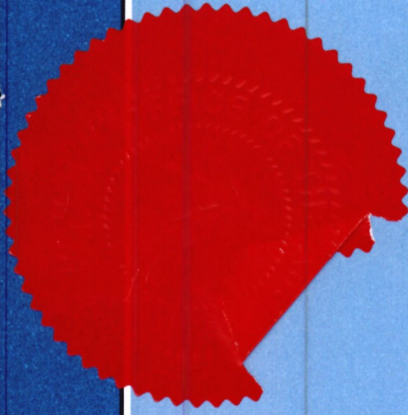


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**REPORT**

DATE: 29 NOV 2023 DAY: WED

TABLED BY: Hon Owen Bayo, CS, MP  
CLERK OF THE TABLE: Deputy majority leader  
Esther Ngunya

**THE AUDITOR-GENERAL**

**ON**

**FRIENDS BOYS HIGH SCHOOL - MISIKHU**

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

**BUNGOMA COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100 NAIROBI  
KENYA  
28 AUG 2023  
**RECEIVED**



THE NATIONAL ASSEMBLY  
PAPERS TAID  
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**FRIENDS BOYS HIGH SCHOOL-MISIKHU**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS' PERIOD ENDED  
30<sup>TH</sup> JUNE 2021**

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

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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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 Bungoma County, Webuye West Sub-County

The school was registered in 16/09/2019 under registration number 39S30000207 and is currently categorized as a County public school established, owned or operated by the Government. The initial name of the school was Misikhu Friends Secondary School.

The school is a boarding school and had 326 number of students as at 30<sup>th</sup> June 2021. It has 02 streams and 22 teachers of which 02 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Jimmy Nduruchi	Chairman	14/06/2019
2	Maurice Oyake	Secretary - Principal	14/06/2019
3	Mike Wanyonyi	Member	14/06/2019
4	Morrison Misiko	Member	14/06/2019
5	Chrispinus Barasa	Member	14/06/2019
6	Esther Awiso	Member	14/06/2019
7	Nancy Kivairo	Member	14/06/2019
8	Vivian Ininda	Member Rep Teachers	14/06/2019
9	Janet Wekesa	Sponsor	14/06/2019
10	Benaiah Sisungu	Sponsor	14/06/2019
11	Eunice Wandili	Sponsor	14/06/2019
12	Isaac Kasembeli	Member - Community	14/06/2019
13	Simiyu Wasanja	Member Special Needs	14/06/2019
14	Kennedy Malumasi	Rep Students	14/06/2019

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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**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	JIM NDURUCHI Maurice Oyake Benaiah Sisungo Morrison Misiko Eunice Mamai	Chairman Secretary Member Member Member	1 1 1 1 1
2	Audit Committee	David Wanjala Jim Nduruchi Muarice Oyake Mike Wanyonyi Beanaiah Sisungo	Chairman Member Member Member Member	
3	Finance, procurement and general purposes Committee	Maurice Misiko Jim Nduruchi Eunice Mamai Maurice Oyake Benaiah Sisungo Mike Wanyonyi	Chairman Member Member Member Member Member	1 1 1 1 1 1
4	Academic Committee	Chrispinus Barasa Jim Nduruchi Maurice Oyake Mike Wanyonyi	Chairman Member Member Member	1 1 1 1

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

		Benaiah Sisungo	Member	1
5	Development Committee	Benaiah Sisungo Jim Nduruchi Maurice Oyake Mike Wanyonyi Maurice Misiko Eunice Mamai	Chairman Member Member Member Member Member	1 1 1 1 1 1
6	Discipline and welfare Committee	Isaac Kasembeli Jim Nduruchi Maurice Oyake Benaiah Sisungo Esther Awiso Mike Wanyonyi	Chairman Member Member Member Member Member	1 1 1 1 1 1
7	Adhoc Committee (if any during the year)	Tender adhoc committees		

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	MAURICE OYAKE	357759
2	Deputy Principal	MIKE WANYONYI	349468
3	School Bursar	LUCY KIVAIRO	ICPAK NO. 29009

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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

**(e) Schools contacts**

Post Office Box: 56 - 50225  
Telephone: 0740425125  
E-mail: misikhufriendsboys@gmail.com  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 06 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1107125073
2. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1108074944
3. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1108078737
4. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1106465423
5. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1264853475
6. Name of Bank: COOPERATIVE  
Branch: WEBUYE  
Account Number: 01139610079900
7. MPESA Pay Bill No. 522123 A/C No. 53276K attached to 1107125073 bank account

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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**(g) Independent Auditors**

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

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

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

a) **Financial performance:**

Under this section, the following information should be given:

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

YEAR	SURPLUS/DEFICIT
2021	1,302,745
2020	2,603,796
2019	2,381,925

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

YEAR	TUITION	OPERATION	TOTAL
2021	404,740	2,711,325	3,116,065
2020	484,999	3,190,125	3,675,124
2019	855,178	4,041,739	4,896,917

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

YEAR	NO. OF STUDENTS	DISBURSEMENT	RATIO
2021	326	3,116,065	9,558:1
2020	299	3,675,124	12291:1
2019	262	4,896,918	18690:1

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

YEAR	INCOME	GROWTH
2021	6,436,410	-922,380
2020	7,358,790	-4,326,398
2019	11,685,188	-2,006,876

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

YEAR	EXPENDITURE	GROWTH
2021	8,249,730	-180,393

FRIENDS BOYS HIGH SCHOOL-MISIKHU

**Report and Financial Statements**

**For the six months' period ended 30<sup>th</sup> June 2021**

2020	8,430,123	-5,770,057
2019	14,200,180	

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

YEAR	DEBTORS	MOVEMENT
2021	29,530,425	1,959,823
2020	27,570,602	319,820
2019	27,250,782	3,653,907

YEAR	CREDITORS	MOVEMENT
2021	8,136,724	-169,687
2020	8,306,411	-191,507
2019	8,497,918	-1,944,841

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

YEAR	CASH	BANK	TOTAL
2021	1,753	2,410,423	2,412,176
2020	231	477,609	477,840
2019	105	672,146	672,377

**b) Teacher Student ratio:**

Teacher student ratio 1:15

Teachers recruited 2021 – 0

Teachers transferred in 2021 – 0

Teachers retired in 2021 – 0

Teachers employed by TSC in 2021 – 0

Teachers employed by BOM in 2021 – 0

SUBJECT	NO. OF TEACHERS	SHORTAGE
ENGLISH	4	1
KISWAHILI	4	0
MATHEMATICS	6	0
BIOLOGY	3	0
CHEMISTRY	2	0
PHYSICS	2	0
HISTORY	4	0
CRE	2	0
GEOGRAPHY	4	0
BUSINES STUDIES	3	0
AGRICULTURE	2	0
COMPUTER STUDIES	0	2

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

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

YEAR	NO. OF STUDENTS TRANSITIONED TO INSTITUTION OF HIGHER LEARNING	MEAN SCORE	SCHOOL'S SET SCOR	COMMENT
2020	69	4.89	4.5	AN IMPROVEMENT AS COMPARED TO PREVIOUS YEAR
2019	51	4.45	4.0	AN IMPROVEMENT COMPARED TO PREVIOUS YEAR
2018	75	3.28	4.0	AN IMPROVEMENT COMPARED TO PREVIOUS YEAR

**d) Number of Candidates in the 2020 KCSE:**

YEAR	NO. OF CANDIDATES
2020	98
2019	73
2018	107


**e) Capacity of the school:**

Number of students in school is 326

The school has a shortage in dormitories, toilets and dining hall.

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

PROJECT	SOURCE OF FUNDS
DORMITORY RENOVATION	MOE

*for Sign* 

*School Principal*

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

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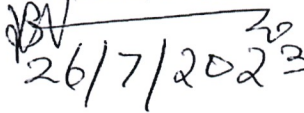
**III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

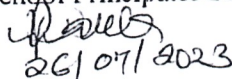
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

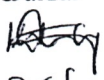
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Friends Boys High School Misikhu 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: JIM NDURUCHI  
Designation: Chairman, School Board of Management  
Sign:   
Date: 26/7/2023

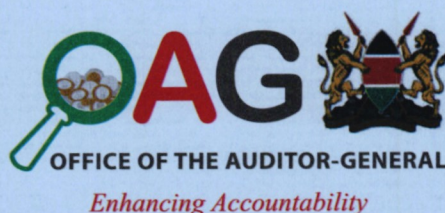
Name: MAURICE OYAKE  
Designation: School Principal & Secretary to Board of Management  
Sign:   
Date: 26/07/2023

Name: LUCY KIVAIRO  
Designation: Bursar  
Sign:   
Date: 26/7/23



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON FRIENDS BOYS HIGH SCHOOL - MISIKHU FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – BUNGOMA COUNTY**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Friends Boys High School Misikhu – Bungoma County set out on pages 11 to 28, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of

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*Report of the Auditor-General on Friends Boys High School-Misikhu for the six (6) months' period ended 30 June, 2021 – Bungoma County*

receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months' period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Friends Boys High School Misikhu – Bungoma County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period 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 Loan Balance**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.8,136,724 as disclosed in Note 12 to the financial statements. The balance includes Kshs.158,400 in respect to a loan whose supporting documents were not provided for audit.

In the circumstances, the existence, accuracy and completeness of accounts payable balance of Kshs.158,400 could not be confirmed.

#### **2. Inaccuracies in Fixed Assets Balance**

The summary of fixed assets register at Annex 2 to the financial statements reflects total assets balance of Kshs.60,515,000. However, there was no valuation report provided for audit to support this balance. Further, the statement of cash flows reflects acquisition of assets amount of Kshs.1,060,500, while Annex 2 on summary of fixed assets register reflects Kshs. Nil additions during the year. Further, the statement of cash flows reflect acquisition of assets amount of Kshs.1,060,500 while Annex 2 on summary of fixed assets register reflects Nil addition during the year.

In addition, the balance omitted the costs of land, office equipment, furniture and fittings, tools and apparatus, and heritage and cultural assets. Also, omitted is Kshs.871,492 for text books analysed from text books schedule.

In the circumstances, the accuracy and completeness of fixed assets balance of Kshs.60,515,000 could not be confirmed.

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

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects a final income budget of Kshs.21,161,235 against actual receipts of Kshs.9,552,475 resulting to a shortfall of Kshs.11,608,760 or 55% of the budget. Similarly, the statement reflects final expenditure budget of Kshs.21,161,235 against actual expenditure of Kshs.9,552,475 resulting to under absorption of Kshs.11,608,760 or 55% of the budget.

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

## **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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering financial year 2020-2021 with comparative balances for financial year 2019-2020. Therefore, the financial statements have not been prepared for eighteen-months (18) as

prescribed the Public Sector Accounting Standards Board (PSASB). Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with guidelines issued by Public Sector Accounting Standards Board (PSASB).

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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. Long Outstanding Fees Arrears

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.29,529,363 as disclosed in Note 11 to the financial statements. The balance includes fees arrears of Kshs.29,388,968 out of which Kshs.26,246,161 had been outstanding for a period of more than two (2) years, some dating back to the year 2009. Further, the supporting schedule indicates that the fees arrears include long outstanding balance of Kshs.13,396,478 whose ageing analysis was not provided for audit.

In the circumstances, the internal controls on management of fees arrears could not be confirmed.

#### 2. Non-Functional Audit Committee

Review of the School's Board of Management Sub-Committee minutes revealed that there were no minutes or invitations for audit committee meetings. Consequently, there was no evidence oversight and direction in matters relating to risk management, control environment and independent review of audit reports.

In the circumstances, the effectiveness of internal controls, risk management and overall governance could not be confirmed.

### **3. Failure Update Asset Register**

The fixed assets register was not updated and was not maintained in the prescribed format. This was contrary to Regulation 143 of the Public Finance Management (National Government) Regulations, 2015, which states that (1) the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws; and (2) The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

In the circumstances, the effectiveness of internal controls on maintenance of the fixed asset register could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective

processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**12 October, 2023**

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
**Report and Financial Statements**  
**For the six months' period ended 30<sup>th</sup> June 2021**

**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS' PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	404,740	484,999
Capitation grants for operations	2	2,711,325	3,190,125
School Fund Income- Parents' Contributions	3	1,786,990	2,661,290
School Fund Income- Other receipts	4	4,649,420	5,804,138
Proceeds from borrowings		0	0
<b>TOTAL RECEIPTS</b>		<b>9,552,475</b>	<b>12,140,552</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	316,011	650,986
Payments for operations	6	1,648,737	2,531,043
Boarding and school fund payments	7	6,286,044	6,290,593
<b>TOTAL PAYMENTS</b>		<b>8,250,792</b>	<b>9,472,622</b>
<b>SURPLUS/DEFICIT</b>		<b>1,301,683</b>	<b>2,667,930</b>


The school financial statements were approved on 26/7/ 2023 and signed by:

Sign: 

Name JIM NDURUCHI

Chair BOM

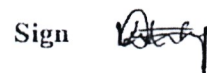
Date 26/7/23

Sign 

Name Maurice Oyoko

School Principal/  
Secretary to BOM

Date 26/7/2023

Sign 

Name LUCY KIVAIRO

Bursar/  
Finance Officer

Date 26/7/23





FRIENDS BOYS HIGH SCHOOL-MISIKHU  
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	2,410,423	477,608
Cash Balances	9	1,753	60
Short term Investment	10	0	0
<b>Total Cash and cash equivalent</b>		<b>2,412,176</b>	<b>477,668</b>
Accounts receivable	11	29,529,363	30,331,874
<b>TOTAL FINANCIAL ASSETS</b>		<b>31,941,539</b>	<b>30,809,542</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	(8,136,724)	8,306,410
<b>NET FINANCIAL ASSETS</b>		<b>23,804,815</b>	<b>22,503,132</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	22,503,132	19,805,979
Surplus/Deficit for the year		1,301,683	2,673,930
<b>NET FINANCIAL POSITION</b>		<b>23,805,877</b>	<b>22,503,132</b>

The School's financial statements were approved on 26/7/ 2023 and signed by:

Sign:   
 Name JIM NDURUCH  
 Chair BOM

for Sign   
 Name Monica Oyare  
 School Principal/  
 Secretary to BOM

Sign   
 Name LUCY KIVAIRO  
 Bursar/  
 Finance Officer

Date 26/7/23

Date 26/7/2023

Date 26/7/23



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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	404,740	484,999
Capitation grants for operations	2	2,711,325	3,190,125
School fund income- Parents contributions/ fees	3	1,786,990	2,661,290
School fund income- other receipts	4	4,649,420	5,819,138
<b>Total receipts</b>		<b>9,552,475</b>	<b>12,155,552</b>
<b>Payments</b>			
Payments for Tuition		316,011	650,986
Payments for operations		1,648,737	2,531,043
Boarding and school fund payments		5,225,544	6,299,593
<b>Total payments</b>		<b>7,190,292</b>	<b>9,481,622</b>
<b>Net cash flow from operating activities</b>		<b>2,362,183</b>	<b>2,673,930</b>
Adjusted for:			
Decrease/(Increase in accounts receivables		802,511	
Increase/ (Decrease) in accounts payables		(169,687)	
		<b>2,995,007</b>	
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		(1,060,500)	0
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash flows from Investing Activities</b>			<b>0</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash flow from financing activities</b>		<b>(1,060,500)</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,934,507</b>	<b>(673,348)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>477,669</b>	<b>1,098,058</b>
<b>Cash and cash equivalent at END of the year</b>		<b>2,412,176</b>	<b>477,669</b>

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

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS' PERIOD ENDED 30<sup>TH</sup> 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
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT</b>						
<b>ON TUITION</b>						
Tuition	1,060,500	0	1,060,500	404,740	655,760	38%
Exercise books	0	0	0	0	0	0
Laboratory equipment	0	0	0	0	0	0
Internal exams	0	0	0	0	0	0
Teaching / learning materials	0	0	0	0	0	0
Chalks	0	0	0	0	0	0
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
<b>Total</b>	<b>1,060,500</b>	<b>0</b>	<b>1,060,500</b>	<b>404,740</b>	<b>655,760</b>	<b>38%</b>
<b>(2) CAPITATION GRANT</b>						
<b>ON OPERATIONS</b>						
Personnel emoluments	1,212,000	0	1,212,000	828,589	383,411	68%
Repairs and maintenance	1,515,000	0	1,515,000	1,065,000	450,000	70%
Local transport / travelling	454,500	0	454,500	225,600	228,900	50%
Electricity and water	515,100	0	515,100	186,370	328,730	36%
Medical	606,000	0	606,000	0	606,000	0%
Administration costs	575,700	0	575,700	225,766	349,933	39%
Activity	454,500	0	454,500	0	454,500	0%
Gratuity	0	0	0	0	0	0
BOM Teachers	180,000	0	180,000	180,000	0	0

FRIENDS BOYS HIGH SCHOOL-MISIKHU

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For the six months' period ended 30<sup>th</sup> 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
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	1,392,500	0	1,392,500	482,200	910,300	35%
Repairs and maintenance	628,500	0	628,500	250,500	377,900	39%
Local transport / travelling	628,500	0	628,500	244,000	384,500	39%
Electricity and water	1,299,100	0	1,299,100	557,935	741,365	43%
Medical	0	0	0	0	0	0%
Administration costs	764,000	0	764,000	251,640	512,360	33%
Activity	67,750	0	67,750	715	67,035	1%
SMASSE	0	0	0	0	0	0%
Fee on Boarding Equipment and Stores	8,306,585	0	8,306,585	3,186,161	5,126,254	38%
<b>OTHER INCOME</b>						
Infrastructure	1,065,000	0	1,065,000	1,060,500	4,500	99%
Income from farming activities	0	0	0	0	0	0
Insurance compensation	0	0	0	0	0	0
Income from Posho mill	0	0	0	0	0	0
Income from Bus Hire	36,000	0	36,000	36,000	0	100%
Fee for hire of ground and equipment	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
CDF	400,000	0	400,000	366,759	33,241	92%
<b>TOTAL INCOME</b>	<b>21,161,235</b>	<b>0</b>	<b>21,161,235</b>	<b>9,552,475</b>	<b>11,614,689</b>	<b>45%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials						

FRIENDS BOYS HIGH SCHOOL-MISIKHU

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For the six months' period ended 30<sup>th</sup> 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
Exercise books	293,760	0	293,760	0	293,760	0
Laboratory equipment	300,000	0	350,000	245,465	104,535	70%
Internal exams	0	0	0	0	0	0
Teaching / learning materials	51,000	0	51,000	34,345	16,655	67%
Chalks	51,000	0	51,000	3,720	47,280	7%
Exams and assessment	314,740	0	314,740	8,275	306,465	3%
Ref/Library Material	50,000	0	50,000	23,600	26,400	0
Administration costs	0	0	0	0	0	0
Bank Charges	0	2,000	2,000	606	1,394	3%
	1,060,500	2,000	1,062,500	316,011	796,489	28%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	2,093,716	0	2,093,716	896,573	1,197,143	43%
Repairs, maintenance & improvements	1,515,000	0	1,515,000	165,510	1,349,490	10%
Local transport / travelling	422,800	0	422,800	115,400	307,400	27%
Electricity, water and conservancy	510,000	0	510,000	12,300	497,700	24%
Medical	484,500	0	484,500	97,958	386,542	20%
Administration costs	794,150	0	794,150	288,996	505,154	36%
Activity Expenses	504,510	0	504,510	0	504,510	0%
Gratuity	171,893	0	171,893	0	0	0%
BOM Teachers	72,000	0	72,000	72,000	0	100%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	369,135	0	369,135	316,343	52,792	86%

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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
Repairs, maintenance and improvements	626,000	0	626,000	501,215	124,785	80%
Local transport / travelling	648,200	0	648,200	423,650	224,550	65%
Electricity, water and conservancy	1,345,000	0	1,345,000	413,965	931,035	31%
Medical Expenses	0	0	0	0	0	0%
Administration costs	427,500	0	427,500	365,871	61,629	85%
Activity	79,000	0	79,000	3,800	75,200	5%
Gratuity	0	0	0	0	0	0
Lunch programme	0	0	0	0	0	0
Boarding Equipment and Stores	8,812,331	0	8,812,331	3,163,638	5,625,592	36%
Expenditure for Income Generating Activity	0	0	0	0	0	0
Bus expenses	160,000	0	160,000	36,000	124,000	23%
Other expenses on investments	0	0	0	0	0	0
Rent Expenses	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
Loan Interest Repayment	0	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0	0
Acquisition of Assets	1,065,000	0	1,065,000	1,060,500	4,500	99%
<b>TOTALS</b>	<b>21,161,235</b>	<b>0</b>	<b>21,161,235</b>	<b>8,565,921</b>		<b>40%</b>

i. The above budget was meant for 12 months up to 31/12/2021. The above statement covers six months which explains the underutilisation in most voteheads

## **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.

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the six month period ended 30<sup>th</sup> June 2021

FRIENDS BOYS HIGH SCHOOL-MISIKHU  
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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 Capitation Grant For Tuition**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition	404,740	484,999
Exercise books	0	0
Laboratory equipment	0	0
Internal exams	0	0
Teaching / learning materials	0	0
Chalks	0	0
Exams and assessment	0	0
Teachers guides	0	0
<b>Total</b>	<b>404,740</b>	<b>484,999</b>

**2 Capitation Grant For Operations**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	828,589	1,100,850
Repairs and maintenance	1,065,000	1,048,000
Local transport / travelling	225,600	130,745
Electricity and water	186,370	280,100
Medical	0	52,400
Administration costs	225,766	323,730
Activity	0	104,800
BOM Teachers	180,000	0
Covid 19	0	149,500
<b>Total</b>	<b>2,711,325</b>	<b>3,190,125</b>

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

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

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	482,200	823,085
Repairs and maintenance	250,500	336,985
Local transport / travelling	244,000	353,600
Electricity and water	557,935	583,735
Medical	0	0
Administration costs	251,640	491,635
Activity	715	72,250
<b>Total</b>	<b>1,786,990</b>	<b>2,661,290</b>

**4 Other Receipts – School Fund Account**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	3,186,161	4,697,500
Infrastructure	1,060,500	1,106,635
Income from farming activities	0	0
CDF	366,759	0
Income from Posho mill	0	0
Income from Bus Hire	36,000	15,000
Fee for hire of ground and equipment	0	
Income from grants and donations*	0	
Interest income	0	
Dividends income	0	
<b>Total</b>	<b>4,649,420</b>	<b>5,819,138</b>

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

**5 Payments For Tuition**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	0	0
Exercise books	0	210,600
Laboratory equipment	245,465	16,845
Internal exams	0	0
Teaching / learning materials	34,345	82,815
Chalks	3,720	17,470
Exams and assessment	8,275	298,160
Teachers guides	23,600	24,100
Administration Costs	0	0
Bank Charges	606	996
<b>Total</b>	<b>316,011</b>	<b>650,986</b>

**6 Payments For Operations**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	896,573	1,486,246
Service Gratuity	0	0
Administration Cost	288,996	271,148
Repairs and maintenance & improvements	11,190	441,750
Local transport / travelling	115,400	35,200
Electricity and water	12,300	90,184
Medical	97,958	112,680
Activity Expenses	0	75,230
SMASSE	0	0
BOM Teachers	72,000	0
Infrastructure	154,320	0
Acquisition of Assets	0	0
<b>TOTAL</b>	<b>1,648,737</b>	<b>2,531,443</b>

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

**7 Boarding and School Fund Payments**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	316,343	1,217,346
Service Gratuity	0	0
Repairs and maintenance & Improvements	501,215	176,200
Local transport / travelling	423,650	391,740
Electricity and water	413,965	191,737
Bus Expenses	36,000	0
Administration costs	366,933	528,061
Lunch Programme	0	0
Bank Charges	0	0
Expenses on Income Generating Activities	0	0
Fee on Boarding Equipment and Stores	3,163,638	2,451,930
Activity	3,800	90,480
Insurance Cost (Life Property)	0	0
Loan Principal repayment	0	0
Loan Interest repayment	0	0
Acquisition of Assets	1,060,500	1,052,024
<b>TOTAL</b>	<b>6,286,044</b>	<b>6,299,518</b>

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

**8 Bank Accounts**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Bank Account Number</b>	<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Tuition Account	1108074944	101,965	2,454
Operations Account	1108078737	411,761	101,906
School Fund Account/Boarding	1107125073	152,710	85,174
Savings Account	1106465423	354,155	171,182
CDF Account		419,518	52,759
Income generating activities Account		0	0
Infrastructural Account	1264853475	970,314	64,134
<b>Total</b>		<b>2,410,423</b>	<b>477,609</b>

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

**9 Cash In Hand**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition Account	0	0
Operation Account	0	0
School Fund account	1753	60
<b>Total</b>	<b>1,753</b>	<b>60</b>

**10 Short Term Investments**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**11 Accounts Receivable**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears	29,338,968	30,219,365
NHIF	11,100	0
R/D Cheque	5,000	21,000
Salary advances	87,368	59,800
NSSF	86,927	31,709
<b>Total</b>	<b>29,529,363</b>	<b>30,331,874</b>

See ageing of the fees / non fees arrears below

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears for current year	1,807,425	3,128,514
Fees arrears for the previous year	1,285,382	2,076,311
Fees arrears for prior periods (over two years)	26,246,161	25,014,540
<b>Total</b>	<b>29,338,968</b>	<b>30,219,365</b>

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

**12 Accounts Payable**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors (See ageing below and appendix 1)	7,328,472	6,375,538
Prepaid fees	39,567	364,377
Excess fees	3,945	0
Loan	158,400	158,400
Staff welfare	60,600	60,600
Staff sacco	545,740	545,740
<b>Total</b>	<b>8,136,724</b>	<b>8,306,410</b>

See ageing of the creditor's arrears below

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors for current year	1,429,572	308,485
Trade creditors for the previous year	117,145	87,938
Trade creditors for prior periods (over two years)	5,781,755	5,979,115
<b>Total</b>	<b>7,328,472</b>	<b>6,375,535</b>

**13 Fund Balance Brought Forward**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	477,609	1,098,021
Cash balances	60	230
Short Term Investments	0	0
Receivables	30,331,873	27,014,131
Payables	(8,306,410)	(8,282,950)
<b>Total</b>	<b>22,503,132</b>	<b>19,829,202</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**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**15 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2020-2021</b>	<b>2019-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle		0	0
Goats		0	0
Trees		87	
Coffee or tea plantation		0	0
Poultry		0	0
<b>Total</b>			

**16 Borrowings**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>a) Borrowings</b>		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
<b>Balance at end of the year</b>	<b>0</b>	<b>0</b>

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**17 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	262,820	
Stock/ inventory purchased during the year	1,555,353	
Stock/ inventory issued during the year	1,516,343	
<b>Balance at end of the year</b>	<b>301,694</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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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1. John Ngoya – Classroom Renovation	264,817	2,013	-	264,817		
2. John Ngoya – Classroom Construction	197,820	2,015	-	197,820		
3. John Ngoya - Toilets Construction	71,500	2,014	60,000	11,500		
<b>Sub-Total</b>	<b>534,137</b>		<b>60,000</b>	<b>474,137</b>		
<b>Supply Of Goods</b>						
4. Vaghela School Centre	332,328	2,017	73,000	259,328		
5. John Ngoya - Firewood	30,000	2,014		30,000		
6. Kipkeino Sports House – Games Equip	22,850	2,014		22,850		
7. Stewan Hardware – Building Materials	110,490	2,015		110,490		
8. Isavo Blessed General Supplies	26,880	2,015		26,880		
9. Summit Computer Tech	23,000	2,015		23,000		
10. Douglas Wanyonyi	26,620	2,015		26,620		
11. John Ngoya – Window And Door Frames	237,000	2,015		237,000		
12. Judith Wepukhulu – Maize	350,000	2,016	150,000	200,000		
13. Joseph Misiko – Meat	444,850	2,017		444,850		
14. Eldoline Enterprises	179,800	2,017		179,800		
15. Komavi Enterprises	4,800	2,017		4,800		
16. Subira H/W	203,160	2,017		203,160		
17. Stephen Wepukhulu	102,872	2,017		102,872		
18. Lucy Kilwake	15,280	2,018		15,280		
19. Emp – Disinfectant	23,200	2,018		23,200		
20. Seropa Enterprises	76,800	2,018	30,000	46,800		
21. Jaribu General Stores	6,300	2,018		6,300		
22. Remo	112,800	2,018		112,800		

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<b>Supplier Of Goods Or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2021</b>	<b>Outstanding Balance 20XX-1</b>	<b>Comments</b>
23. Antony Wafula	22,660	2,021		22,660		
24. Mwenya Karani	10,990	2,021		10,990		
25. Elizabeth Kakai	8,575	2,021		8,575		
26. Stephen Simiyu	12,040	2,021		12,040		
27. Janerose Satia	7,200	2,021		7,200		
28. Kiscen Enterprises	11,550	2,021		11,550		
29. Bramwel Wanyama	900	2,021		900		
30. Twin Sisters Centre	26,600	2,021		26,600		
31. Mabby Con – Envelopes	12,200	2,021		12,200		
32. Antony Wafula – Beans	64,000	2,021		64,000		
33. Sainath Books And General Stores	6,535	2,021		6,535		
34. Copy Bird Services	64,000	2,021		64,000		
35. Home Health Education Service	14,400	2,021		14,400		
36. Computer For Schools Kenya	240,000	2,021	120,000	120,000		
37. Nzoia Water Services	59,776	2,012		59,776		
38. Mta Enterprises – Meat	168,265	2,014		168,265		
39. Rosemary Walela – Maize	225,300	2,016	50,000	175,300		
40. Gravida Logistics – Staff Uniform	58,425	2,017		58,425		
41. Peter Muchuma – Beans	80,000	2,021		80,000		
42. Mabby Con – Fire Extinguishers	52,565	2,021		52,565		
43. Shavic Enterprises – Accounting Software	160,000	2,021	10,000	150,000		
44. Judith Wasike Maize	156,000	2,021		156,000		
45. John Ngoya - Timber	284,497	2,015		284,497		
46. Western Glass Hardware - Paint	70,490	2,017		30,490		
<b>Sub-Total</b>	<b>3,796,078</b>		<b>433,000</b>	<b>3,363,078</b>		
<b>Supply Of Services</b>						
47. Shadrack Wanyonyi - Grinding	7,012	2,021		7,012		
48. Henry Mukhwana - Grinding	107,214	2,018		107,214		
49. Nilam Enterprises Bus Repair	1,696,500	2,018	50,000	1,646,500		
50. Silvage Ltd – Bus Repair	382,982	2,021		382,982		

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
51. Mabby Con – Lab Repairs	40,365	2,021		40,365		
52. Osborne Kijuba – Electrical Repairs	7,000	2,021		7,000		
53. Kplc	78,128	2,021		78,128		
54. Lugulu Mission Hospital	61,993	2,006		61,993		
55. Salary March 2018	310,868	2,018		310,868		
56. Ombwede Eng Services – Furniture And Beds Repair	332,900	2,018	100,000	232,900		
57. Evans Wafula – Furniture Repair	36,000	2,013		36,000		
58. Dalu Energy Systems – Jikos Repair	386,500	2,020		386,500		
59. Salary June 2021	193,795	2,021		193,795		
<b>Sub-Total</b>	<b>3,641,257</b>		<b>150,000</b>	<b>3,491,257</b>		
<b>Grand Total</b>	<b>7,971,472</b>		<b>643,000</b>	<b>7,328,472</b>		

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost
						c/f
			Kshs	Kshs	Kshs	Kshs
			1 <sup>st</sup> July 2020			30 <sup>th</sup> June 2021
Land						
Land 1(0.68ha)	18/03/03	Misikhu		-	-	-
Land 2(0.16ha)	1/7/2008	Misikhu		-	-	-
Land 3(6 acres)	27/03/01	Misikhu		-	-	-
Land 4(0.44ha)	10/11/2000	Misikhu		-	-	-
Buildings and structures:						
Office and staffroom block			3,000,000			3,000,000
Form 3&4 block			3,320,000			3,320,000
Library block			3,320,000			3,320,000
Form 2 block			2,490,000			2,490,000
Computer lab			1,100,000			1,100,000
Form 1 block			2,490,000			2,490,000
Science laboratory			6,000,000			6,000,000
Dormitories			19,500,000			19,500,000
Dining hall and kitchen			5,000,000			5,000,000
Staff houses			7,300,000			7,300,000
Motor vehicles	2014	School	6,700,000	-	-	6,700,000

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Asset class	Date purchased	Location	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
			Kshs	Kshs	Kshs	Kshs
			1 <sup>st</sup> July 2020			30 <sup>th</sup> June 2021
Office equipment, furniture and fittings		Administration Office		-	-	-
ICT Equipment, and Other ICT Assets	2021	Computer Lab	240,000	-	-	240,000
Tools and apparatus						-
Textbooks	2019	Library				-
Other Machinery and Equipment	2019	Generator	55,000	-	-	55,000
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>			<b>60,515,000</b>	<b>-</b>	<b>-</b>	<b>60,515,000</b>

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