</b>
<b>SURPLUS/DEFICIT</b>		<b>42,390,654</b>	<b>(15,548,705)</b>

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

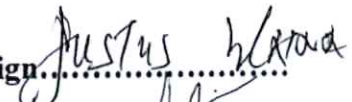
Sign:   
 Name: MOSES IKIARA

Chair BOM

Date: 31/05/2024

Sign:   
 Name: Justus W. A.



Sign:   
 Name: Justus W. A.

Bursar/  
Finance Officer

Date: 31/5/24

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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

<b>FINANCIAL ASSETS</b>	<b>Note</b>	<b>2021-2022</b>	<b>June 2021</b>
<b>Cash and Cash equivalents</b>		<b>KSH</b>	<b>KSH</b>
Bank balances	8	7,051,813	1,426,794
Cash balances	9	3,311,358	838,004
Short term Investments	10		-
			-
<b>Total Cash and cash equivalent</b>		<b>10,363,171</b>	<b>2,264,798</b>
Accounts receivables	11	79,630,155	28,224,050
			-
<b>TOTAL FINANCIAL ASSETS</b>		<b>89,993,326</b>	<b>30,488,847</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	62,612,351	45,498,528
<b>NET FINANCIAL ASSETS</b>		<b>27,380,974</b>	<b>(15,009,680)</b>
<b>REPRESENTED BY</b>			
Accumulated funds b/d	13	(15,009,680)	539,025
<b>Surplus/deficit for the year</b>		<b>42,390,654</b>	<b>(15,548,705)</b>
			-
			-
<b>NET FINANCIAL POSITION</b>		<b>27,380,974</b>	<b>(15,009,680)</b>

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

Name: MOSES IKIARA  
 Chairman, BoM  
 Sign: [Signature]  
 Date: 31/05/2024

Name: [Signature]  
 School Principal/Secretary  
 to BoM  
 Sign: [Signature]  
 Date: 31/5/24



Name: JUSTUS MWARWA  
 Bursar/Finance  
 Sign: [Signature]  
 Date: 31/5/24

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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

	<u>Note</u>	<b>2021-2022</b>	<b>June 2021</b>
<b><u>Receipts for operating income</u></b>		<b>KSH</b>	<b>KSH</b>
Capitation grants for Tuition	<b>1</b>	3,313,798	1,123,291
Capitation grants for Operations	<b>2</b>	14,189,578	6,828,394
School fund income-Parents contributions/fees	<b>3</b>	123,774,149	21,427,218
School fund income- Other receipts	<b>4</b>	173,050	462,863
Operation account-other funds		1,200,000	-
<b>Total receipts</b>		<b>142,650,575</b>	<b>27,727,510</b>
<b><u>Payments</u></b>			
Payments for Tuition		3,339,547	3,003,764
Payments for Operations		11,180,163	7,626,483
Boarding/Lunch and School fund payments		109,032,404	30,510,794
increase in Payables			(16,648,486)
<b>Total payments</b>		<b>123,552,114</b>	<b>24,492,555</b>
<b>Net cash flow from operating activities</b>		<b>19,098,461</b>	<b>3,234,955</b>
<b><u>CASHFLOW FROM INVESTING ACTIVITIES</u></b>			
Proceeds from sale of Assets			-
Acquisition of Assets		(12,271,800)	4,249,430
Proceeds from investments		984,088	-
Purchase of investments			-
<b>Net cash flows from investing activities</b>		<b>984,088</b>	<b>(4,249,430)</b>
<b><u>CASHFLOW FROM BORROWING ACTIVITIES</u></b>			
Proceeds from borrowing/loans			-
Repayments of principal borrowing/loans			-
<b>Net cash flows from financing activities</b>			<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>7,810,749</b>	<b>(1,014,475)</b>
<b>Cash and cash equivalent b/d</b>		<b>2,264,798</b>	<b>3,279,273</b>
<b>Cash and cash equivalent c/d</b>		<b>10,075,547</b>	<b>2,264,798</b>

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

	Receipt/expenses item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilization Difference	% of Utilization
		a	b	c=a+b	d	e=d	f=d/c%
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1	<b>CAPITATION GRANT ON TUITION</b>	-	-	-	-	-	-
	Textbooks and reference materials	-	-	-	-	-	-
	Exercise books			-		-	-
	Laboratory equipments			-		-	-
	Internal Exams			-		-	-
	Teaching/learning materials	3,313,798		3,313,798	3,313,798	0.00	100%
	Chalks			-		-	-
	Exams and assessments			-		-	-
	Teachers guides			-		-	-
2	<b>CAPITATION GRANT ON OPERATIONS</b>			-		-	
	Personal emoluments	00		00	00	00	00
	Repair, maintenance & Improvements	4,682,250.00		4,682,250.00	4,682,250.00	0.00	100.00%
	Local transport and travelling	00		00	00	00	00
	Electricity, water & conservancy	00		00	00	00	00
	Medical and insurance	225,000.00		225,000.00	225,000.00	00	100.00%

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	Other Voteheads	9,282,328.10		9,282,328.10	9,282,328.10	00	100.00%
	Activity			-		-	-
	Administration costs			-		-	-
3	<b>FEES CHARGED ON PARENTS</b>			-		-	
	Personal emoluments						
	Repair, maintenance & Improvements	2,828,000.00		2,828,000.00	3,347,378.00	(519,378.00)	118.36%
	Local transport and travelling						
	Electricity, water & conservancy						
	Medical and insurance			-	40,000.00	-	-
	Administration costs						
	Activity	1,128,372.00		1,128,372.00	1,468,326.00	(339,954.00)	130.12%
	Other Voteheads	24,415,538.00		24,415,538.00	28,122,444.00	(3,706,906.00)	115.18%
	B.E.S.	35,300,510.00		35,300,510	50,619,251.78	(15,318,741.78)	143.39%
	<b>OTHER INCOME</b>			-		-	
	Rent income	00		00	173,050		-
	Income from farming activities	00		00	00	00	-
	Insurance compensation			-		-	
	Income from Hostel			-	7,297,160.00	-	-
	Income from Special program			-	1,454,532.00	-	-
	University application			-	171,272.00	-	-

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	Interest income			-		-	
	Income from other investments			-		-	
	<b>TOTAL INCOME</b>	<b>81,175,796.10</b>	<b>-</b>	<b>81,175,796.10</b>	<b>110,196,789.88</b>	<b>(19,884,979.78)</b>	<b>135.75%</b>
	<b>EXPENDITURE</b>					-	
1	<b>EXPENDITURE FOR TUITION</b>					-	
	Textbooks and reference materials					-	-
	Exercise books					-	-
	Laboratory equipments					-	-
	Internal Exams					-	
	Teaching/learning materials	3,313,798		3,313,798	2,162,607.00	1,151,191	65.26
	Chalks			-		-	-
	Exams and assessments			-		-	-
	Teachers guides			-		-	
	Bank charges			-		-	
2	<b>EXPENDITURE FOR OPERATIONS</b>						
	Personal emoluments	00		00	00	00	00
	Repair, maintenance & Improvements	4,682,250.00		4,682,250.00	5,008,718.05	(326,468.05)	106.97%
	Local transport and travelling	620,000		00	00	00	00

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	Electricity, water & conservancy	00		00	00	00	00
	Medical and insurance	00		00		00	-
	Administration costs	250,000		00	00	00	00
	Activity	00		00	10,000.00	00	-
	Other Voteheads	9,282,328.10		9,282,328.10	8,382,818.00	899,510.10	90.30%
3	<b>EXPENDITURE FOR SCHOOL FUND</b>			-		-	
	Personal emoluments	-		-	4,853,450.00	-	-
	Repairs, maintenance & Improvements	-		-	11,247,230.00	-	-
	Local transport and travelling	-		-	4,693,476.00	-	-
	Electricity, water & conservancy	-		-	4,336,098.00	-	-
	Medical and insurance	-		-	171,273.00	-	-
	Other Voteheads	24,415,538.00		-	-	-	-
	Activity	1,128,372.00		1,128,372.00	2,143,835.00	(1,285,463.00)	
	Gratuity	-		-	834,400.00	-	-
	BES/SES	35,300,510.00		35,300,510.00	53,207,548.00	(17,907,038.00)	150.72%
	<b>EXPENDITURE FOR OTHER INCOME GENERATING ACTIVITY</b>			-		-	
	Interest on incomes	-		-	-	-	-
	Other Expenses on Investments			-			

**NANYUKI HIGH SCHOOL**  
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					-	-
Rent Expenses	-		-		-	-
Bank charges	-		-		-	-
Loan interest repayment	-		-		-	-
Loan principal repayment	-		-		-	-
Acquisition of Assets	6,601,000.00		6,601,000.00	8,325,000.00	(1,724,000.00)	
<b>TOTALS</b>	<b>81,175,796.10</b>	<b>-</b>	<b>81,175,796.10</b>	<b>105,376,453.05</b>	<b>(19,192,267.95)</b>	<b>129.81%</b>

## IX. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

### 2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- 5. Accounts Receivable**  
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**  
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 7. Non-current assets**  
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
- 8. Budget**  
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.
- 9. Comparative figures**  
Comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.
- 10. Subsequent events**  
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**NANYUKI HIGH SCHOOL**  
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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

		<b>2021-2022</b>	<b>June 2021</b>
		<u>KSH</u>	<u>KSH</u>
Textbooks and Reference materials		-	-
Exercise books		-	-
Laboratory Equipment		-	-
Internal Exams/Exams and assessment		-	-
Teaching and learning materials		3,313,798	1,123,291
<b>TOTAL</b>		<b>3,313,798</b>	<b>1,123,291</b>

**2 CAPITATION GRANT FOR OPERATIONS**

		<b>2021-2022</b>	<b>June 2021</b>
		<u>KSH</u>	<u>KSH</u>
Personnel Emoluments			3,174,144
Repairs and maintenance		4,907,250	3,014,250
Local transport and travelling			70,000
Electricity and water			270,000
Medical and insurance			-
Administration costs			300,000
Activity			-
Other voteheads		9,282,328	-
Bom teacher			-
Refund		1,200,000	
<b>TOTAL</b>		<b>15,389,578</b>	<b>6,828,394</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

		<b>2021-2022</b>	<b>June 2021</b>
		<u>KSH</u>	<u>KSH</u>
Personnel Emoluments			2,235,530
Repairs and maintenance			

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			3,046,036
Local transport and travelling			602,607
Electricity and water			2,447,350
Medical and insurance			-
Administration costs			1,312,210
Activity			284,613
Uniforms			784,074
Fee on Boarding Equipments and stores		156,698,104	10,714,798
<b>TOTAL</b>		<b>156,698,104</b>	<b>21,427,218</b>

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

		<b>2021-2022</b>	<b>June 2021</b>
		<b>KSH</b>	<b>KSH</b>
University application			14,394
Rent income		173,050	95,000
Income from farming activities			350,095
Exams			2,970
Insurance compensation			-
Income from Posho mill			-
Income from Bus Hire			-
Fee for hire of ground and equipment			-
Income from grants and donations			-
Interest income from Bank/savings			404
Dividends income			-
<b>TOTAL</b>		<b>173,050</b>	<b>462,863</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5 PAYMENTS FOR TUITION**

		<b>2021-2022</b>	<b>June 2021</b>
		<b>KSH</b>	<b>KSH</b>
Textbooks and Reference materials			-
Exercise books			-
Laboratory Equipment			122,064
Internal Exams/Exams and assessment			-
Teaching and learning materials		5,730,860	1,713,263
Chalks			12,000
S.E.S.			1,155,705
Bank charges			732
Computer lab			220,160
<b>TOTAL</b>		<b>5,730,860</b>	<b>3,223,924</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

		<b>2021-2022</b>	<b>June 2021</b>
		<b>KSH</b>	<b>KSH</b>
Personnel Emoluments			1,681,188
Repairs, maintenance & Improvements		1,991,070	1,052,760
Local transport and travelling			61,306
Electricity and water			270,000
Medical and insurance		1,067,825	-
Administration costs			242,644
Activity Expenses		10,000	-
Other voteheads		8,863,359	-
Service Gratuity			-
Bank charges			2,010
Library Phase 2 (TIG,PA,M&I,CDF)			322,470
Infrastructure - M&I		3,326,500	765,205
Infrastructure - School Van			3,206,800
Bom Teachers			522,100
<b>TOTAL</b>		<b>15,258,754</b>	<b>8,126,483</b>

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**7 BOARDING AND SCHOOL FUND PAYMENTS**

		<b>2021-2022</b>	<b>June 2021</b>
		<b>KSH</b>	<b>KSH</b>
Personnel Emoluments		4,853,450	6,355,462
Repairs, maintenance & Improvements		11,247,230	3,095,261
Local transport and travelling		4,693,476	1,451,626
Electricity and water		4,336,098	2,105,479
Medical Expenses		171,273	221,808
Administration costs		4,835,148	1,801,703
Activity Expenses		2,143,835	69,300
Boarding Equipments and stores		60,981,191	17,207,345
Uniforms			647,730
University application		110,390	102,300
Insurance cost (Life Property)			-
Bank charges			-
Service Gratuity		834,400	-
Expenses in income generating activities			982,050
Rent expenses			-
Hostel		9,571,885	
Misc. Expenses		7,598	
SES		4,681,997	
Farm		712,320	
Infrastructure		8,325,000	
<b>TOTAL</b>		<b>117,505,291</b>	<b>34,040,064</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

	NAME OF BANK	BANK ACCOUNT NUMBER	2021-2022	June 2021
			<u>KSH</u>	<u>KSH</u>
1	Tuition Account -KCB BANK	1103142992	229,541	255,290
2	Operations Account-KCB BANK	1103130668	259,571	1,060,697
3	School Fund/Boarding A/C- KCB	1103131370	6,253,848	(283,569)
4	Savings a/c Gratuity - Equity Bank	0270191514689	715,498	15,499
5	Farm account - KCB Bank	1269192469	70,657	23,977
6	Savings a/c - KCB Bank	1102448419	2,333,106	56,082
7	Parent Association Devt A/c - Faulu Bank	1007392865	92,558	69,049
8	NG-CDF A/c -Equity Bank	0270279550988	95,602	96,682
9	Income generating activities Account	1269192345	3,935	3,935
10	Infrastructure Account -COOP BANK	01139369952000	308,851	129,152
<b>TOTAL</b>			<b>10,363,171</b>	<b>1,426,794</b>

**9 CASH IN HAND**

Description	2021-2022	June 2021
	<u>KSH</u>	<u>KSH</u>
Tuition Account		-
Operations Account		173,955
School Fund Account/Boarding		659,049
School Farm Account		5,000
Infrastructure Account		-
<b>TOTAL</b>		<b>838,004</b>

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**10 SHORT TERM INVESTMENTS**

Description		2021-2022	June 2021
		KSH	KSH
Cooperative shares		-	-
Treasury Bills		-	-
Fixed Deposit		-	-
Equity stock		-	-
Other investments		-	-
<b>TOTAL</b>			

**11 ACCOUNTS RECEIVABLE**

Description		2021-2022	June 2021
		KSH	KSH
Fees arrears(see ageing below)		79,538,655	28,132,550
Salary Advances		1,500	1,500
Other non-fees receivables			-
Imprest		90,000	90,000
<b>TOTAL</b>		<b>79,630,155</b>	<b>28,224,050</b>

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

Description		2021-2022	June 2021
		KSH	KSH
Fees arrears for current year		58,205,689	2,169,533
Fees arrears for previous year		-	3,890,422
Fees arrears for prior periods(over two years)		21,332,966	22,072,595
			-
<b>TOTAL</b>		<b>79,538,655</b>	<b>28,132,550</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**12 ACCOUNTS PAYABLE**

<u>Description</u>		<b>2021-2022</b>	<b>June 2021</b>
		<u>KSH</u>	<u>KSH</u>
Trade creditors(see ageing below & annex 1)		50,392,797	39,343,900
Prepaid fees		4,890,271	5,979,677
Caution money		127,171	129,671
Pocket money		132,259	45,280
Overdrawn Cash.		287,623	-
Uniforms		6,782,230	
<b>TOTAL</b>		<b>62,612,351</b>	<b>45,498,528</b>

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

<u>Description</u>		<b>2021-2022</b>	<b>June 2021</b>
		<u>KSH</u>	<u>KSH</u>
Trade creditors for current year		11,335,337	14,598,824
Trade creditors for previous year		14,312,384	8,312,650
Trade creditors for prior periods (over 2years)		24,745,076	16,432,426
<b>TOTAL</b>		<b>50,392,797</b>	<b>39,343,900</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>		<b>2021-2022</b>	<b>June 2021</b>
		<b>KSH</b>	<b>KSH</b>
Bank balances		1,426,794	2,834,208
Cash balances		838,004	445,065
Receivables		28,224,050	26,109,794
Payables		(45,498,528)	(28,850,042)
<b>TOTAL</b>		<b>(15,009,680)</b>	<b>539,025</b>

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**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

Description		2021-2022	June 2021
		KSH	KSH
Bank loan(s)		-	-
Outstanding leases		-	-
Hire purchase		-	-
Gratuity and leave provision		3,332,713.00	-
		-	-
<b>TOTAL</b>		<b>3,332,713.00</b>	<b>-</b>

**15 Biological assets**

Description		2021-2022	June 2021
		KSH	KSH
19 Cattle		1,145,000	1,145,000
Trees	4acres	2,400,000	2,400,000
Coffee or Tea plantation		-	-
Poultry		-	-
<b>TOTAL</b>		<b>3,545,000</b>	<b>3,545,000</b>

**16 Borrowings**

Description		2021-2022	June 2021
a) Borrowings		KSH	KSH
Borrowing at the beginning of the year		-	-
Borrowing during the year		-	-
Repayments of during the year		-	-
<b>Balance at end of the year</b>		<b>-</b>	<b>-</b>

**Other important disclosure notes**

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**17 Stock/ Inventory**

<u>Description</u>		<b>2021-2022</b>	<b>June 2021</b>
<b>b) Borrowings</b>		<u>KSH</u>	<u>KSH</u>
Stock/inventory at beginning of the year		-	-
Stock/inventory purchased during the year		66,712,051	45,390,471
Stock/inventory issued during the year		(66,712,051)	(45,390,471)
		-	-
<b>Balance at end of the year</b>		-	-

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**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.

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

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**NANYUKI HIGH SCHOOL**

**TRIAL BALANCE AS AT 30TH JUNE 2022**

		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	7,051,813.26	
	Cash Balances		287,623.88
	Short term investments	2,057,047.00	
	Receivables	58,205,689.50	
<b>Payments</b>			
	Payments for Tuition	5,730,860.00	
	Payments for operations	15,258,754.10	
	Boarding and school fund paym.	126,169,637.54	
<b>Receipts</b>			
	Capitation grants for tuition		3,313,798.00
	Capitation grants for operations		14,189,578.10
	Operation account-other funds		1,200,000.00
	School Fund Income- Parents' Contrib.		187,959,516.28
	School Fund Income- Other receipts		173,050.00
	Proceeds from borrowings		
<b>Prior Year Adjustment</b>			
	Prepaid fees	5,979,677.00	
	Fund Balance b/f		1,994,575.14
	Payables		11,335,337.00
<b>TOTAL</b>		<b>220,453,478.40</b>	<b>220,453,478.40</b>