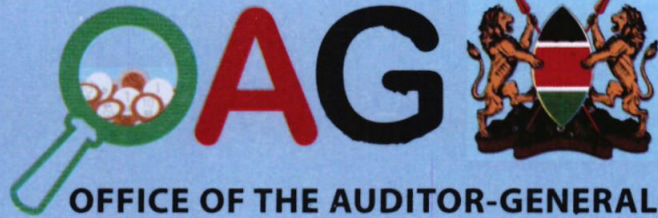



REPUBLIC OF KENYA



*Enhancing Accountability*



 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>REPORT</b>	
DATE:	10 APR 2021 THURSDAY
TABLED BY:	HON. SILVANIUS OSORO, MP MAJORITY PARTY KITHIO
CLERK-AT THE-TABLE:	INZOFU MWALE



**THE AUDITOR-GENERAL**

**ON**

**KABIANGA HIGH SCHOOL**

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

**KERICHO COUNTY**

Revised 30<sup>th</sup> June 2021.



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**KABIANGA HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDING  
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)

*(KABIANGA HIGH SCHOOL*  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months ended 30<sup>th</sup> June 2021**

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

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

**(a) Background information**

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

The school was registered in 30<sup>TH</sup> September /2020 under registration number 035/S/3000/0812/2020 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 2083 number of students as at 30<sup>th</sup> June 2021. It has 39 streams and 68 teachers of which 14 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. Lazarus Koech	Chairman	13TH MAY 2019
2	Dr. Joash Aloo PhD	Secretary - Principal	13TH MAY 2019
3	Dr.Kibet Ngeno	Member –Special Intrest	13TH MAY 2019
4	Dr. Andrew Kipkosgei	Member –PA Rep	13TH MAY 2019
5	Dr. Stephen Oluoch	Member –PA Rep	13TH MAY 2019
6	Prof. Issa Mwamzandi	Member–PA Rep	13TH MAY 2019
7	Dr. Julius Okora	Member	13TH MAY 2019
8	Dr.Kathrn Langat	Member – Community	13TH MAY 2019
9	Ms. Janet Misoi	Member -Rep Teachers	13TH MAY 2019
10	Mr. Felix Barmatey Ms. Valorine Chemutai Dr. Mary Wosyanju	Member – Community Member – Community Member – CEB	13TH MAY 2019
11	Mr. Reuben Koech	Member - Community	13TH MAY 2019
12	Ms. CarolChelangat	MemberSpecial Needs	13TH MAY 2019
13.	Mr. Timothy Ogola	Rep Students	13TH MAY 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**

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	MR. LAZARUS KOECH	CHAIRMAN	1 out of 1
		DR. KIBET NGENO	VICE CHAIRMAN	1 out of 1
		DR. JOASH ALOO	SECRETARY	1 out of 1
		PROF. ISSA MWAMZANDI	PA CHAIRMAN	1 out of 1
		DR. KATHRYN LANGAT	MEMBER	1 out of 1
2	Audit Committee	DR. OLUOCH STEPHEN	CHAIRMAN	1 out of 1
		Dr. Kathrn Langat	MEMBER	1 out of 1
		PROF. ISSA MWAMZANDI	MEMBER	1 out of 1
3	Finance, procurement and general purposes Committee	Mr. Reuben Koech	Chair	1 out of 1
		Dr. Joash Aloo	Secretary	1 out of 1
		Dr. Kibet Ngeno	Member	1 out of 1
		Ms. Carol Chelangat	Member	1 out of 1
	Academics, Standards, Quality and environment Committee	Dr. Andrew Kipkosgei	Chair	1 out of 1
		Dr. Joash Aloo		1 out of 1

**(KABIANGA HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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For the six months ended 30<sup>th</sup> June 2021**

		Dr. Mary Wosyanju <u>Dr. Julius Okora</u>	Secretary Member Member	1 out of 1 1 out of 1
5	Development Committee	Ms. Valorine Chemutai Mr. Lazurus Koech Dr. Joash Aloo Ms. Josephine Chepnetich Prof. Issa Mwamzandi Ayieko Dennis	Chair Member Secretary Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
6	Discipline and welfare Committee	Dr. Mary Wosyanju Dr. Joash Aloo Mr. Felix Barmatey Ms. Janet Misoi Mr. Timothy Ogola	Chair Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
7	Adhoc Committee (if any during the year)	Mr. Peterson Osunga Mr. Thomas Wanjala Mr. Dennis Ayieko Mr. Dennis Korir Mr. Fredrick Onduru Ms. Sarah Ndumi	Chair Secretary Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1

**(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	Dr. Joash Aloo	388898
2	Deputy Principal	Mr. Dennis Ayieko	425876
3	School Bursar	Mr. Dennis Korir	22205845
4	Accounts Clerk	Chepkwony Robert	28404835

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

**(e) Schools contacts**

Post Office Box: 18-20201 Kabianga  
 Telephone: 0711543687  
 E-mail: KabiangaSchool2015@gmail.com  
 Website: Kabiangaschool@info  
 Facebook:  
 Twitter:

**(f) School Bankers**

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1103489127
2. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1102299812
3. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1103523791
4. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1103521926
5. Name of Bank: EQUITY  
Branch: KERICHO  
Account Number: 0280290950527
6. Name of Bank: EQUITY  
Branch: KERICHO  
Account Number: 0280299082973
7. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1164934813
8. MPESA Pay Bill No. 522123 attached to 1103489127 bank account

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

**(g) Independent Auditors**

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

*(KABIANGA HIGH SCHOOL*  
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**For the six months ended 30<sup>th</sup> June 2021**

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**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:**

**KABIANGA HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the six months ending 30<sup>th</sup> June 2021**

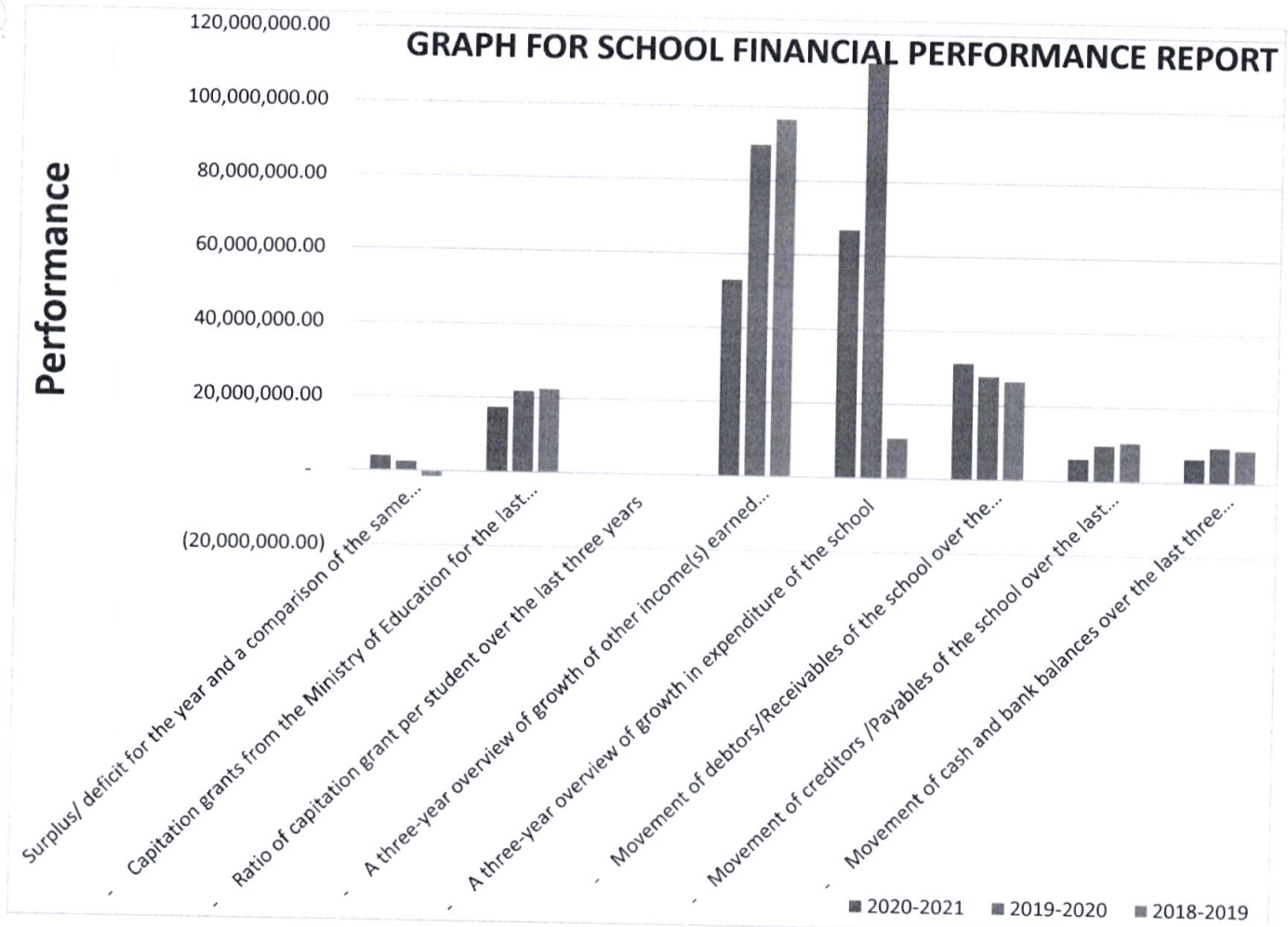
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**II SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

The following is a table summary report of the performance of the school

a) <b>Financial performance:</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
- Surplus/ deficit for the year and a comparison of the same for the last three years	(2,221,958.20)	2,493,946.95	(1,565,868.82)
- Capitation grants from the Ministry of Education for the last three years	17,224,352.25	21,950,114.00	22,670,114.00
- Ratio of capitation grant per student over the last three years	8,363.13	12,133.84	14,569.50
- A three-year overview of growth of other income(s) earned by the school.	72,357,639.80	89,841,716.60	96,717,701.08
- A three-year overview of growth in expenditure of the school	74,579,598.00	112,167,883.65	10,971,607.43
- Movement of debtors/Receivables of the school over the last three years	31,325,053.00	27,943,080.00	26,678,435.00
- Movement of creditors /Payables of the school over the last three years	6,039,319.80	9,701,507.00	10,516,049.30
- Movement of cash and bank balances over the last three years	6,459,988.34	9,570,448.74	9,060,901.09

**(KABIANGA HIGH SCHOOL  
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**a) Teacher Student ratio:**

	2020-2021	2019-2020	2018-2019
<b>b) Teacher Student ratio:</b>			
The teacher to student ratio	1:28	1:29	1:21
Number of teachers recruited and posted to the school within the year	4	7	2
Number of teachers that were transferred/ retired during the period	6	3	7
Number of teachers employed by TSC	68	61	58
Number of teachers employed by BOM.	14	10	16
Number of teachers the school has for each subject in order to indicate shortage/ allocation of resources			
	<b>NO.of</b>		
KISWAHILI/HISTORY	3		
ELECTRICITY	1	1	
AVIATION	1		

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BIOLOGY/CHEMISTRY	3	2	2
ENGLISH/LITERATURE	1	3	2
KISWAHILI/CRE	1	2	1
MATHS/PHYSICS	2	2	
FRENCH/ENGLISH	1	1	1
MATHS/CHEMISTRY		2	1
MATHS/BIOLOGY		2	1
AGRICULTURE/BIOLOGY	1	1	
GEOGRAPHY/MATHS	1	1	
PHYSICS/CHEMISTRY	1	2	2
COMPUTER STUDIES			1
HISTORY/CRE	2	1	2
BUSINESS /GEOGRAPHY	2	1	
BUSINESS/MATHS	1	-	1
DRAWING AND DESIGN	2	-	1
COMPUTER/MATHS	-	2	
KISWAHILI/GEOGRAPHY	-	1	
BIOLOGY/GEOGRAPHY	-	1	
<b>c) Mean score in the 2021 KCSE:</b>			
performance of the school for each over the last three years			
No. of students that have since transitioned to institutions of higher learning.	336	276	257
Mean score	9.3467	8.996774	7.76 08
comment on improvement or otherwise as compared to the school's set score.	+0.35	+1.236	+0.389
set score of c and above	336	276	212
<b>d) Number of Candidates in the 2021 KCSE:</b>			
Number of candidates sitting for KCSE over the last three years.	349	310	257
<b>e) Capacity of the school:</b>			
Number of students in the school	2083	1814	1556
Dormitories	12	12	12
Dinning hall,	1	1	1
labolatories,	4	4	4
Toilets	50	50	50
Land with legal ownership	Land title available 4215	Land title available 4215 -	Land title available -
Other amenities.	1	1	1

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

*Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format*

**F). Development projects carried out by the school:**

PROJECT	SOURCE OF FUND	INITIAL COST	AMOUNT SPENT	EXPECTED COMPLETION TIME
REROOFING OF WING A	MI	4,577,534	3,779,822	JULY 2021
REROOFING ADM BLOCK	MI	4,292,672	3,200,000.05	JULY 2021
REROOFING OF WING B	MI	4,973,572	4,174,222	JULY 2021
EXTENTION OF DORM	FARM	2,137,585.92	2,137,585.92	JULY 2021

*Sign*



*School Principal*




## II. 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 *KABIANGA 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:** Mr. Lazarus Koech  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 18/07/2022

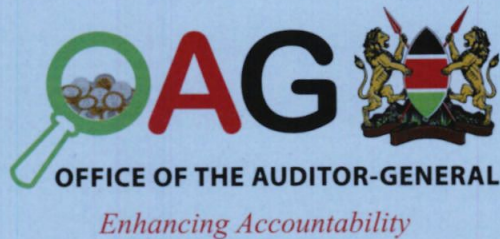
**Name:** Dr. Joash Aloo PhD  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 18/07/2022

**Name:** Mr. Korir Dennis  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 18/07/2022



# REPUBLIC OF KENYA

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Email: 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 KABIANGA HIGH SCHOOL FOR THE FOR THE SIX (6) MONTH'S PERIOD ENDED 30 JUNE, 2021 – KERICHO COUNTY**

### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial 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 Kabianga High School – Kericho County set out on Pages 15 to 32, which comprise of the statement of assets and liabilities for the six (6) months period ended 30 June, 2021 and the statement of receipts and

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*Report of the Auditor-General on Kabianga High School for the for the Six (6) Month's period ended 30 June, 2021  
– Kericho County*

payments, statement of cash flows and summary 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 Kabianga High School - Kericho County six (6) months period ending 30 June, 2021, and of its financial performance and its cash flows for the year 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 Receipts**

The statement of receipts and payments reflects school fund income - other receipts of Kshs.14,783,640 as disclosed in Note 4 to the financial statements. However, the reported income was not supported by a detailed schedule of the incomes and issued student invoices.

In the circumstances, the accuracy and completeness of school fund income - other receipts of Kshs.14,783,640 could not be confirmed.

### **2. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.6,459,988 which includes bank balances totalling to Kshs.6,455,888 as disclosed in Note 8 to the financial statements. However, the bank balances were not supported by bank reconciliation statements and Board of Survey.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.6,455,888 could not be confirmed.

### **3. Accounts Receivables**

#### **3.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.31,325,053 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. In addition, the balance in the statement of financial assets and liabilities has been incorrectly linked to Note 10 instead of Note 11.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.31,325,053 could not be confirmed.

### **3.2 Long Outstanding Account Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.31,325,053 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.27,103,612 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.27,103,612 could not be confirmed.

### **4. Unsupported Fixed Assets**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.645,500,050 in respect of fixed assets balance as at 30 June, 2021. However, the asset register maintained by the school had not been updated to reflect the assets historical costs.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.645,500,050 could not be confirmed.

### **5. Unsupported Inventory Balances**

Note 17 to the financial statements reflects inventory balance of Kshs.4,853,230 as at 30 June, 2021. However, the inventory balance was not supported by stock take certificates and reports.

In the circumstances, the accuracy, completeness and existence of inventory balance of Kshs.4,853,230 could not be confirmed.

### **6. Inaccuracies in the Financial Statements**

The statement of budgeted versus actual amounts reflects actual receipts of Kshs.51,203,498 while the statement of receipts and payments reflects actual receipts of Kshs.72,357,640 resulting in a variance of Kshs.21,154,142. Similarly, the statement of budgeted versus actual amounts reflects actual expenditure of Kshs.10,155,097 while the statement of receipts and payments reflects actual expenditure of Kshs.73,586,833 resulting in a variance of Kshs.63,431,736. The variances have not been reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kabianga High School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit

evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.47,331,795 and Kshs.51,203,498 respectively, resulting to an over-funding of Kshs.3,871,703 or 8 % of the budget. However, the School spent a balance of Kshs.73,586,833 against actual receipts of Kshs.51,203,498 resulting to an excess-utilization of Kshs.22,383,335 or 44% of actual receipts.

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

My opinion is not modified in respect of this matter

### **Key Audit Matters**

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Excess Supply of Books**

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed nine hundred and thirty five (935) books to the School while only eight hundred and thirty one (831) books were issued to the students, resulting to an unexplained excess text books of one hundred and four (104) books in the School store.

In the circumstances, value for money on the excess one hundred and four (104) text books could not be confirmed.

## **2. Inadequate Delivery Details of Textbooks Monetary Value**

The audit conducted in the month of May, 2024 revealed that the textbooks delivered by publishers did not indicate monetary value making it difficult for schools to quantify the monetary value of its text books stock delivered in various financial years. As a result, the value of the books remains unknown to the Management of the school in the period of audit.

In the circumstances, the value of text books held by schools could not be confirmed.

## **3. Under Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,371,679 and Kshs.14,852,673, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand, two hundred and eighty-eight (1,288) students while the enrolment records provided by the School indicated a total number of two thousand and nine (2009) students, resulting to an unexplained variance of 721 students. As a result of the variances, the School was under funded by an amount of Kshs.2,118,265

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

## **4. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.17,224,352. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial period 2020/2021, NEMIS reflected one thousand, two hundred and eighty-eight (1,288) students while records from the County Director of Education had two thousand and nine (2009) students, resulting to an underfunding of the School by an amount of Kshs.2,118,265. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

## **5. Failure to Prepare School Improvement Plan**

During the year/period under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three (3) year school improvement planning cycle, one priority area in each of the four (4) key areas which include curriculum implementation,

foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of the Policy Guidelines.

## **6. Unauthorized Borrowing**

The School acquired a short-term loan of Kshs.1,435,256 from the Kenya Commercial Bank without approval by the Cabinet Secretary contrary to Section 51 Subsection 2 of the Public Finance Management Act of 2012.

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

## **7. Irregular Prequalification of Suppliers**

During the year under review, management identified thirty-seven (37) categories of goods and services and prequalified a number of suppliers for each category. However, it was noted that twenty-six (26) out of thirty-seven (37) categories of goods and services had fewer than three (3) suppliers, contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015, which states that requests shall be given to as many persons as necessary to ensure effective competition and shall be given to at least three (3) persons, unless that is not possible. No justification was provided as to why the number of registered suppliers for these categories was below the threshold of the regulations.

In the circumstances, Management was in breach of the law

The audit was conducted in accordance with the 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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 Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.645,500,050 in respect of fixed assets which includes land with a balance of Kshs.97,000,000. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of the land assets valued at Kshs.97,000,000 could not be confirmed.

### **2. Lack of Internal Audit Function and Audit Committee**

During the year under review, the School had not constituted an audit committee and an Internal Audit Unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the Internal Audit Unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. In addition, the School's Board of Management had also not established a discipline, ethics and integrity committee and Human Rights and Student Welfare Committee contrary to Section 61(2) of the Basic Education Act, 2013

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

### **3. Lack of a Board Work Plan**

During the year under review, the Board of Management that is supposed to direct the School in achieving its strategic objectives did not have in place a Board calendar and Annual Work Plan. This is contrary to Section 1.9 of Chapter 1 of Mwongozo code of governance which requires Board members to ensure development of an Annual Board Work Plan.

In the circumstances, the School will not achieve its strategic objectives.

### **4. Lack of Approved ICT Policy**

Review of the School ICT environment revealed that there was no formal approved ICT policy in place. Further, the School does not have a data security and disaster recovery plan in place. In addition, Management did not provide an ICT organization structure for audit review.

In the circumstances, the security and reliability of the School's data including the management information system could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 January, 2025

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V. STATEMENT OF RECEIPTS AND PAYMENTS THE SIX MONTHS PERIOD ENDING 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	2,371,679.25	2,880,289.00
Capitation grants for operations	2	14,852,673.00	21,939,825.00
School Fund Income- Parents' Contributions	3	40,349,648.00	66,925,523.00
School Fund Income- Other receipts	4	14,783,639.55	22,916,193.60
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>72,357,639.80</b>	<b>114,661,830.60</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,511,727.00	3,757,143.00
Payments for operations	6	17,040,352.10	19,317,105.70
Boarding and school fund payments	7	54,034,753.90	89,093,634.95
<b>TOTAL PAYMENTS</b>		<b>73,586,833.00</b>	<b>112,167,883.65</b>
<b>SURPLUS/DEFICIT</b>		<b>(1,229,193.20)</b>	<b>2,493,946.95</b>

The school financial statements were approved on 18/07/2022 and signed by:

Sign:



Sign




Sign

Name  
Mr. Lazarus Koech  
Chair BOM

Name  
Dr. Joash Aloo PhD  
School Principal/  
Secretary to BOM

Name  
Mr. Korir Dennis  
Bursar/  
Finance Officer

Date 18/07/2022

Date 18/07/2022

Date 18/07/2022



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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THE SIX MONTHS PERIOD ENDING 30<sup>TH</sup> JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	6,455,888.34	9,568,948.74
Cash Balances	9	4,100.00	1500
Short term Investment	10	0	0
<b>Total Cash and cash equivalent</b>		<b>6,459,988.34</b>	<b>9,570,448.74</b>
Account's receivables	10	31,325,053.00	27,943,080
<b>TOTAL FINANCIAL ASSETS</b>		<b>37,785,041.34</b>	<b>37,513,528.74</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	11	(11,202,212.80)	9,701,507
<b>NET FINANCIAL ASSETS</b>		<b>26,582,828.54</b>	<b>27,812,021.74</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	12	27,812,021.74	25,318,074.79
Surplus/Deficit for the year		(1,229,193.20)	2,493,946.95
<b>NET FINANCIAL POSITION</b>		<b>26,582,828.54</b>	<b>27,812,021.74</b>

The School's financial statements were approved on 18/07/2022 and signed by:

**Name: Mr. Lazurus Koech**  
*Chairman, BoM*

Sign: \_\_\_\_\_

Date: 18/07/2022

**Name: Dr. Joash Aloo PhD**  
*School Principal/Secretary to BoM*

Sign: \_\_\_\_\_

Date: 18/07/2022

**Name: Mr. Korir Dennis**  
*Bursar/Finance*

Sign: \_\_\_\_\_

Date: 18/07/2022



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VII. STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDING 30<sup>TH</sup> JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	2,371,679.25	2,880,289.00
Capitation grants for operations	2	14,852,673.00	19,789,825.00
School fund income- Parents contributions/ fees	3	31,935,769.00	84,323,008.75
School fund income- other receipts	4	14,783,639.55	10,125,344.85
<b>Total receipts</b>		<b>63,943,760.80</b>	<b>117,118,467.60</b>
<b>Payments</b>			
Payments for Tuition		2,292,492.00	2,864,538.00
Payments for operations		14,474,417.30	19,950,835.00
Boarding and school fund payments		50,287,311.90	93,793,546.95
<b>Total payments</b>		<b>67,054,221.20</b>	<b>116,608,919.95</b>
<b>Net cash flow from operating activities</b>		<b>(3,110,460.40)</b>	<b>509,547.65</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>			
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,110,460.40)</b>	<b>509,547.65</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>9,570,448.74</b>	<b>9,060,901.09</b>
<b>Cash and cash equivalent at END of the year</b>		<b>6,459,988.34</b>	<b>9,570,448.74</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 cashflow as recommended by PSASB.

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS ENDING 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 ON TUITION</b>						
Teaching / learning materials	3,729,600		3,729,600	2,371,679.25	1,357,920.75	63.59
<b>TOTAL</b>	<b>3,729,600</b>		<b>3,729,600</b>	<b>2,371,679.25</b>	<b>1,357,920.75</b>	<b>63.59</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Repairs and maintenance	5,850,000		5,850,000	6,816,000	(966,000)	116.51
Local transport / travelling						
Electricity and water						
Medical						
Other Voteheads	16000		16000	16000		100
Activity						
<b>TOTAL</b>	<b>5,866,000</b>		<b>5,866,000</b>	<b>6,832,000</b>	<b>(966,000)</b>	<b>116.47</b>
<b>(3) FEES CHARGED ON PARENTS</b>						
Repairs and maintenance	3236176		3236176	1016277	2219899	31.4%
Activity						
SMASSE						
Fee on Boarding Equipment and Stores	44,095,619		44,095,619	14,187,221	29,908,398	32.17

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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
<b>OTHER INCOME</b>						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
<b>TOTAL INCOME</b>	<b>47,331,795</b>		<b>47,331,795</b>	<b>51,203,498</b>	<b>32,128,297</b>	<b>47.32</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	3,729,600		3,729,600	2,291,760	1,437,840	61.45
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges						
<b>TOTAL</b>	<b>3,729,600</b>		<b>3,729,600</b>	<b>2,291,760</b>	<b>1,437,840</b>	<b>61.45</b>

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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
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments						
Repairs, maintenance & improvements	5,850,000		5,850,000	6,816,000	966,000	116.5%
Local transport / travelling						
Medical	2,340,000		2,340,000	102,961	102,961	4.4%
Administration costs	10,998,000		10,998,000	7,437,979	15,474,652	67.6%
Activity Expenses						
Other vote heads	16,000		16,000	16,000	0	100
SMASSE						
<b>TOTAL</b>	<b>19,204,000</b>		<b>14,868,673</b>	<b>14,372,940</b>	<b>29,241,613</b>	<b>96.67</b>
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Repairs, maintenance and improvements	3,236,176		3,236,176	1,000,000	2,236,176	44.72
Local transport / travelling						
Medical Expenses						
Administration costs	38,480		38,480	10,412.70	28,067.30	37.10
Boarding Equipment and Stores	44,095,619		44,095,619	9,144,684	34,950,935	20.74
Other expenses on investments						
<b>TOTALS</b>	<b>47,370,275</b>		<b>47,370,275</b>	<b>10,155,096.70</b>	<b>37,215,178.30</b>	<b>21.44</b>

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Xxx
- ii. Xxx

## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	2,371,679.25	2,880,289
Chalks		
Exams and assessment		
Teachers guides		
<b>Total</b>	<b>2,371,679.25</b>	<b>2,880,289</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	6,816,000.00	7,128,500.00
Medical		311,200.00
Administration costs	8,036,673.00	11,007,725.00
Activity		622,400.00
BOM teachers		720,000.00
Dorm/bonus (school fund account)		2,150,000.00
<b>Total</b>	<b>14,852,673.00</b>	<b>21,939,825.00</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
Boarding Equipment and stores	23,440,568.00	43,078,633.00
Repairs and maintenance	1,016,277.00	2,105,065.00
Other vote heads	15,432,910.00	20,611,412.00
Medical		169,000.00
Activity	459,893.00	961,413.00
<b>Total</b>	<b>40,349,648.00</b>	<b>66,925,523.00</b>

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Rent income		983,565.00
Income from farming activities	3,543,699.55	8,496,190.85
Insurance compensation		200,000.00
Tender fees		75,000.00
Fees refund	5,252,435.00	3,854,602.00
Examinations		152,510.00
Infrastructure account		2,150,000.00
Bank interest		4325.75
Savings account		7,000,000.00
Salary advance	25,000.00	
Development fund	4,897,005.00	
Rent	473,500.00	
Teachers trip	592,000.00	
<b>Total</b>	<b>14,783,639.55</b>	<b>22,916,193.60</b>

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

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**5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		430,946.00
Exercise books		2,428,800.00
Laboratory equipment		454,599.00
Internal exams		
Teaching / learning materials	2,510,995.00	
Chalks		442,300.00
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	732.00	498.00
<b>Total</b>	<b>2,511,727.00</b>	<b>3,757,143.00</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Boarding		2,150,000
Administration Cost(Others)	7,437,979.00	11,010,748.00
Repairs and maintenance & improvements	9,496,234.80	4,494,169.00
Medical	102,961.00	487,601.00
Activity Expenses		513,350.00
Bank Charges	3,177.30	1,237.70
Bom Teachers	00.00	660,000.00
<b>TOTAL</b>	<b>17,040,352.10</b>	<b>19,317,106.70</b>

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Boarding	16,445,162.00	38,004,268
Repairs and maintenance & Improvements	1,000,000.00	2,462,100
Medical Expenses	245,904.00	
Others voteheads	12,769,040.00	25,807,912.30
Prepaid fees	5,031,906.00	
Salary Advance	115,000.00	
Transfer to Savings		7,000,000.00
Gratuity	91,404.00	
Activity expenses	45,700.00	1,058,960.00
Fees refund	5,252,435.00	3,854,602
Rent Expenses	425,850.00	197,235
Insurance	404,694.00	200,000
Bank charges	10,412.70	
PA/Development	7,034,590.00	8,206,047.65
Teachers Trip	1,789,500.00	152,510
Transfer to Infrastructure Account		2,150,000
Farm Expenses	3,373,156.20	
<b>TOTAL</b>	<b>54,034,753.90</b>	<b>89,093,634.95</b>

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

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

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1103521926	95,616.75	16,429.50
Operations Account	1103523791	489,677.05	119,686.35
School Fund Account/Boarding	1103489127	1,992,106.29	5,513,057.79
Savings Account	1102299812	3,625,101.65	3,676,096.85
Parent Association Development Account	1288315473		
Farm Account	0280290950527	230,598.76	229,155.41
Infrastructural Account	1164934813	22,787.84	14,522.84
<b>Total</b>		<b>6,455,888.34</b>	<b>9,568,948.74</b>

**9 CASH IN HAND**

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0	
Operation Account	0	
School Fund account	2,500.00	1,000.00
Farm Account	1,600.00	500.00
Infrastructure Account		
<b>Total</b>	<b>4,100.00</b>	<b>1,500.00</b>

**10 SHORT TERM INVESTMENTS**

Description	2020-2021	2019-2020
	Kshs	Kshs
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>

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

**11 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	31,325,053.00	27,943,080.00
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
<b>Total</b>	<b>31,325,053.00</b>	<b>27,943,080.00</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	4,221,441.00	3,297,818.00
Fees arrears for the previous year	3,297,818.00	923,343.00
Fees arrears for prior periods (over two years)	23,805,794.00	23,721,919.00
<b>Total</b>	<b>31,325,053.00</b>	<b>27,943,080.00</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	6,039,319.80	4,669,601.00
Prepaid fees	5,162,893.00	5,031,906.00
Retention monies	0	0
<b>Total</b>	<b>11,202,212.80</b>	<b>9,701,507.00</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	6,039,319.80	4,545,801.00
Trade creditors for the previous year	.00	123,800.00
Trade creditors for prior periods (over two years)	0	0
<b>Total</b>	<b>6,039,319.80</b>	<b>4,669,601.00</b>

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

**13 FUND BALANCE BROUGHT FORWARD**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	6,455,888.34	9,568,948.74
Cash balances	4,100.00	1,500.00
Short Term Investments		0
Receivables	31,325,053.00	27,943,080.00
Payables	(11,202,212.80)	(9,701,507.00)
<b>Total</b>	<b>26,582,828.54</b>	<b>27,812,021.74</b>

**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

Description	2020-2021	2019-2020
	Kshs	Kshs
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**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	31	1,550,000	1,550,000
Pigs	10	10,000	10,000
Trees	10,000	100,000	100,000
Coffee or tea plantation	120,000	1,200,000	1,200,000
Poultry			
<b>Total</b>		<b>2,860,000.00</b>	<b>2,860,000.00</b>

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year		0
Borrowings during the year	0.00	0
Repayments of during the year	0.00	0
<b>Balance at end of the year</b>	<b>00</b>	<b>0</b>

**Other important disclosure notes**

**17 Stock/ Inventory**

Description	2020-2021	2019-2020
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	926,615.00	847,652.00
Stock/ inventory purchased during the year	12,404,085.00	24,463,680.00
Stock/ inventory issued during the year	(8,477,470.00)	(24,384,717.00)
<b>Balance at end of the year</b>	<b>4,853,23.00</b>	<b>926,615.00</b>

**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<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>

**PUBLIC SECONDARY SCHOOLS - (KABIANGA HIGH SCHOOL)**  
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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 June 2021	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1. Belsot Contractor Ltd	4,577,534		3779822	797,712	797,712	COMPLETE
2. Sarit Building & Civil Contractors Ltd	4,292,672.5		3,200,000.05	1,092,672.80	1,092,672.80	COMPLETE
3. Korso Enterprises Ltd	4,973,572		4,174,222	799,350	799,350	COMPLETE
4. Ogila Building & Construction				2,137,585.92	2,137,585.92	COMPLETE
<b>Sub-Total</b>						
<b>Supply of goods</b>						
5. Caran East Africa				528,000	528,000	PAID
6. Jolisa Ventures				684,000	684,000	PAID
7.						
<b>Sub-Total</b>				<b>1,212,000</b>	<b>1,212,000</b>	
<b>Supply of services</b>						
8.						
9.						
10.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	1925	Kabianga	97,000,000	0	0	97,000,000
Buildings and structures	1985	Kabianga	500,000,000	0	0	500,000,000
Motor vehicles	2008	Kabianga	18,000,000	0	0	18,000,000
Tractor	2013	Kabianga	1,500,000	0	0	1,500,000
Office equipment, furniture and fittings		Kabianga	2,000,000	0	0	2,000,000
ICT Equipment, and Other ICT Assets	2001	Kabianga	1,500,000	0	0	1,500,000
Tools and apparatus	1925	Kabianga	1,125,304.00	0	0	1,125,304.00
Tanks	2005	Kabianga	10,500,000	0	0	10,500,000
Textbooks	2021	Kabianga	10,415,000	0	0	10,415,000
Other Machinery and Equipment		Kabianga	3,000,000	0	0	3,000,000
Intangible assets- soft ware	2010	Kabianga	460,050.00	0	0	7,460,050.00
<b>Total</b>			<b>645,500,354.00</b>			<b>645,500,050.00</b>

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