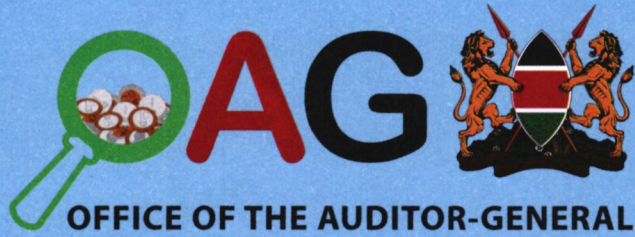


REPUBLIC OF KENYA



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<b>REPORT</b>	
NATIONAL ASSEMBLY PAPERS 1A1D	
DATE:	07 DEC 2023
TABLED BY:	OF Hon. Owen Bayo, CBS, MP Deputy majority leader
CLEAR AT THE TABLE:	Muram

**THE AUDITOR-GENERAL**

**ON**

**CHAWIA HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**TAITA/TAVETA COUNTY**





Revised 30<sup>th</sup> June 2022.



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**CHAWIA HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2021**

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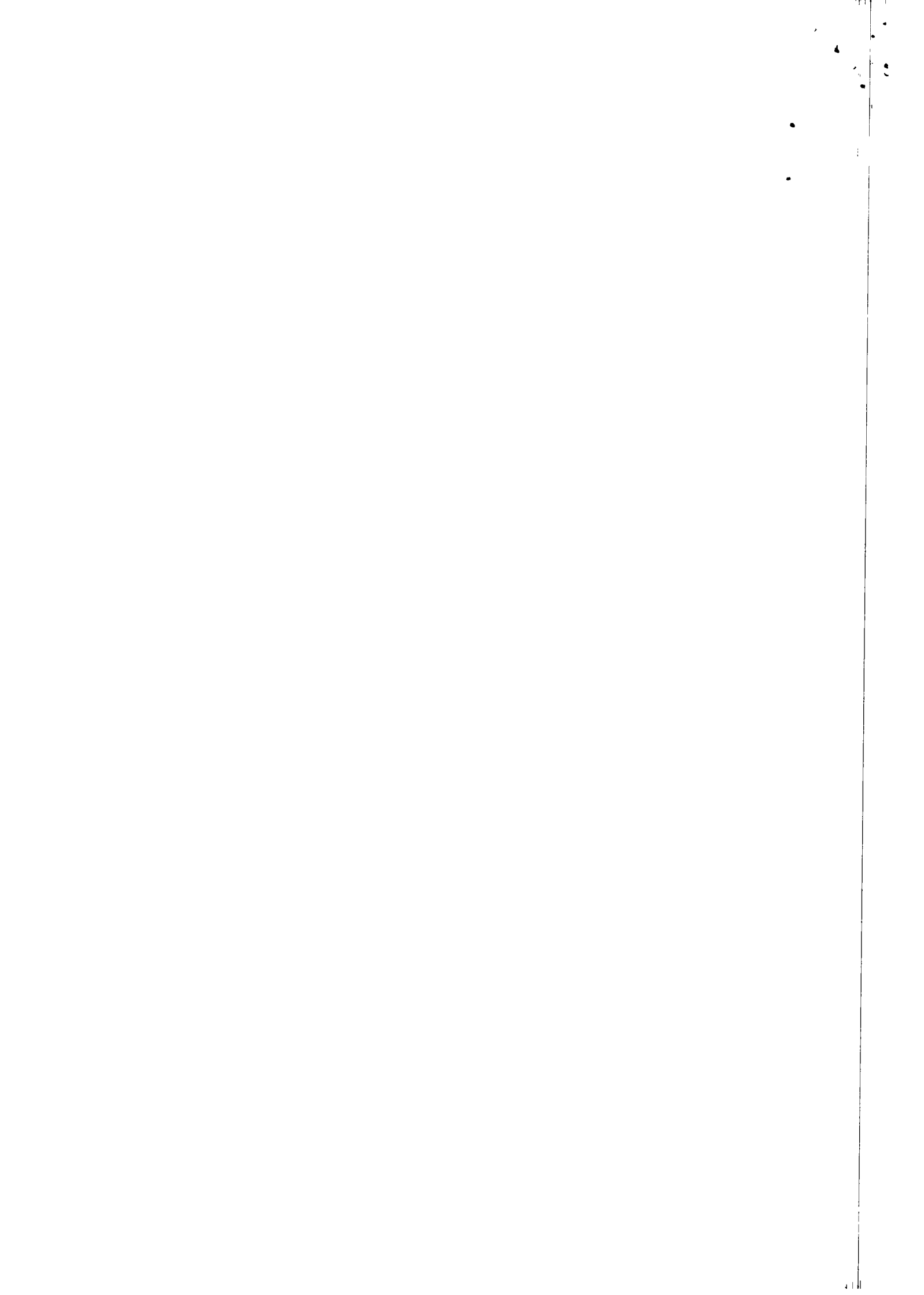
Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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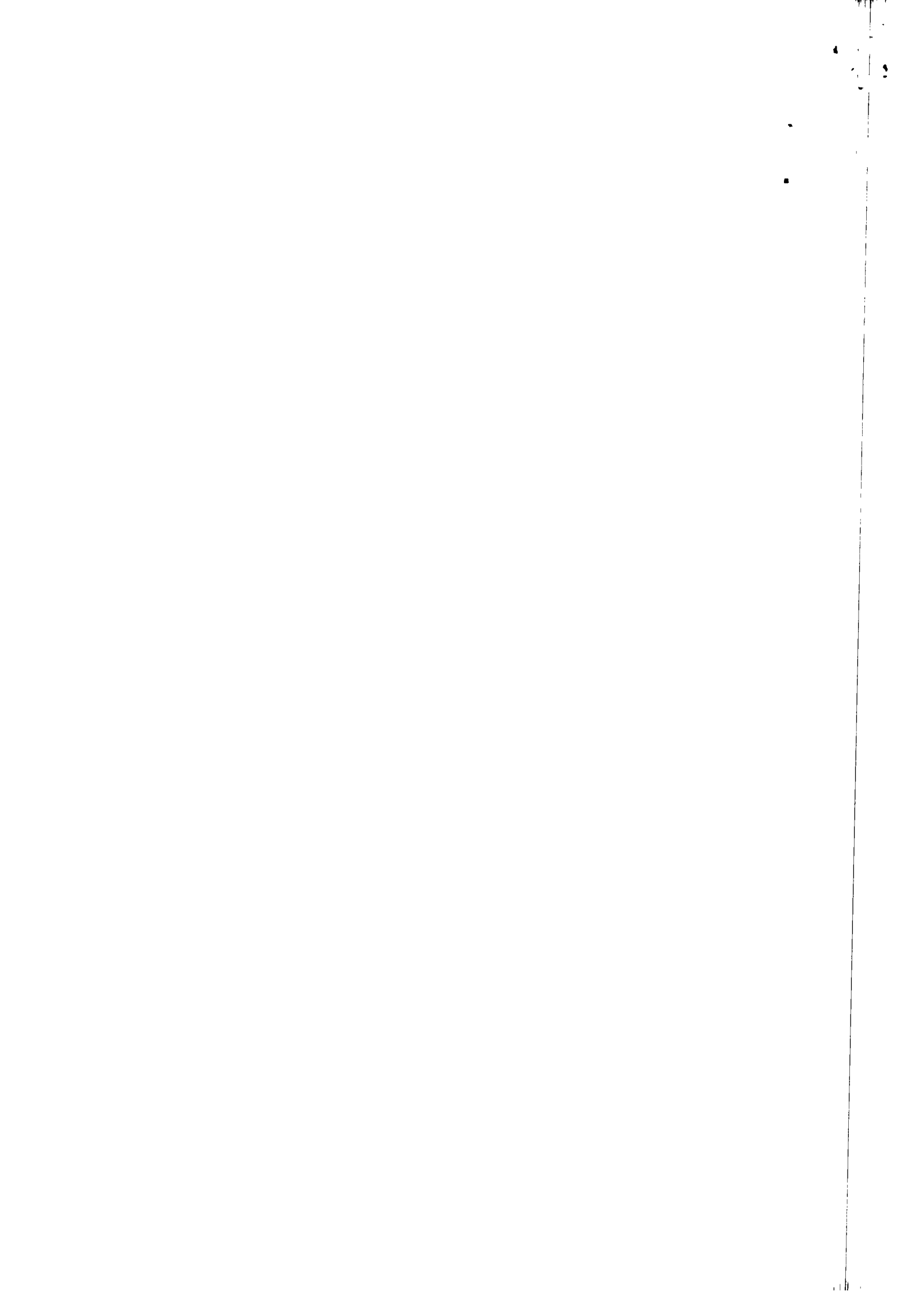
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**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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## Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

### 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 Taita-Taveta County, Mwatate Sub-County

The school was registered in 19/12/2012 under registration number PU/S/2/5691/12 and is currently categorized as a Sub county public school established, owned or operated by the Government.

The school is a day school and had 118 students as at 30<sup>th</sup> June 2021. It has 1 streams and 10 teachers of which 2 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	Stephen Kiringo	Chairman	18/06/2019
2	David Babu	Secretary - Principal	18/06/2019
3	Dan Mzenge Boli	Member	18/06/2019
4	Holiness Mandi Mwadime	Member	18/06/2019
5	Alex Mwalunje Njoli	Member	18/06/2019
6	Irene Machocho Wewa	Member	18/06/2019
7	Chrispus Mnyika Wanjala	Member	18/06/2019
8	Thomas Mnyambu Jumwa	Member – Rep CEB	18/06/2019
9	Andrew Chome Gude	Member Rep Teachers	18/06/2019
10	Mwandoe kililo Mwandoe	3 Members - Sponsor	18/06/2019
11	Leonard Mwasi Mangeli	Member - Community	18/06/2019
12	Florence Wanjala Mzenge	Member Special Needs	18/06/2019
13	Phidlorah Mwakio	Rep Students	18/06/2019
14	Rabbeba Mwambacha	Member	18/06/2019
15	Kerin Mrunde Mwasingo	Member	18/06/2019
16	Rajab Mwandigha Shoghosho	Member	18/06/2019
17	Elizabeth Wamati	Member	18/06/2019



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021****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	David Babu Stephen Kiringo Irene Wambua Holiness Mwadime Joey Mrunde	Principal BOM chair Deputy principal Member Member.	3
2	Audit Committee	Irene Wewa Alex Mwalunje Kerin Mwasingo David Babu	Chair Member Member principal	1 out of 3
3	Finance, procurement and general purposes Committee	Irene Wewa Kerin Mwasingo David Babu Alex Mwalunje Thomas Nyambu	Member Member Principal Chair Member.	1
4	Academic Committee	Andrew Gude Chrispus Mnyika Florence Mzenge Stephen Kiringo Joey Mrunde	Member Member Member Member chair	2 out of 3
5	Development Committee	Leonard Mangeli Irene Wambua Stephen kiringo	Chair Member Member	3 out of 6



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

		David Babu Rebecca Mshai	Principal Member.	
6	Discipline and welfare Committee	Dan Boli David Babu Michael Mwandoe Elizabeth Wamati Rajab Mwandigha Chrispus Mnyika	Chair Member Member Member Member Member.	1 out of 3
7	Adhoc Committee (if any during the year)			

**(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	Beatrice Mbogho	374341
2	Deputy Principal	Irene Wambua	511450
3	School Bursar	Emily Mwawesu	

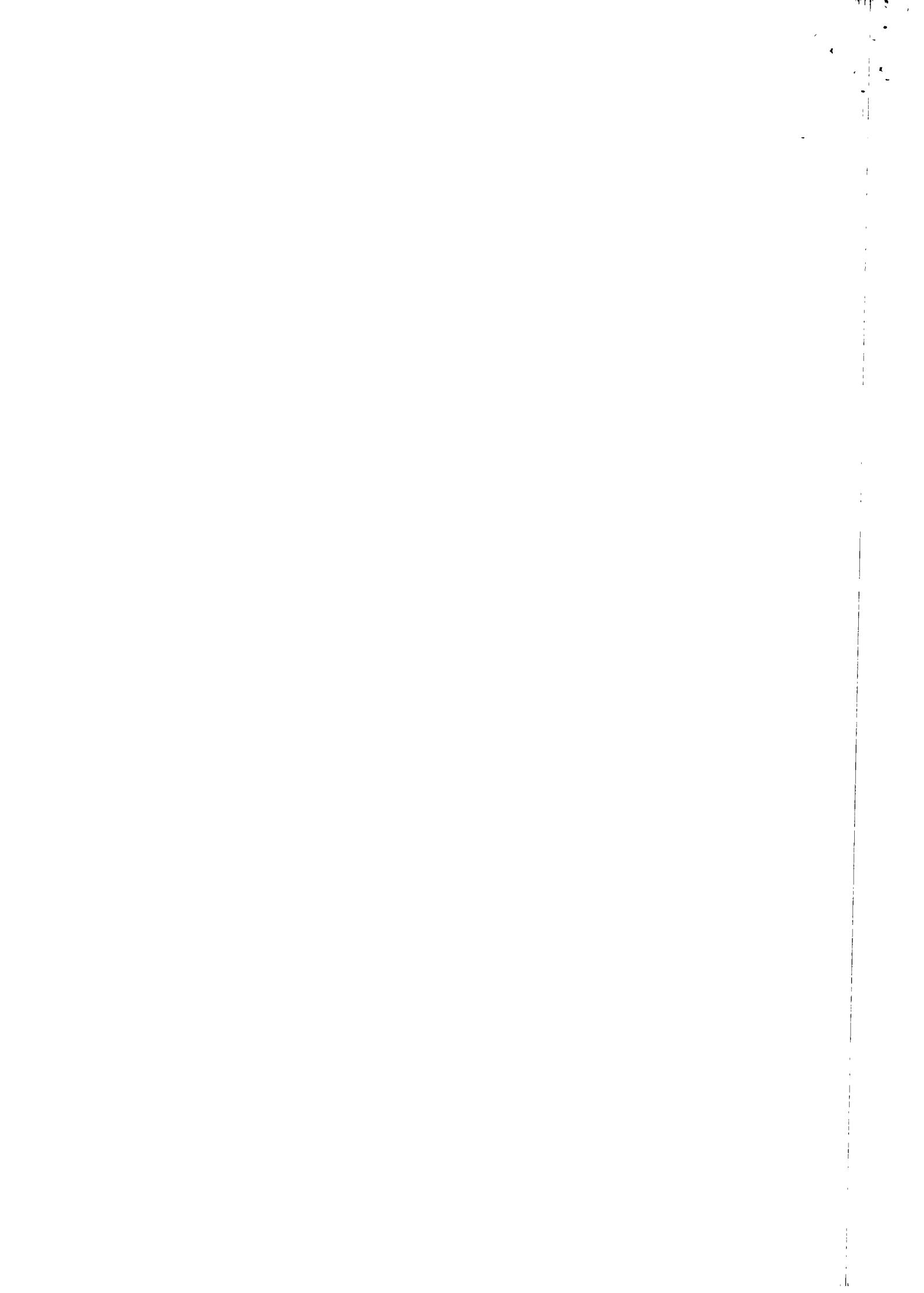
**(e) Schools contacts**

Post Office Box: 123-80305 Mwatate  
 Telephone: 0726393397  
 E-mail: chawiahigh84@gmail.com  
 Website:  
 Facebook:  
 Twitter:

**(f) School Bankers**

The following school operated 4 bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: K.C.B  
 Branch: Wundanyi K.C.B



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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- Account Number: 1114001457
2. Name of Bank: K.C.B  
Branch: Wundanyi KCB  
Account Number: 1116051508
3. Name of Bank: KCB  
Branch: Wundanyi KCB  
Account Number: 1116051559
4. Name of Bank: KCB  
Branch: Wundanyi KCB  
Account Number: 1232341142
5. MPESA Pay Bill No. 522123 attached to one 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





**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021****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*
- *Capitation grants from the Ministry of Education for the last three years*
- *Ratio of capitation grant per student over the last three years*
- *A three-year overview of growth of other income(s) earned by the school.*
- *A three-year overview of growth in expenditure of the school*
- *Movement of debtors and creditors of the school over the last three years*
- *Movement of cash and bank balances over the last three years*

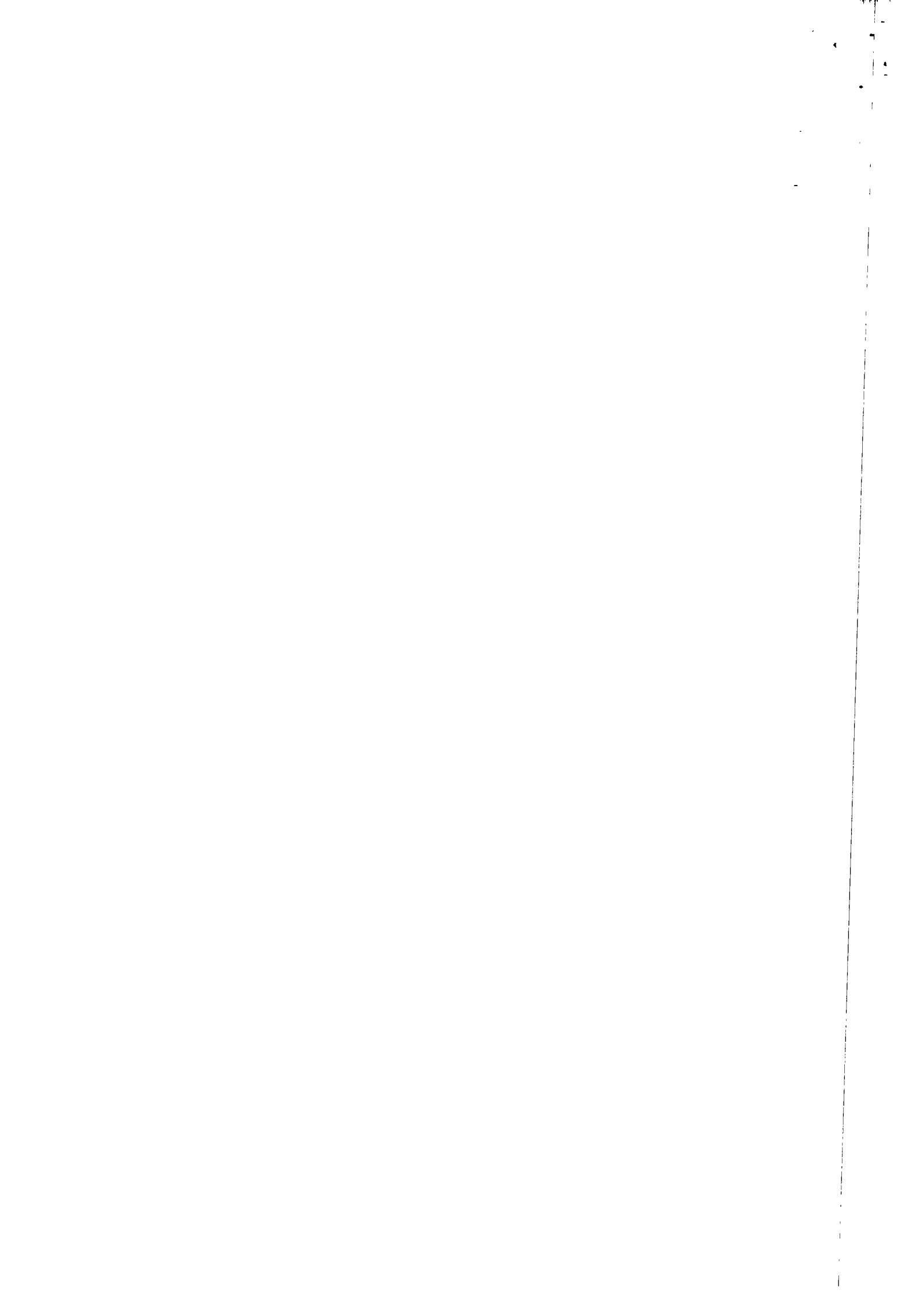
*Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).*

**b) Teacher Student ratio:**

*The school has got a total of 10 teachers, 2 of which are BOM employees. Teachers student ratio is 1 teacher is to 10 students.*

<b>SUBJECTS</b>	<b>NO. OF TEACHERS</b>
MATHS/BIOLOGY	1
GEOGRAPHY/MATHS	1
GEOGRAPHY/CRE	1
MATHS/BUSINESS	1
ENGLISH/LITERATURE	1
CHEMISTRY/BIOLOGY	1
AGRICULTURE/BIOLOGY	1
HISTORY/KISWAHILI	1
PHYSICS/CHEMISTRY	1
GEOGRAPHY/KISWAHILI	1
<b>TOTAL</b>	<b>10</b>

**c) Mean score in the 2020 KCSE:**



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

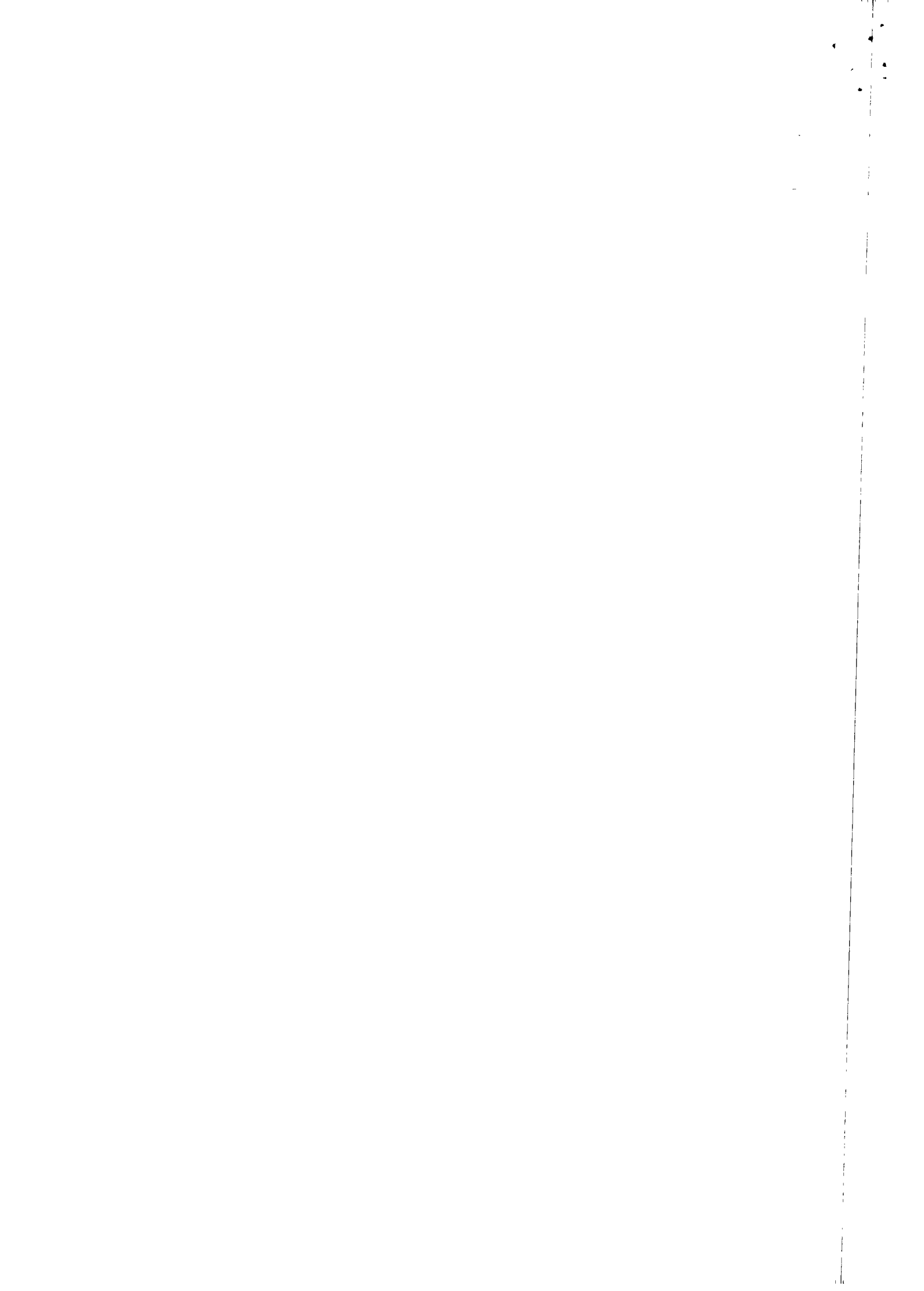
<i>Year</i>	<i>Overall grade</i>	<i>No. of students transitioned to higher learning</i>	<i>School set score</i>	<i>Comments</i>
2021	2.3	1	2.56	Target not achieved
2020	2.535	2	3.0	Target not achieved
2019	2.2	1	2.5	Target not achieved

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

<i>Year</i>	<i>No. of candidates</i>
2021	30
2020	23
2019	25

**e) Capacity of the school:**

*Chawia High School has got 118 students, 1 laboratory, 1 3-doored toilet for boys, 1 3-doored toilet for girls, 1 4-doored toilet for teachers and staffs and 1 dormitory yet to be completed.*



*Summary Report of the Performance of the School (Continued)*

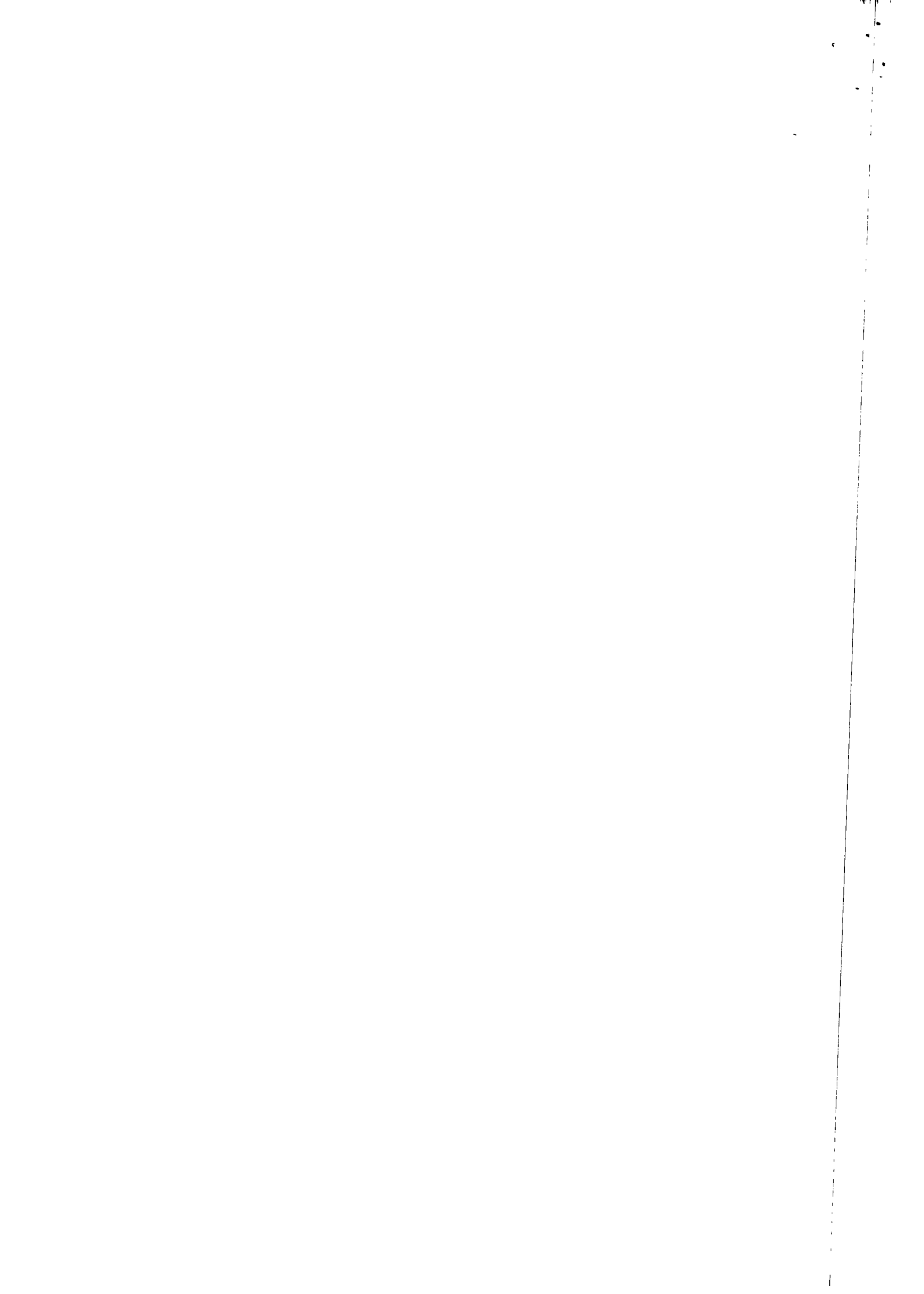
**f) Development projects carried out by the school:**

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

**PRINCIPAL**  
**CHAWIA HIGH SCHOOL**  
P.O. BOX 123 - 80305, MWATATE  
DATE: 14/7/23 SIGN: 

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**School Principal**



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

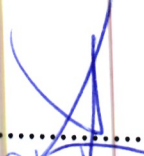
**III. Statement Of School Management Responsibility**

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 (PSASB) 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 *Chawia 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: Stephen Kiringo

Designation: Chairman, School Board of Management

Date:

**PRINCIPAL**  
**CHAWIA HIGH SCHOOL**  
P.O. BOX 123 - 80305, MWATATE



DATE: 14/7/23 SIGN: .....

Name: Beatrice Mbugho

Designation: School Principal & Secretary to Board of Management

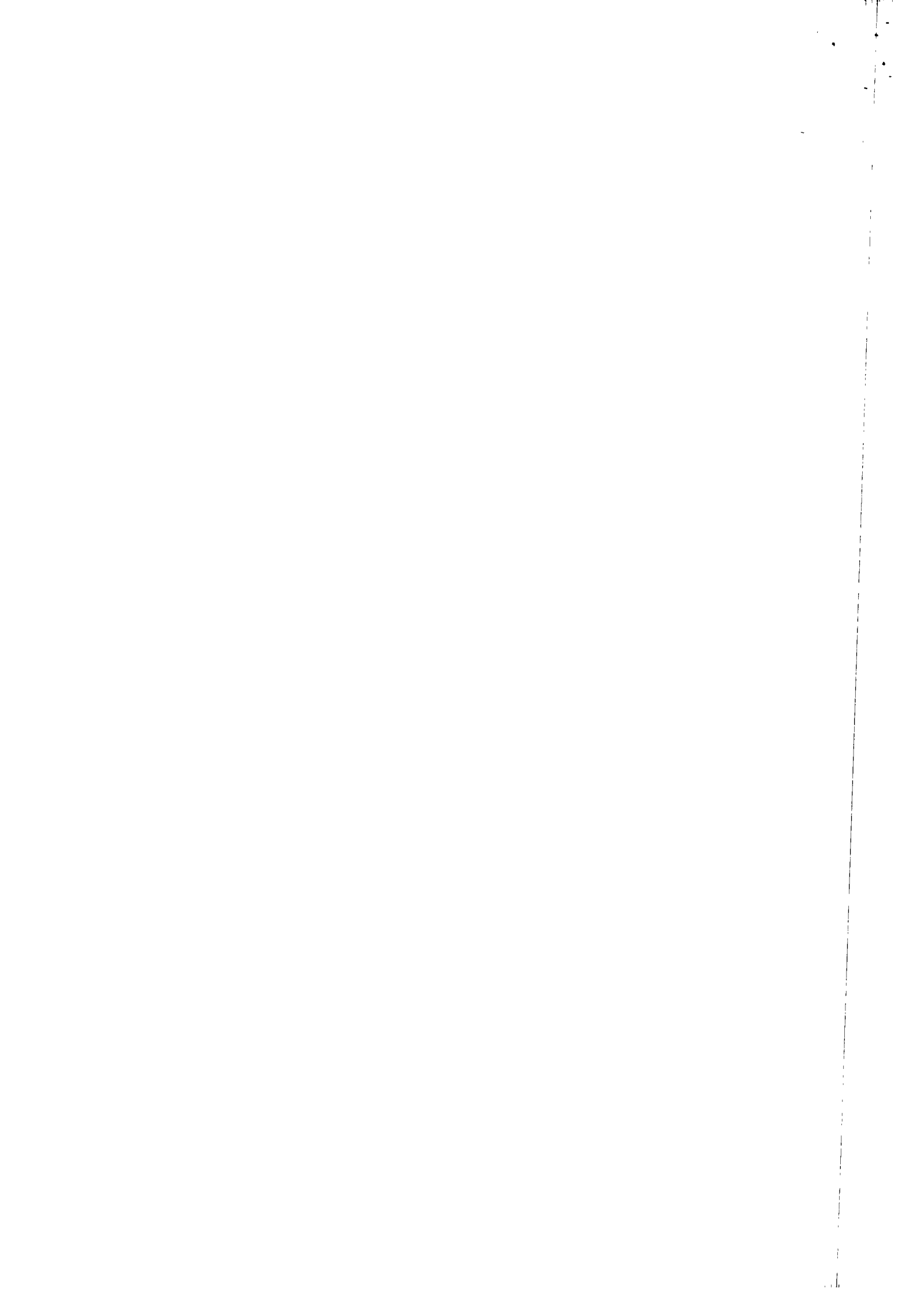
Date: 14/07/2023



Name: Emily Mwawesu

Designation: Bursar/ Finance Officer

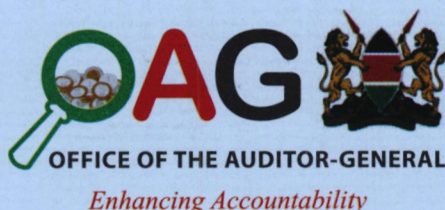
Date: 14/07/2023





# REPUBLIC OF KENYA

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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 CHAWIA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – TAITA/TAVETA 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 Chawia High School - Taita/Taveta County set out on pages 1 to 17 which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments and statement of cash flows 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 the Chawia High School - Taita/Taveta County as at 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 Basic Education Act, 2013

## **Basis for Qualified Opinion**

### **1. Unreconciled Variances in the Financial Statements**

#### **1.1 Capitation Grants for Tuition**

The statement of receipts and payments reflects capitation grants for tuition of Kshs.107,562 as disclosed in Note 1 to the financial statements. However, the amount excludes Kshs. 40,285, received on 02 June, 2021.

#### **1.2 Capitation Grants for Operations**

The statement of receipts and payments reflects an amount of Kshs 894,753 in respect to capitation grants for operations as disclosed in Note 2 to the financial statements. However, review of bank statements revealed that receipts amounting to Kshs.1,220,352 resulting to an unreconciled variance of Kshs.325,599. In addition, the statement of cash flows reflects capitation grants for operations of Kshs.919,753 resulting in a variance of Kshs.25,000. Further, out of the Kshs.1,220,352 received from the Ministry of Education, an amount of Kshs.678,198 was not acknowledged in NEMIS as required.

#### **1.3 School Fund Income-Parents' Contribution**

The statement of receipts and payments reflects school fund income -Parents contributions of Kshs.653,091 while the statement for cashflows reflects an amount of Kshs.1,502,177 resulting to an unreconciled variance of Kshs.849,086.

#### **1.4 Payment for Tuition**

The statement of receipts and payments reflects an amount of Kshs.50,480 in respect to payment for tuition as disclosed in Note 5 to the financial statements. However, review of payment vouchers provided revealed an amount Kshs.200,835 resulting to an unreconciled variance of Kshs.150,355.

#### **1.5 Payments for Operations**

The statement of receipts and payments reflects payments for operations of Kshs.1,075,360 as disclosed in Note 6 to the financial statements. The amount includes personnel emoluments expenditure of Kshs.222,240 and administration costs of Kshs.265,840 which varied with their respective ledger balances of Kshs.210,220 and Kshs.236,930 resulting to unexplained variances of Kshs.12,200 and Kshs,27,910,

respectively. Further, payments for operations includes repair and maintenance expenditure of Kshs.258,430 which was not supported with any documentation. In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## **2. Unsupported Boarding and School Fund Payments**

The statement of receipts and payments reflects boarding and school fund payments of Kshs.623,027 which as disclosed in Note 7 to the financial statements includes lunch program expenditure of Kshs.618,026. However, the lunch program expenditure of Kshs.618,026 was not supported with any documentation. In addition, the statement for cashflows reflects boarding and school fund payments of Kshs.1,316,391 resulting to an unexplained variance of Kshs. 693,364 with the statement of receipts and payments.

In the circumstances, the accuracy of boarding and school fund payments of Kshs.618,026 could not be confirmed.

## **3. Unsupported Accounts Receivables**

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.2,996,360 as disclosed in Note 11 to the financial statements. This balance comprised of fees arrears for the previous year of Kshs.403,522 and fees arrears for prior periods of Kshs.2,592,838 that have been outstanding for over two (2) years. However, the receivables balance has not been supported with a debtor listing and debtors ledger reflecting the amount owed by each student.

In the circumstances, the accuracy and recoverability of accounts receivables balance of Kshs.2,996,360 could not be confirmed.

## **4. Unsupported Accounts Payables**

The statement of financial assets and liabilities reflects accounts payables balance of Kshs.1,342,610 as disclosed in Note 12 to the financial statements. However, the creditors aging analysis and support documents were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.1,342,610 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chawia 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.

## **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 audit procedures performed except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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)**

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of August 20, 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 a 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 only one year for financial year 2020-2021 with comparative balances for financial year 2019 and 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.

Further, the statement of budgeted vs actual amounts for the year ended 30 June, 2021 was omitted and an analysis of pending accounts payable and summary of fixed assets register were not disclosed as annexes in the financial statements;

In the circumstances, the annual report and financial statements do not comply with the requirements of the Public Sector Accounting Standards Board reporting template. The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

There was no Audit Committee within the Board of Management and the school lacks an Internal Audit function.

In the circumstances, the School did not benefit from the oversight role and advice from the Audit Committee and the Internal Audit Function.

#### **2. Lack of Risk Management Policy**

The School has no risk management structures and no policies have been formulated by management and approved by the Board of Management.

In the circumstances, the Management may not adequately mitigate against risks.

#### **3. Control Weakness on Cash and Cash Equivalents**

Review of cash and cash equivalents revealed that there was no Board of Survey in support of cash on hand of Kshs.3,115. Further, the cashbook is prepared, maintained and reviewed by one person and therefore there is no segregation of duties.

In the circumstances, the internal controls on the preparation and review of cash book was not effective.

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

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

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 controls 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 controls 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 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

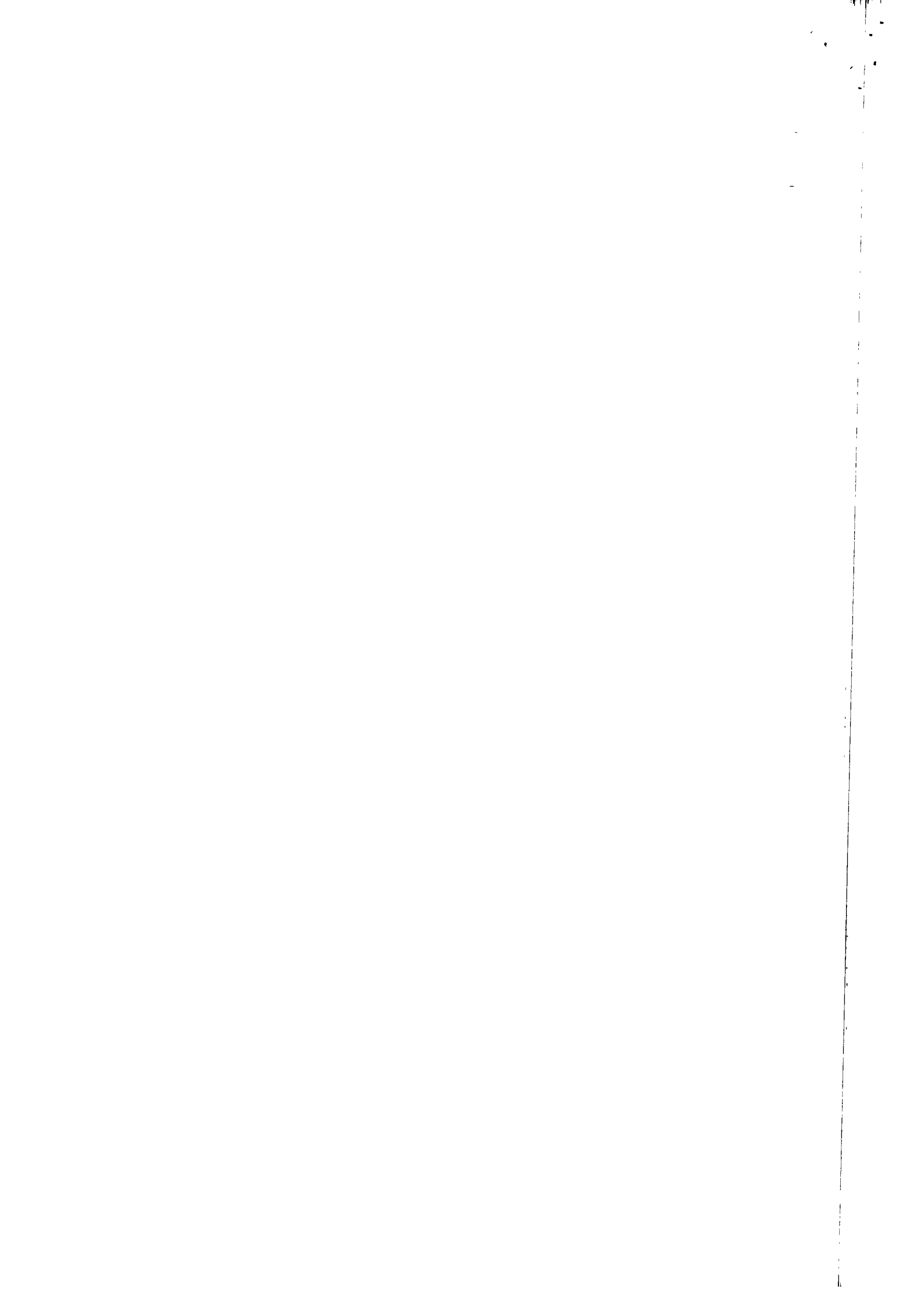
Nairobi

11 October, 2023



**I. STATEMENT OF RECEIPTS AND PAYMENTS  
FOR PERIOD ENDED 30TH JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2,021.00	2,020 Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	107,561.50	161,029
Capitation grants for operations	2	894,753.15	1,043,750
School Fund Income- Parents' Contributions	3	653,091.00	1,340,548
School Fund Income- Other receipts	4	-	-
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>1,655,405.65</b>	<b>2,545,327</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	50,480.00	188,851
Payments for operations	6	1,075,360.00	885,667
Boarding and school fund payments	7	623,026.50	850,871
<b>TOTAL PAYMENTS</b>		<b>1,748,866.50</b>	<b>1,925,389</b>
<b>SURPLUS/DEFICIT</b>		<b>(93,460.85)</b>	<b>619,938</b>
The financial statements were approved on 14.7.2022 and signed			
Sign	Sign	<b>PRINCIPAL</b>	Sign
Name Stephen Kiringo	Name CHAWIA HICHOUGH		Name Emily Shalwaru
Chair Bom	School principal		Finance officer
Date 14/07/2023	(secretary to Bom)		Bursar
	Date 14/07/2023		Date 14/07/2023



**II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES  
FOR PERIOD ENDED 30TH JUNE 2021**

	Note	2,021.00 Kshs	2,020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	448,603.15	386,368
Cash Balances	9	3,115.00	-
Short term Investment	10	-	-
<b>Total Cash and Cash Equivalents</b>		<b>451,718.15</b>	<b>386,368</b>
Account's receivables	11	2,996,360.00	734,425
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,448,078.15</b>	<b>1,120,793</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	1,342,610.00	1,258,488
<b>NET FINANCIAL SSETS</b>		<b>2,105,468.15</b>	<b>(137,696)</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	2,198,929.00	(137,696)
Surplus/Deficit for the year		(93,460.85)	619,938
<b>NET FINANCIAL POSITION</b>		<b>2,105,468.15</b>	<b>482,243</b>
	2	-	(619,938)



The financial statements were approved on 14/7/2022 and signed by:

Sign



Name S.E. Pitso

Sign



Name

Beatrice Mbozhe

Sign



Name

Emily Mwanzeru

Chair: Bom

School principal

(secretary to Bom)

Bursar

Date

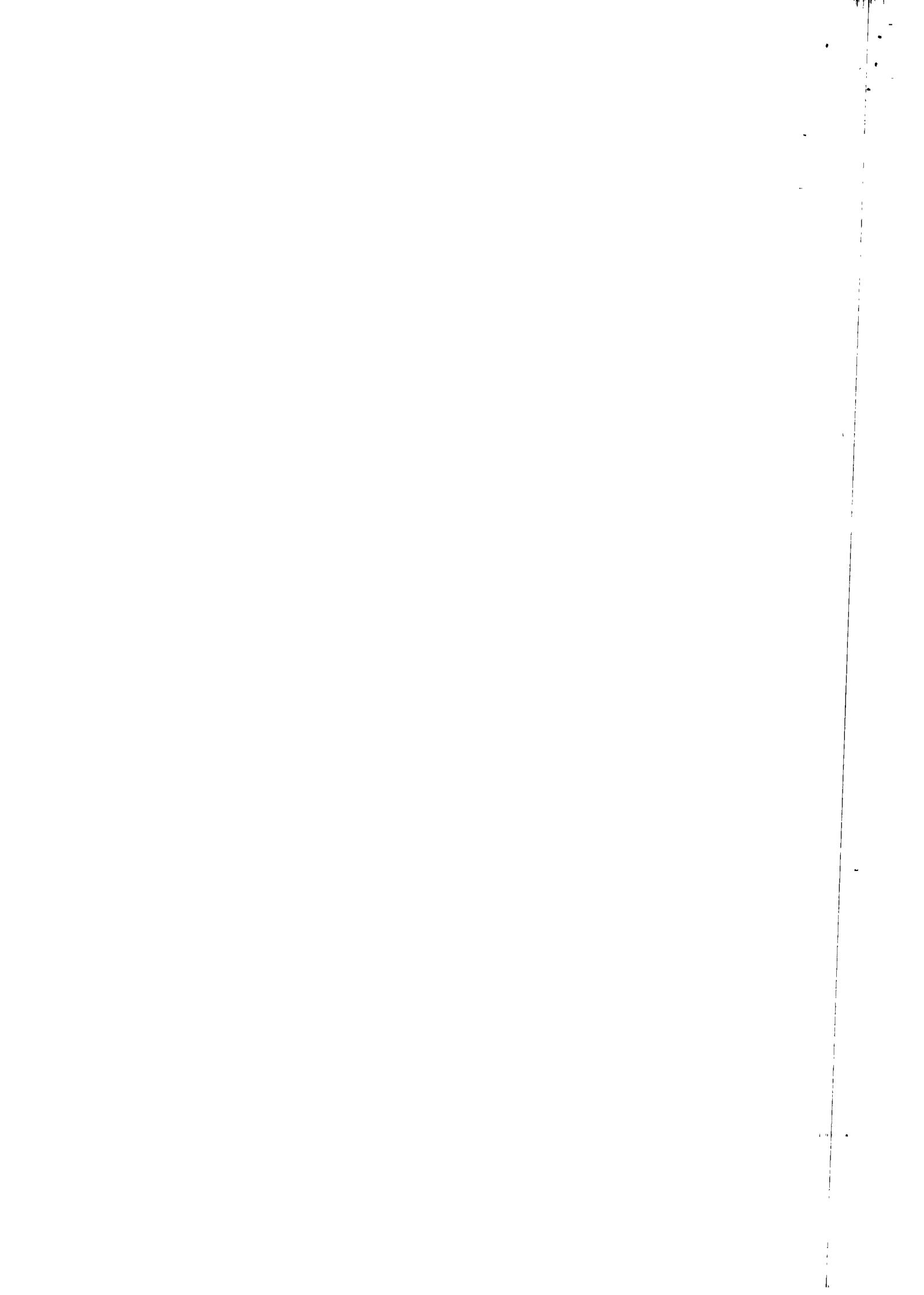
14/7/2023

Date

14/07/2023

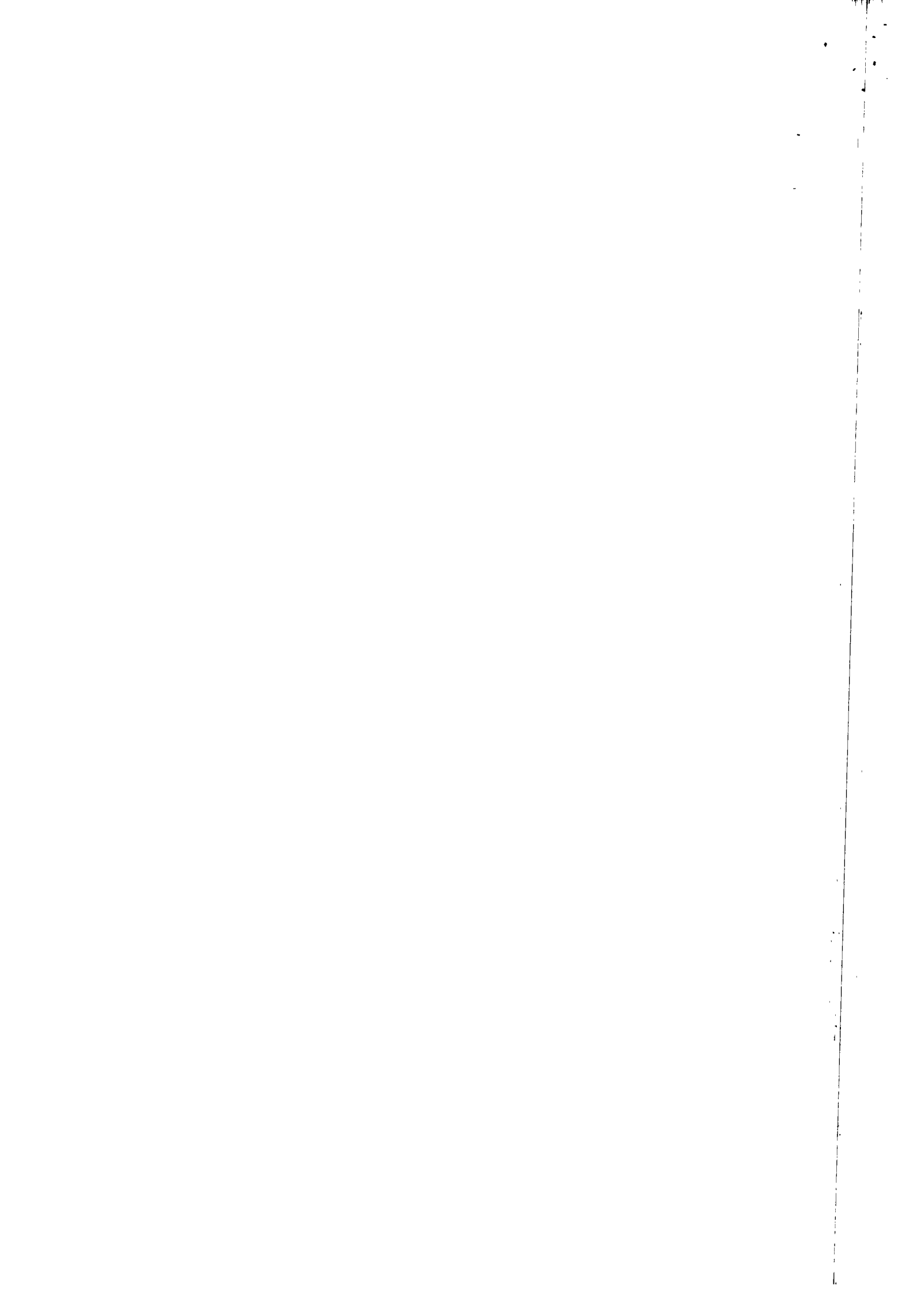
Date

14/07/2023



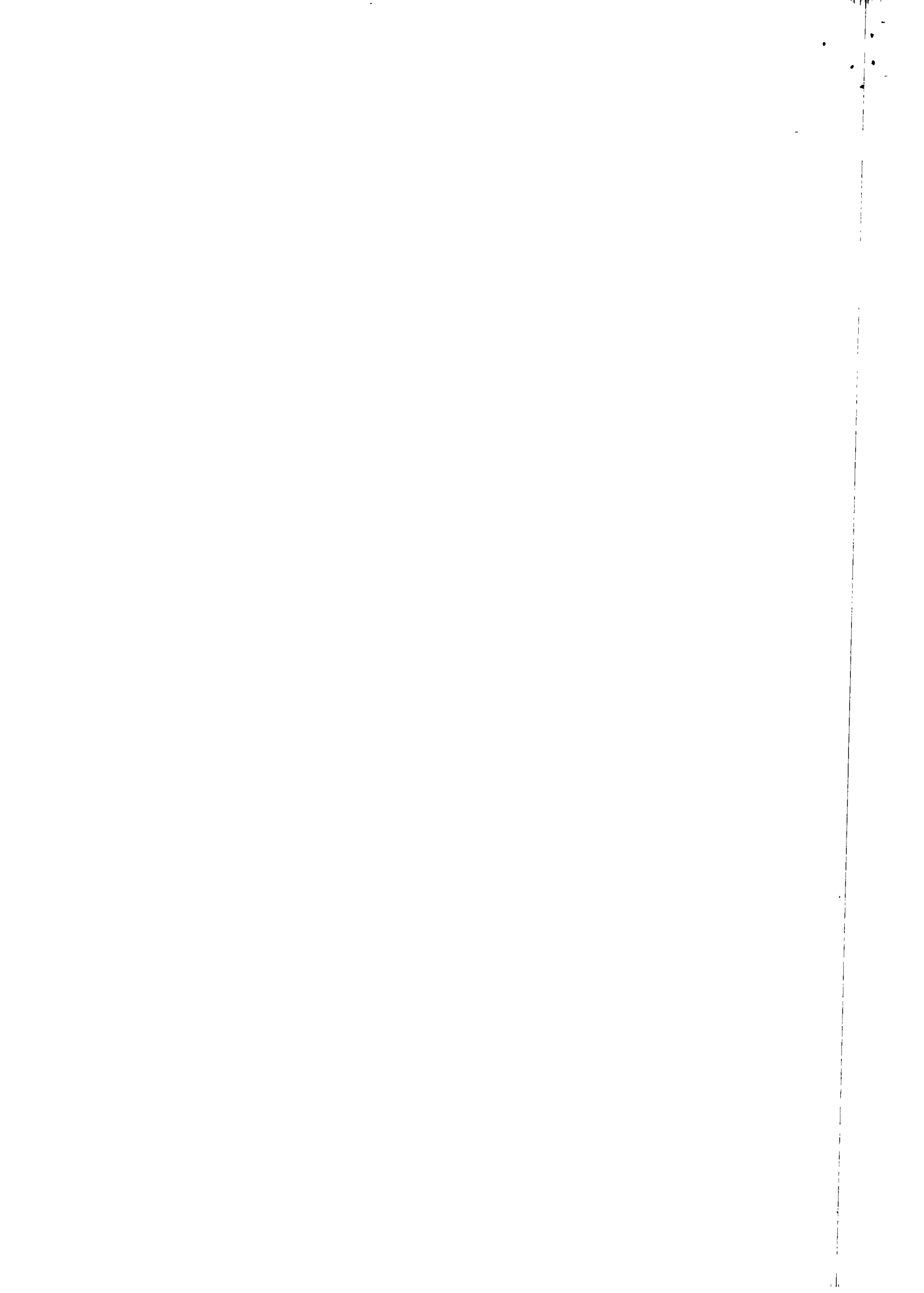
**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30TH JUNE 2021**

	2020-2021	2020-00
	Kshs	Kshs
<b>Receipts from operating activities</b>		
Capitation grants for tuition	1 107,561.50	161,029
Capitation grants for operations	2 919,753.15	1,043,750
School fund income- Parents contributions/ fees	3 1,502,177.00	1,340,548
School fund income- other receipts	4 -	-
<b>Total receipts</b>	<b>2,529,491.65</b>	<b>2,545,327</b>
<b>Payments</b>		
Payments for Tuition	50,480.00	188,851
Payments for operations	841,955.00	885,667
Boarding and school fund payments	1,316,391.00	850,871
<b>Net cash flow from operating activities</b>	<b>2,208,826.00</b>	<b>1,925,389</b>
	320,665.65	<b>619,938</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Assets	-	-
Acquisition of Assets	(258,430.00)	-
Proceeds from investments	-	-
<b>Net cash flows from Investing Activities</b>	<b>(258,430.00)</b>	-
<b>NET CASHFLOW FROM BORROWING ACTIVITIES</b>		
Proceeds from borrowings/ loans		
Repayment of principal borrowings		
<b>Net cash flows from Investing Activities</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>62,235.65</b>	<b>619,938</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10 386,367.50</b>	-





Cash and cash equivalent at END of the year		448,603.15	619,938
			233,571



**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**

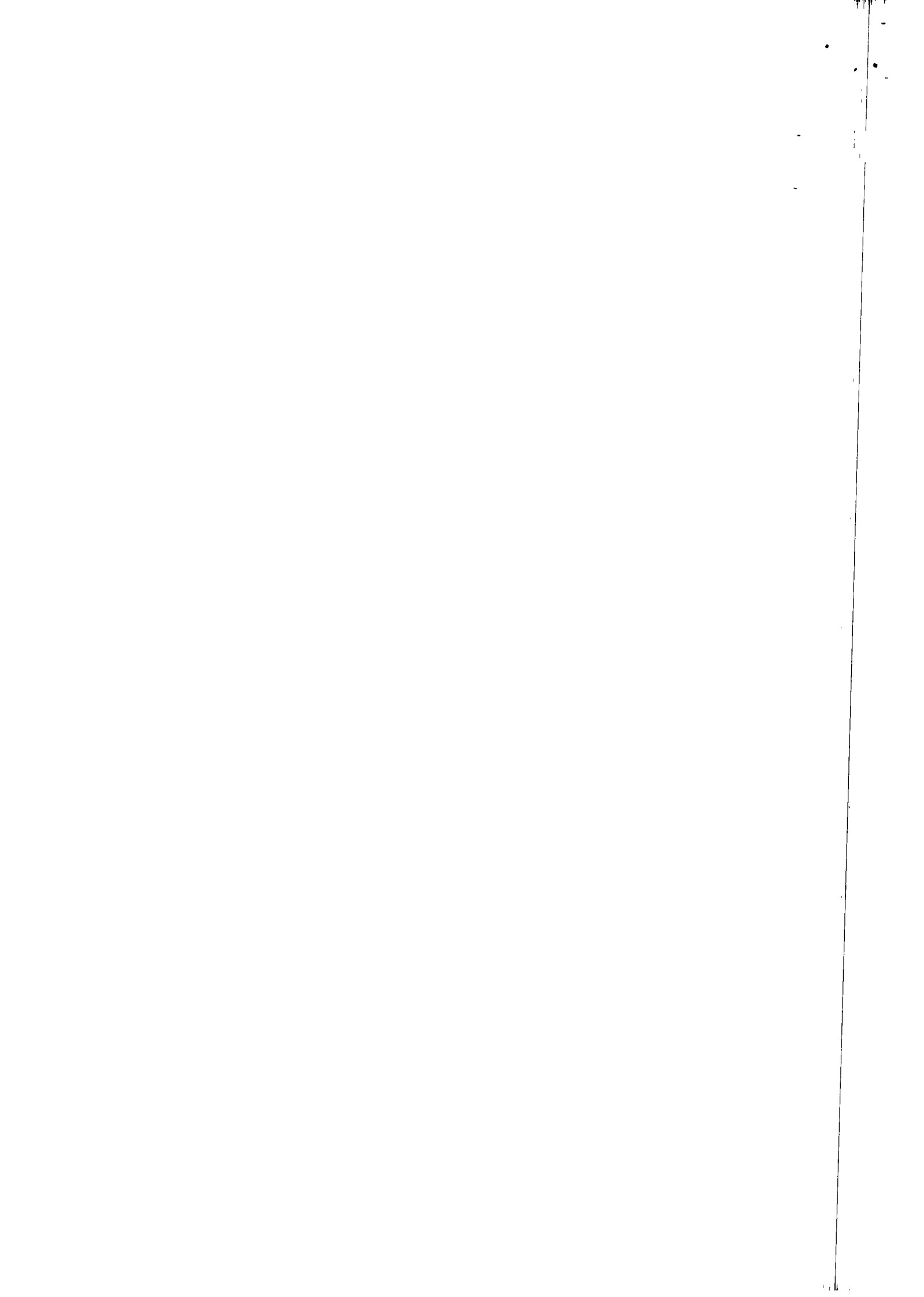
The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

**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.



**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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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 year ended 30<sup>th</sup> June 2022.



**I. NOTES TO THE FINANCIAL STATEMENTS**

**CAPITATION GRANT FOR TUITION**

				0
			2,021.00	2020
			Kshs	Kshs
Textbooks and reference materials				
Exercise books				
Laboratory equipment				
Internal exams				
Teaching / learning materials		107,561.50		161029
Chalks				
Exams and assessment				
Teachers guides				
<b>Total</b>		<b>107,561.50</b>		<b>161029</b>

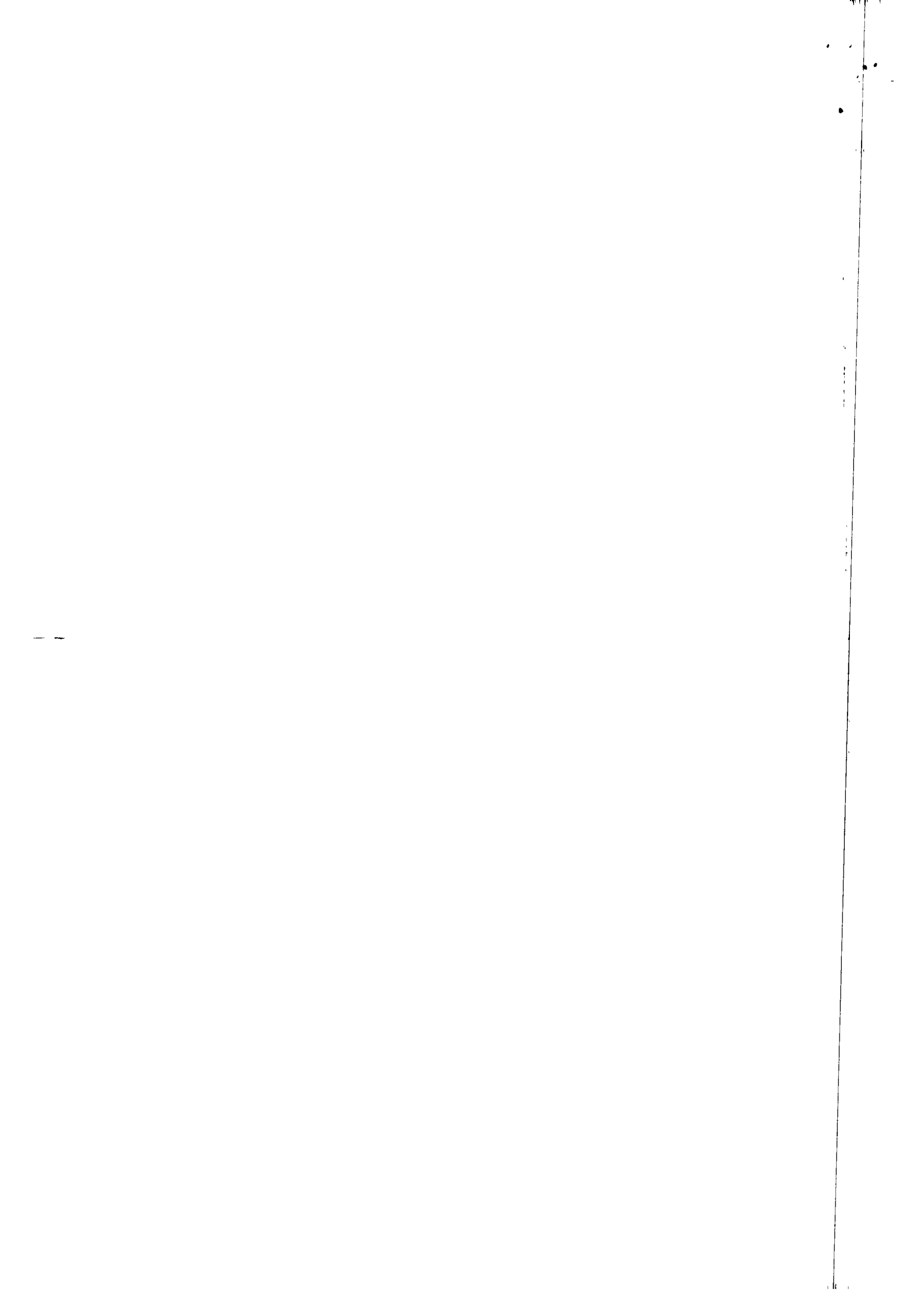
**CAPITATION GRANT FOR OPERATIONS**

			2,021.00	2020
			Kshs	Kshs
Repair and maintenance				348000
MOE grant		894,753.15		0
Local transport / travelling		-		0
BOM teachers salary		-		60000
other voteheads				583550
Medical		-		17400
Activity		-		34800
<b>Total</b>		<b>894,753.15</b>		<b>1043750</b>

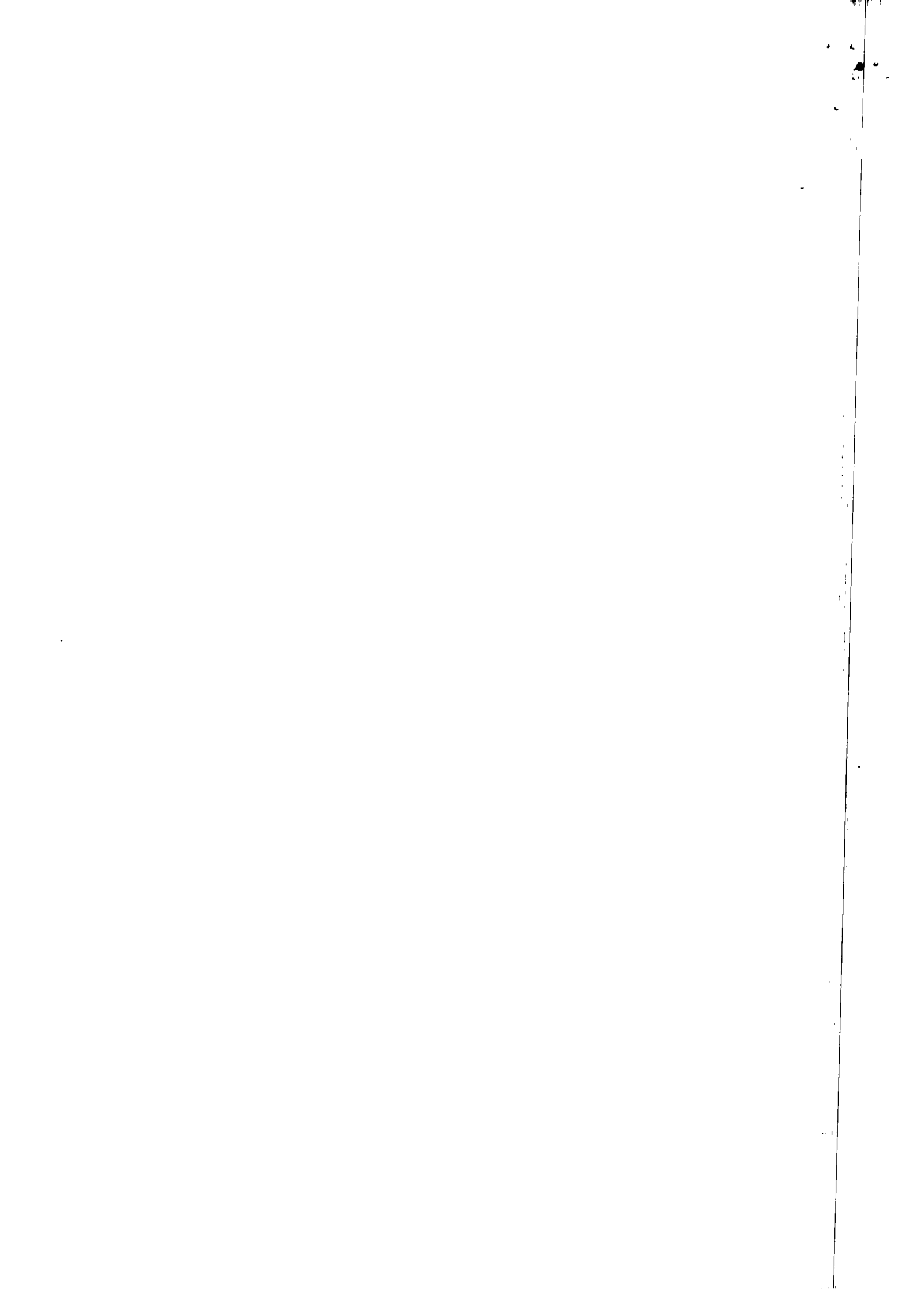




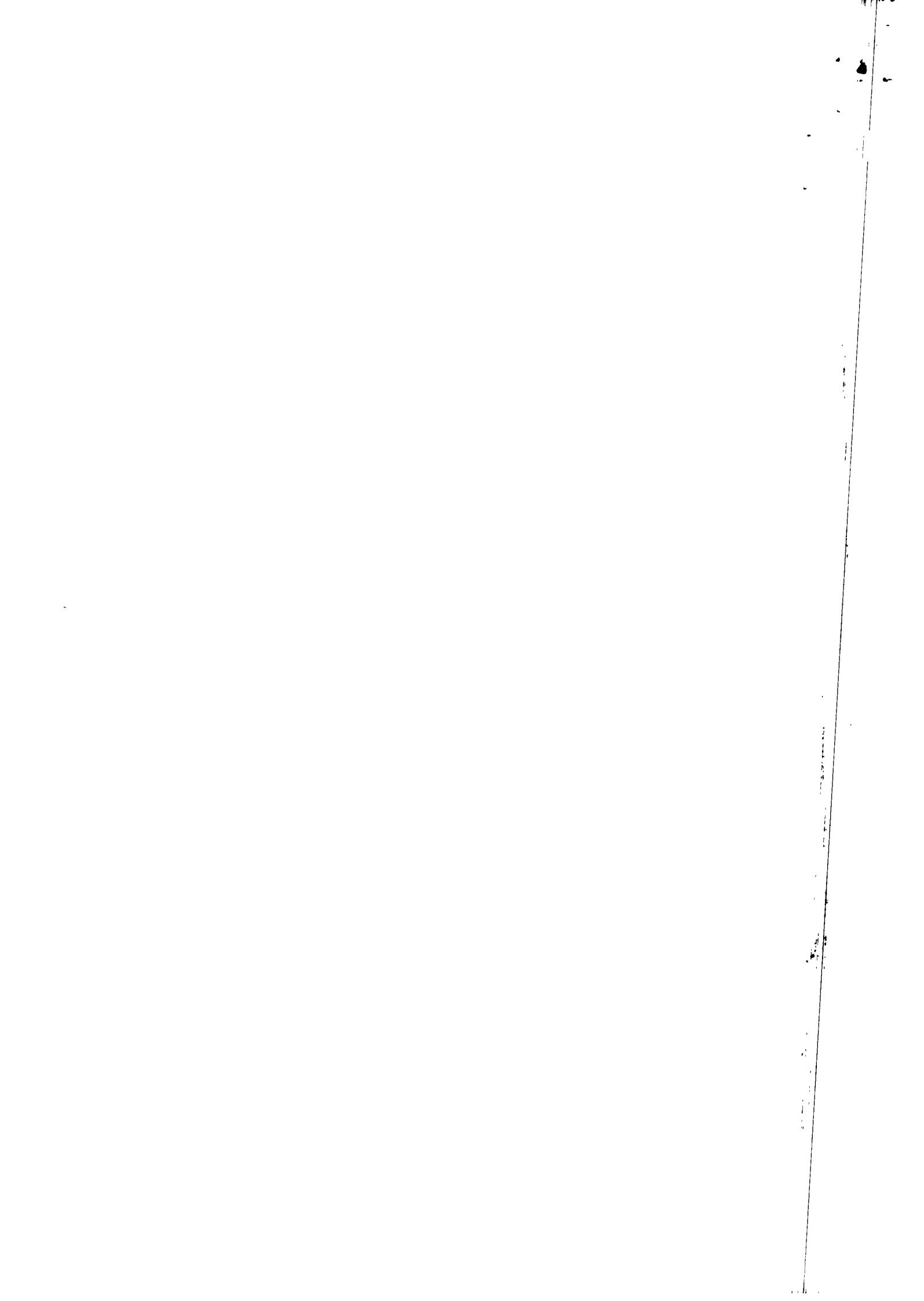
PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT		
	2021 Kshs	2020 Kshs
lunch programme	648,091.00	1340548
Tender application	5,000.00	0
Fee arrears		
Bursary		
Medical		0
Administration costs	-	0
Activity	-	0
<b>Total</b>	<b>653,091.00</b>	<b>1340548</b>
OTHER RECEIPTS – SCHOOL FUND ACCOUNT		
	2021 Kshs	2020 Kshs
Bursary		
Fee arrears		
Income from farming activities		0
Insurance compensation	-	0
Income from Posho mill	-	0
Income from Bus Hire	-	0
Fee for hire of ground and equipment	-	0
Income from grants and donations*	-	0
Interest income	-	0
Dividends income	-	0
<b>Total</b>	<b>-</b>	<b>0</b>



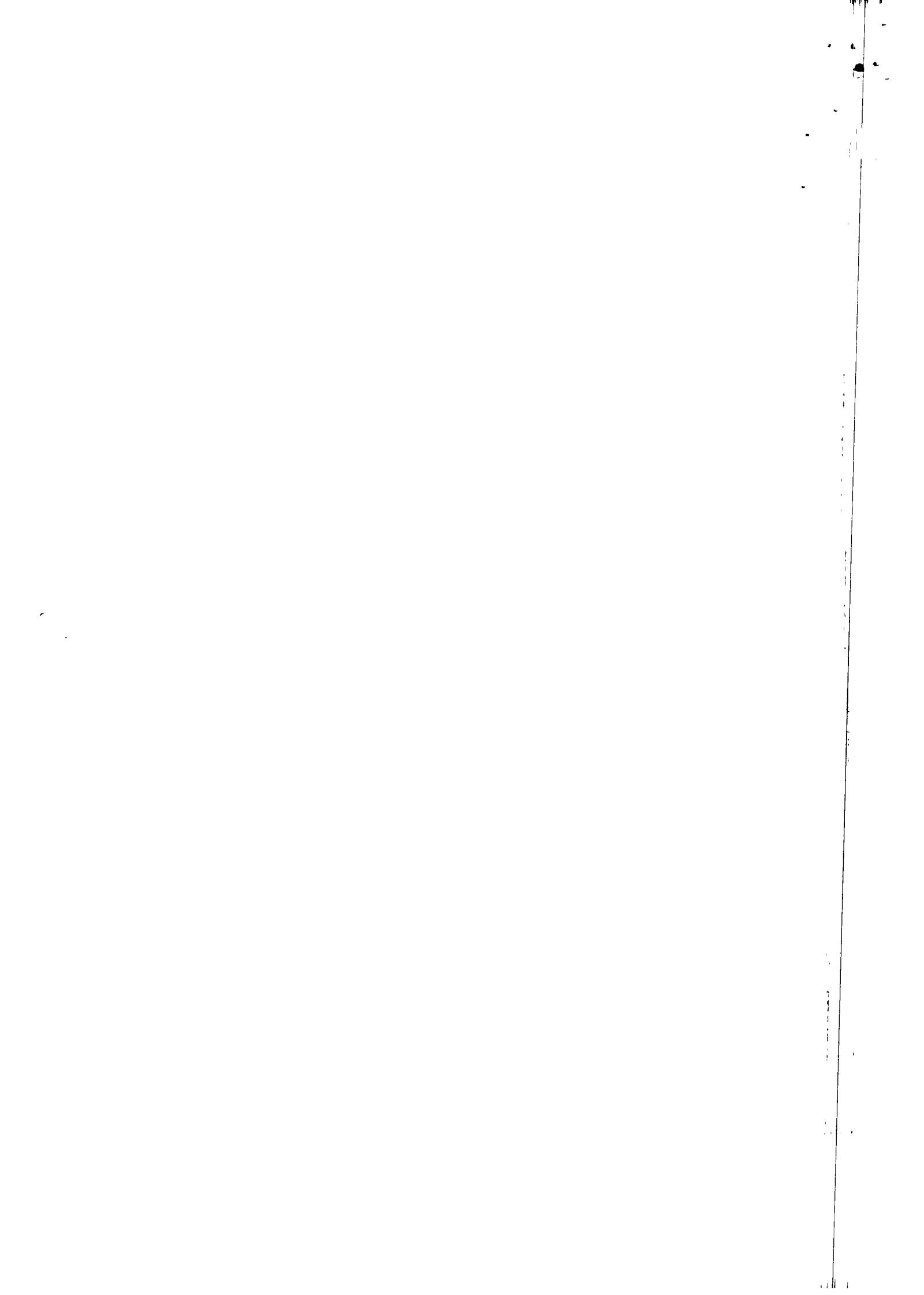
<b>PAYMENTS FOR TUITION</b>			
		2,021.00	
		Kshs	Kshs
Textbooks and reference materials			0
Exercise books			0
Laboratory equipment	50,000.00		32320
Internal exams			100000
Teaching / learning materials			56165
Chalks	-		0
Exams and assessment	-		0
Teachers guides	-		0
Administration Costs	-		0
Bank Charges	480.00		366
<b>Total</b>	<b>50,480.00</b>		<b>188851</b>
<b>PAYMENTS FOR OPERATIONS</b>			
		2,021.00	2020
		Kshs	Kshs
Personnel emoluments	222,420.00		188290
Service Gratuity	-		0
Administration Cost	265,840.00		121820
Repairs and maintenance & improvements/INFRASTRUCTURE	258,430.00		0
Local transport / travelling	158,100.00		297105
Electricity and water	5,520.00		35960
Medical	-		0
Activity Expenses	163,000.00		45800
SMASSE	-		0
BOM teachers	-		60000
Bank Charges	2,050.00		1512



Acquisition of Assets			135180
<b>TOTAL</b>		<b>1,075,360.00</b>	<b>885667</b>
<b>BOARDING AND SCHOOL FUND PAYMENTS</b>			
		<b>2,021.00</b>	<b>2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments			0
Service Gratuity		-	0
Repairs and maintenance & Improvements		-	0
Bursary			0
Electricity and water		-	0
Tender application		5,000.00	0
Administration costs		-	0
Lunch Programme		618,026.50	842819
Bank Charges			8052
Expenses on Income Generating Activities		-	0
Fee on Boarding Equipment and Stores		-	0
NHIF		-	0
Operations			0
Infrastructure		-	0
Loan Interest repayment		-	0
Acquisition of Assets		-	0
<b>TOTAL</b>		<b>623,026.50</b>	<b>850871</b>
<i>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, postho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.</i>			
<b>BANK ACCOUNTS</b>			

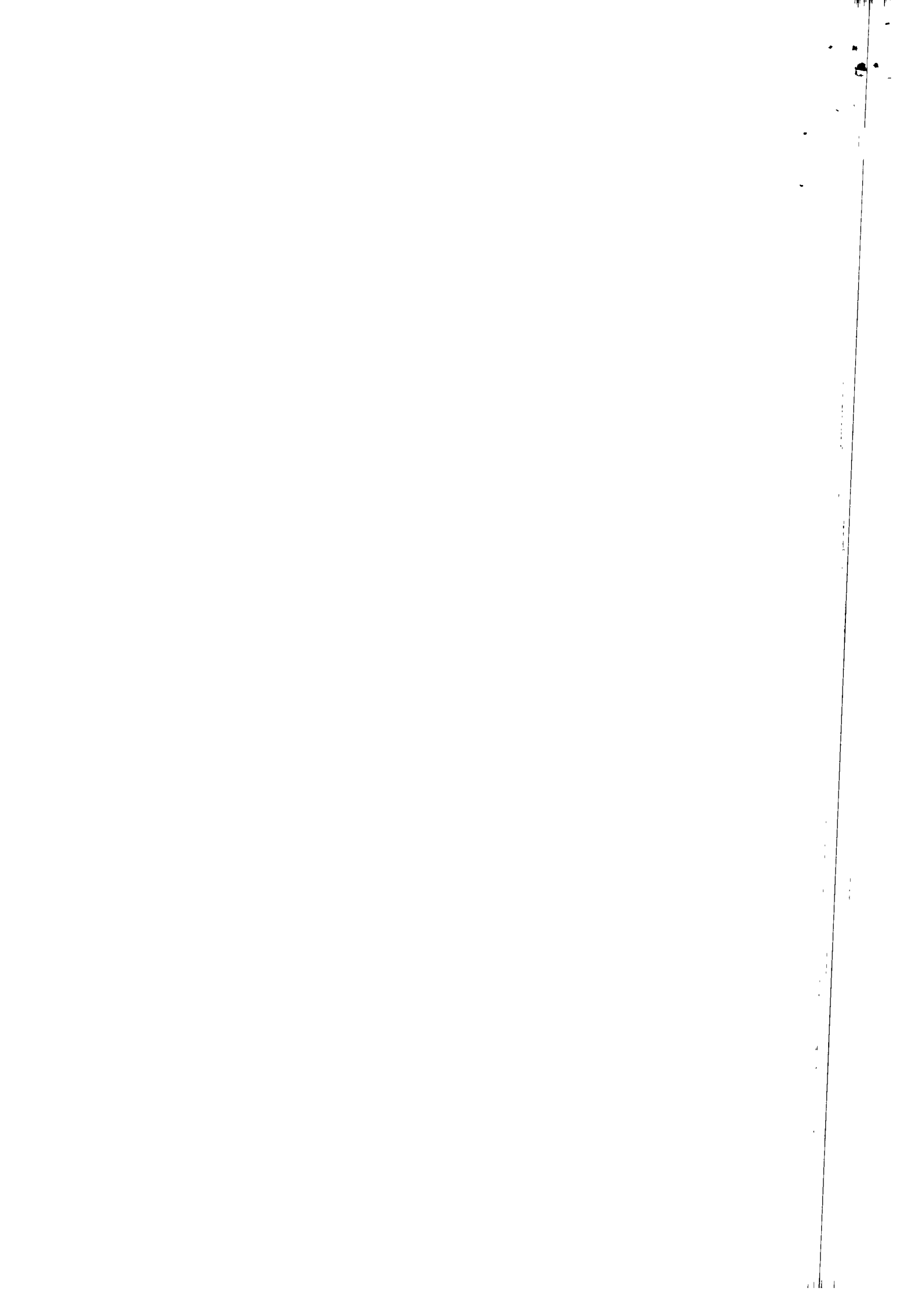


Name of Bank, Account No. & currency	Bank Account	2021	2020
		Kshs	Kshs
Tuition Account	1116051559	58,940.90	1859.4
Operations Account	1116051508	91,718.75	13920.6
School Fund Account/Boarding	1114001457	27,359.00	-158427
Savings Account		-	0
Parent Association Development Account		-	0
Income generating activities Account		-	0
Infrastructural Account	1232341142	270,584.50	529014.5
<b>Total</b>		<b>448,603.15</b>	<b>386367.5</b>
<b>CASH IN HAND</b>			
<b>Description</b>			
		<b>2,021.00</b>	<b>2020</b>
		Kshs	Kshs
Tuition Account		-	0
Operation Account		25.00	0
School Fund account		3,090.00	0
<b>Total</b>		<b>3,115.00</b>	<b>0</b>
<b>SHORT TERM INVESTMENTS</b>			
<b>Description</b>			
		<b>2,021.00</b>	<b>2019-2020</b>
		Kshs	Kshs
Cooperative shares		-	0
Treasury Bills		-	0
Fixed deposit		-	0
Equity stock		-	0
Other investments		-	0

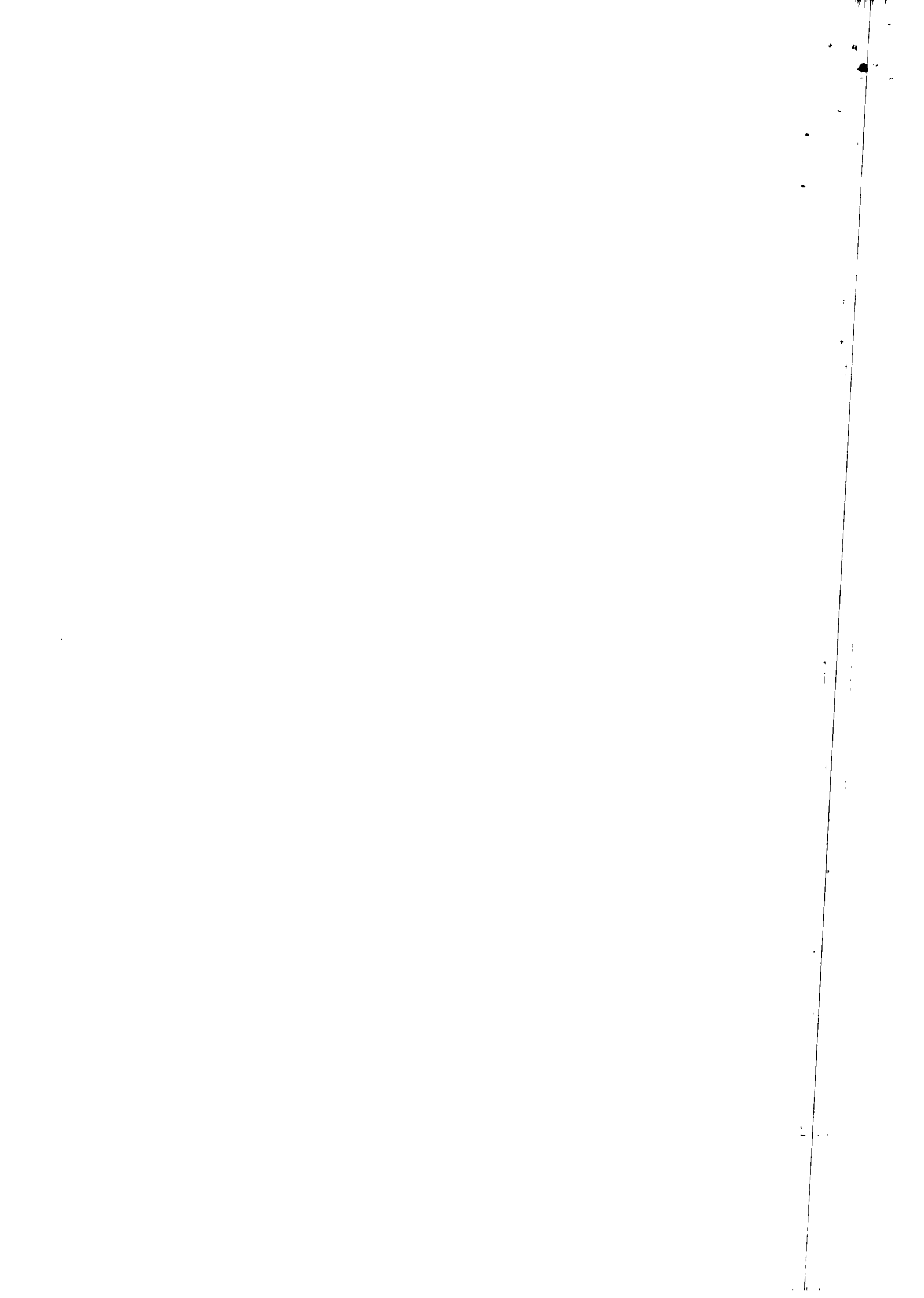




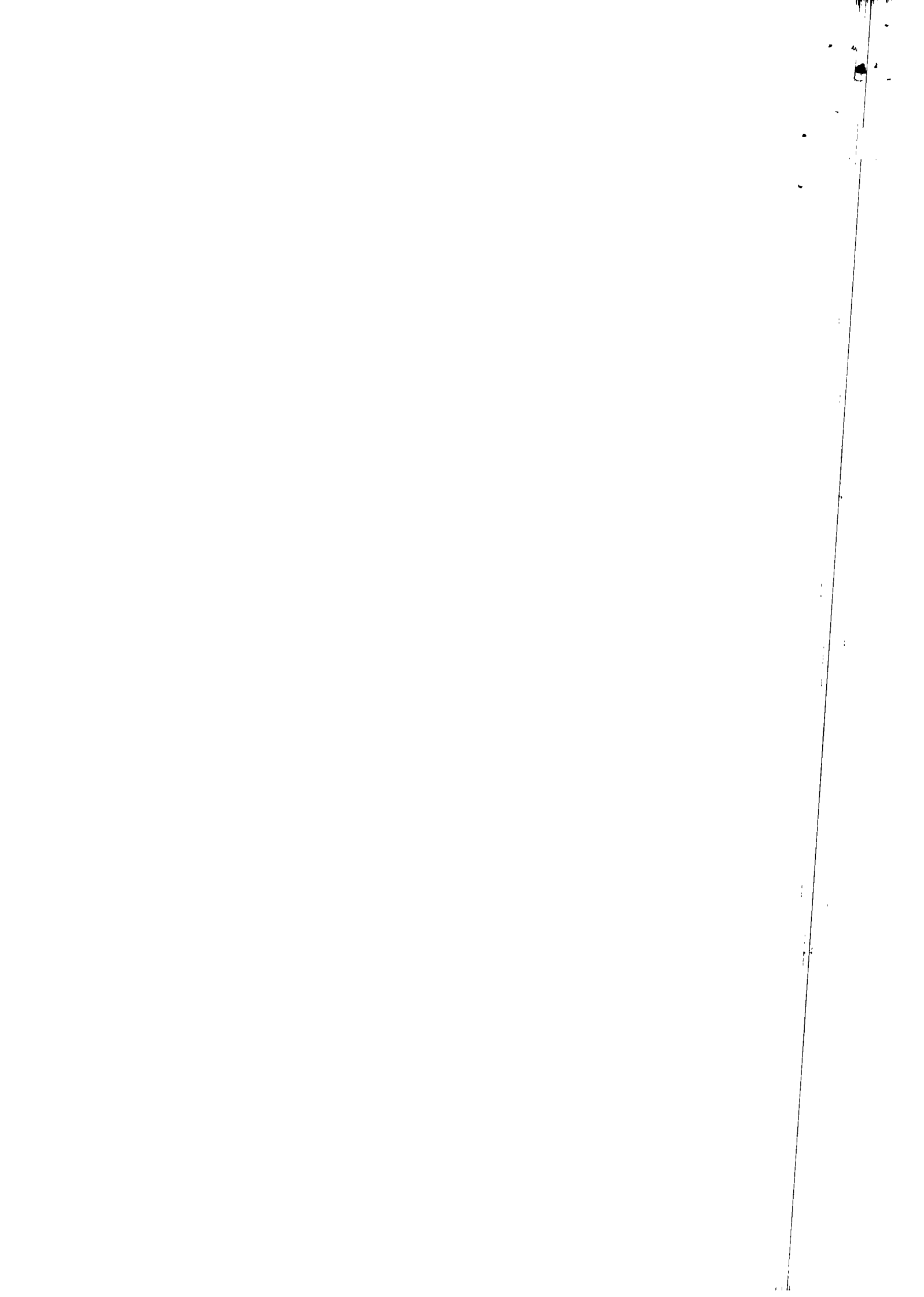
<b>Total</b>				<b>0</b>
<b>ACCOUNTS RECEIVABLE</b>				
<b>Description</b>			<b>2,021.00</b>	<b>2020</b>
			<b>Kshs</b>	<b>Kshs</b>
Fees arrears			2,996,360.00	734425
Other non-fees receivables			-	0
Salary advances			-	0
Imprest			-	0
<b>Total</b>			<b>2,996,360.00</b>	<b>734425</b>
[Include an ageing of the fees / non fees arrears below]				
<b>Description</b>			<b>2,021.00</b>	<b>2020</b>
			<b>Kshs</b>	<b>Kshs</b>
Fees arrears for current year			-	734425
Fees arrears for the previous year			403,522.00	0
Fees arrears for prior periods (over two years)			2,592,838.00	0
<b>Total</b>			<b>2,996,360.00</b>	<b>734425</b>
<b>ACCOUNTS PAYABLE</b>				
<b>Description</b>			<b>2,021.00</b>	<b>2020</b>
			<b>Kshs</b>	<b>Kshs</b>
Trade creditors (See ageing below and appendix 1)			1,244,844.00	1244844
Prepaid fees infrastructure			-	13644
<b>Total</b>			<b>97,766.00</b>	<b>0</b>
			<b>1,342,610.00</b>	<b>1258488</b>



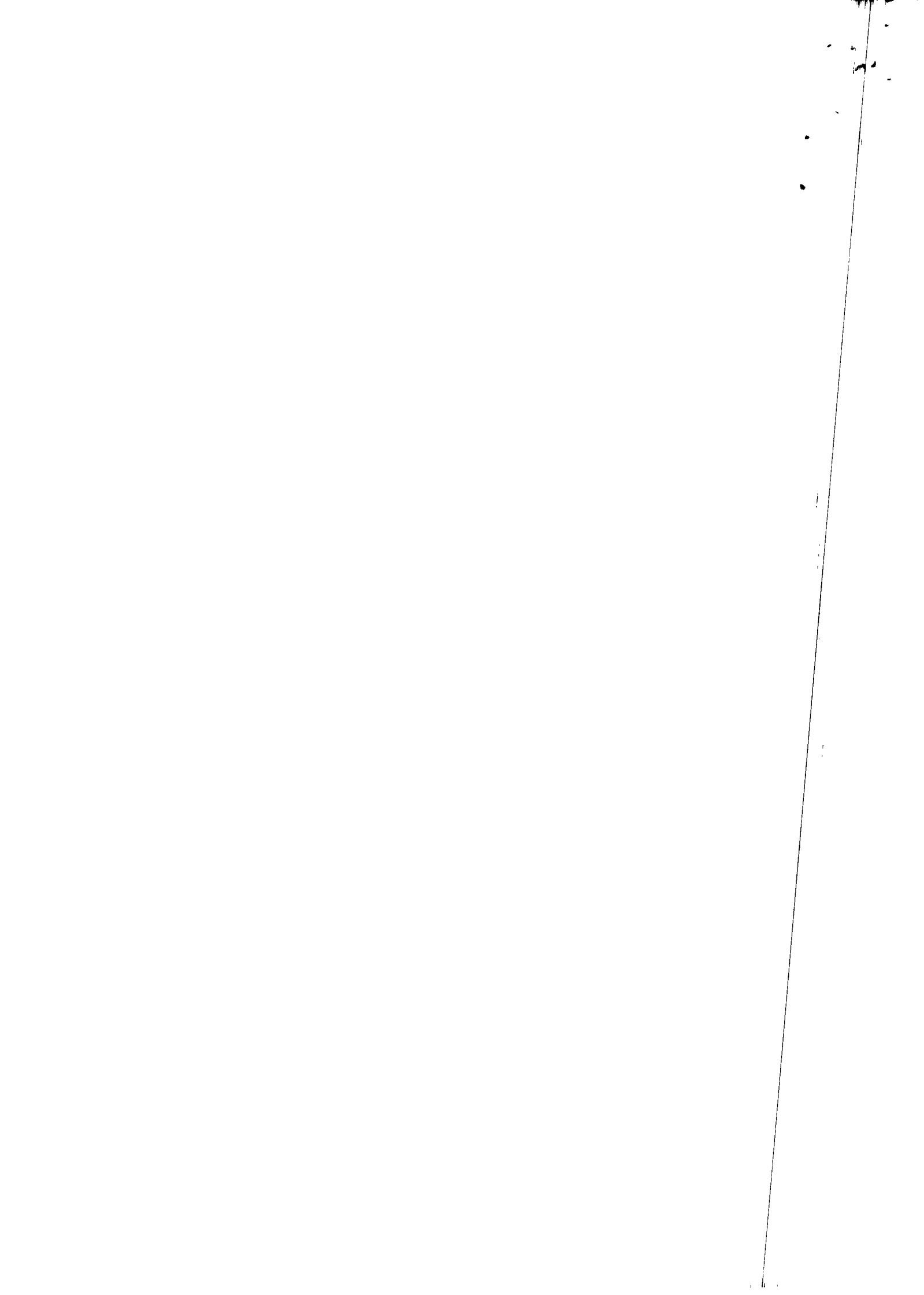
[Include an ageing of the creditor's arrears below]			
Description	2,021.00	2020	
	Kshs	Kshs	
Trade creditors for current year	-	1244844	
Trade creditors for the previous year	1,244,844.00	0	
Trade creditors for prior periods (over two years)	-	0	
<b>Total</b>	<b>1,244,844.00</b>	<b>1244844</b>	
<b>FUND BALANCE BROUGHT FORWARD</b>			
Description	2,021.00	2020	
	Kshs	Kshs	
Bank balances	386,367.00	386367.5	
Cash balances	-	0	
Short Term Investments	-	0	
Receivables	3,327,263.00	734425	
Payables	1,514,701.00	1258488	
<b>Total</b>	<b>2,198,929.00</b>	<b>-137695.5</b>	
<b>Other important disclosure notes</b>			
<b>Non-current Liabilities Summary</b>			
Description	2,021.00	2020	
	Kshs	Kshs	
Bank loan(s)	-	0	
Outstanding Leases	-	0	



Hire purchase				0
Gratuity and leave provision				0
<b>Total</b>				0
<b>Biological assets</b>				
<b>Description</b>	<b>Numbers</b>	<b>2,021.00</b>	<b>KShs</b>	<b>2020</b>
Cattle		-		0
Goats		-		0
Trees		-		0
Coffee or tea plantation		-		0
Poultry		-		0
<b>Total</b>		-		0
<b>Borrowings</b>				
<b>Description</b>		<b>2,021.00</b>	<b>KShs</b>	<b>2020</b>
<b>a) Borrowings</b>				
Borrowing at beginning of the year		-		0
Borrowings during the year		-		0
Repayments of during the year		-		0
<b>Balance at end of the year</b>		-		0
<b>1 Stock/ Inventory</b>				
<b>Description</b>		<b>2,021.00</b>	<b>KShs</b>	<b>2020</b>
<b>Stock/Inventory</b>				
Stock/ inventory at beginning of the year		-		0
Stock/ inventory purchased during the year		-		0



Stock/ inventory issued during the year					0
<b>Balance at end of the year</b>					<b>0</b>





**CHAWIA HIGH SCHOOL 2020/2021**  
**NOTE NO. 12 ACCOUNTS PAYABLES**

<b>TRADE CREDITORS LIST -Schedule I</b>		
1	Taita-taveta mwalimu bookshop	138,092.00
2	Multiple seven enterprises	260,644.00
3	Detroit Limited	97,375.00
4	Teachers@Large	273,900.00
5	New Tecno Services	13,500.00
6	Pyramid Consultants	43,000.00
7	Alega Enterprises	14,762.00
8	LV Computers and services	18,701.00
9	Staff Salaries December 2019	166,400.00
10	Agness Mchughwa	19,000.00
11	Rickmags	40,520.00
12	Dembwa Bodaboda SHG	34,900.00
13	Dzilambe Butchery	34,000.00
14	Mercy Rgwa	1,320.00
15	Defence Mkoji	4,050.00
16	Alex Nzola	21,080.00
17	Caroline Mwanganyi	15,900.00
18	Infrastructure	97,766.00
19	Naomi Mbai	47,700.00
<b>TOTALS</b>		<b>1,342,610.00</b>

