

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 26 NOV 2024

DAY:  
Tuesday

**OF**

TABLED  
BY:

Hon. Naomi Wago  
Deputy Majority Whip

CLERK-AT  
THE-TABLE:

Loisale

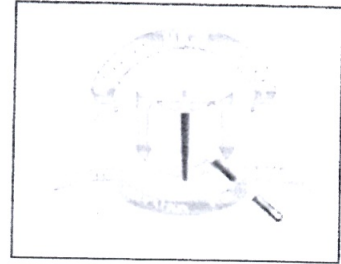
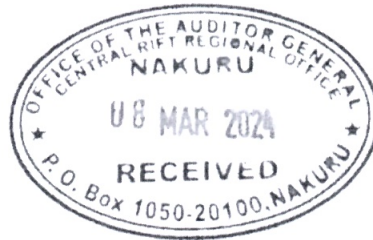
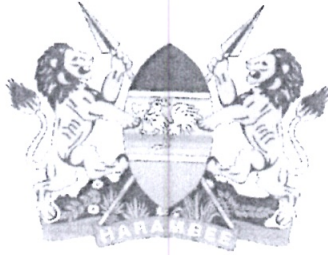
**THE AUDITOR-GENERAL**

**ON**

**BARINGO HIGH SCHOOL**

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

**BARINGO COUNTY**



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**BARINGO HIGH SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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

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

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<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of Terms .....	ii
2. Key School Information and Management .....	iii
3. Summary Report of Performance of The School .....	vii
4. Statement of School Management Responsibility .....	xiii
5. Report Of The Independent Auditors <i>(To be attached)</i> .....	xiv
6. Statement Of Receipts and Payments For the Year Ended 30 <sup>th</sup> June 2022 .....	1
7. Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2022 .....	2
8. Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2022 .....	4
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2022 .....	6
10. Significant Accounting Policies .....	11
11. Notes To The Financial Statements .....	13
12. Annexes .....	25

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

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**1. Acronyms and Glossary of Terms**

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

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

**2. Key School Information and Management**

**(a) Background information**

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in **Baringo** County, **Koibatek** Sub-County.

The school was registered in **15/12/2021** under registration number **30/3000/1228** and is currently categorized as a **National**. Public school established, owned or operated by the Government.

The school is a day/boarding school and had **1195** number of students as at **30<sup>th</sup> June 2022**. It has **6** streams and **59** teachers of which **12** teachers are employed by the School Board of Management.

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

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

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Prof Hentry Kiplagat	Chair Person	2019
2	Mr. Peter Owino	Secretary- Principal	2019
3	Ms Mary Limo	Member-Community	2019
4	Prof Collins Ouma	Member-Community	2019
5	Eng John Tanui	Member-Community	2019
6	Mr. Elijah Wasike	Member-Community	2019
7	Rev David Kuto	Member-Community	2019
8	Mr. Philip Changwony	Member – Community	2019
9	Ms Dorothy Gacheri	Member-Rep CEB	2019
10	Ms Ann Wambui	Member- Rep Teachers	2019
11	Ms Sarah Marsiana	Members - Sponsor	2019
12	Mr Mohammed Berrow	Member-Sponsor	2019
13	School Captain	Member-Sponsor	2019
14	Area MP Moses Lessonet	Members – Co-Opted	2019
15	C.D.E Mr Kirati Moses	Members – Co-Opted	2019
16	TSC S.C Ms Grace Wagemu	Members – Co-Opted	2019
17	DCC Ms Mary Muchene	Members – Co-Opted	2019
18	Area Chief	Members – Co-Opted	2019

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

**The functions of the School Board of Management are to:**

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

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Prof Hentry Kiplagat 2. Mr. Peter Owino 3. Ms Mary Limo 4. Rev David Kuto 5. Ms Sarah Marsiana 6. Mr. Pius Kibet	CHAIRMAN MEMBER SECRETARY PA CHAIR SPONSOR SPONSOR MEMBER	
2	Academic Committee	1. Prof Ouma Collins 2. Mr. Peter Owino 3. Mr. Pius Kibet 4. Mr Philip Changwony 5. Prof Hentry Kiplagat	CHAIRMAN SECRETARY MEMBER. MEMBER MEMBER	
3	Disciplinary Committee	1. Rev David Kuto 2. Mr. Peter Owino 3. Ms Mary Marsaba 4. Mr Philip Changwony 5. Mr. Pius Kibet 6. Prof Hentry Kiplagat	CHAIRMAN SECRETARY MEMBER MEMBER MEMBER MEMBER	
4	School Infrastructure Committee (SIC)	1. Mr. Pius Kibet 2. Mr. Peter Owino 3. Prof Hentry Kiplagat 4. Rev David Kuto 5. Ms Mary Marsaba 6. Mr. Robert Kibet	CHAIRMAN SECRETARY MEMBER MEMBER MEMBER MEMBER	

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

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**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	MR TITUS K NGETICH	TSC No. 372723
2	Deputy Principal	MR MOSES KOECH	TSC No.419165
3	School Bursar	MR HILLARY KIBET	
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 23-Eldama ravine  
Telephone: 0202001879  
E-mail: principalbaringohigh@gmail.com

Website: [www.baringohighschool.sc.ke](http://www.baringohighschool.sc.ke)

Facebook: N/A

Twitter: N/A

**(f) School Bankers**

Provide details of the school bankers.

1. Name of Bank: Tuition Account-KCB  
Account no; 1105630986  
Branch Eldama Ravine  
Postal Address.415-200103
2. Name of Bank; Operation Account-Kcb  
Account no; 1105631583  
Branch; Eldama Ravine  
Postal Address.415-200103
3. Name of Bank; collection Account- Kcb  
Account no; 1105628779  
Branch; Eldama ravine  
Postal Address415-200103
4. Name of Bank; collection Account- Equity  
Account no; 1310260583573  
Branch; Eldama Ravine  
Postal Address

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

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5. Name of Bank; Farm Account- Equity  
Account no; 1310260992224  
Branch; Eldama Ravine  
Postal Address;75104
6. Name of Bank; collection Account- Boresha  
Account no; 50401261420  
Branch; Eldama Ravine  
Postal Address; 80-20103
7. Name of Bank; Infrastructure Account- Kcb  
Account no; 1139043471  
Branch; Eldama Ravine  
Postal Address 415-200103
8. Name of Paybills  
@Business no 522123 Account 20180k  
@Business no 4045541 account adm no

**(g) Independent Auditors**

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



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

**3. Summary Report of Performance of the School**

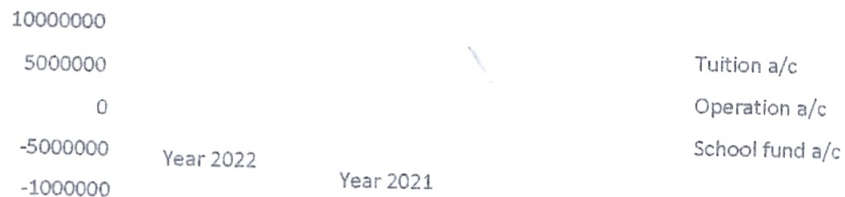
The following is a summary report of the performance of the school against the set performance evaluation criteria:

**a) Financial performance:**

**i) Surplus/ deficit for the year and a comparison of the same for the last three years**

<b>Details</b>	<b>2022</b>	<b>2021</b>
<i>Tuition Account</i>	<i>(396,156.20)</i>	<i>309,014.00</i>
<i>Operation Account</i>	<i>(698,749.45)</i>	<i>580,610.35</i>
<i>School Fund a/c</i>	<i>5,450,753.14</i>	<i>(6,157,862.90)</i>
<b>Total</b>	<b>4,355,847.49</b>	<b>(5,268,238.55)</b>

**Chart Title**



*Graphical representation of reported surplus/deficit over a two year period*

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

<b>Details</b>	<b>2022</b>	<b>2021</b>
<i>Tuition Account</i>	<i>4,898,975.00</i>	<i>1,327,957.00</i>
<i>Operation Account</i>	<i>25,022,596.55</i>	<i>9,015,243.35</i>
<b>Total Grants</b>	<b>29,921,571.55</b>	<b>26,111,384.45</b>
<i>Student Enrolment</i>	<i>1195</i>	<i>1094</i>
<b>Capitation ratio</b>	<b>1:25,039.00</b>	<b>1:23,868.00</b>

### Capitation Grants

Year 2022    Year 2021



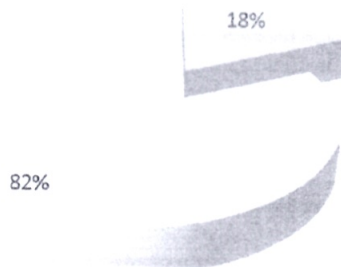
*Pie chart representation of capitation grants over a period of two years*

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

Details	2022	2021
Farm a/c (Bank)	28,288.92	128,288.92

### Overview Growth of other Income

Year 2022    Year 2021



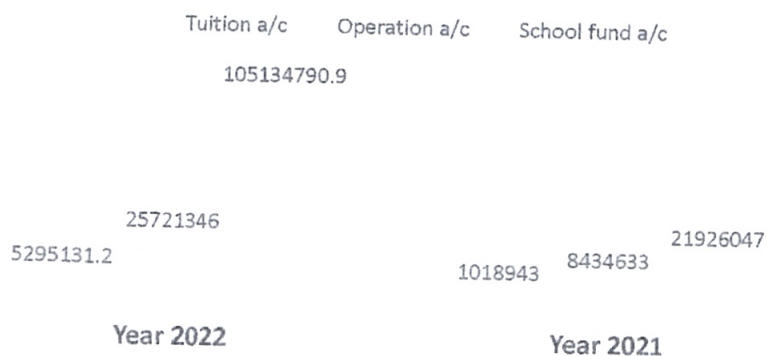
*Pie chart representation of School's other income*

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

iv) *A two-year overview of growth in expenditure of the school*

<i>Details</i>	<i>2022</i>	<i>2021</i>
<i>Tuition Account</i>	<i>5,295,131.20</i>	<i>1,018,943.00</i>
<i>Operation Account</i>	<i>25,721,346.00</i>	<i>8,434,633.00</i>
<i>School fund a/c</i>	<i>105,134,790.87</i>	<i>21,926,047.00</i>
<b><i>Total Expenditures</i></b>	<b><i>136,151,268.07</i></b>	<b><i>31,379,623.00</i></b>
<b><i>Growth</i></b>	<b><i>104,771,645.07</i></b>	<b><i>-</i></b>

### School Expenditures



*Graphical representation of school expenditure over a two year period*

v) *Movement of debtors and creditors of the school over the last two years*

<i>Details</i>	<i>2022</i>	<i>2021</i>
<i>Account Receivables</i>	<i>28,137,737.44</i>	<i>19,398,157.44</i>
<i>Account Payables</i>	<i>14,273,460.95</i>	<i>23,937,148.57</i>

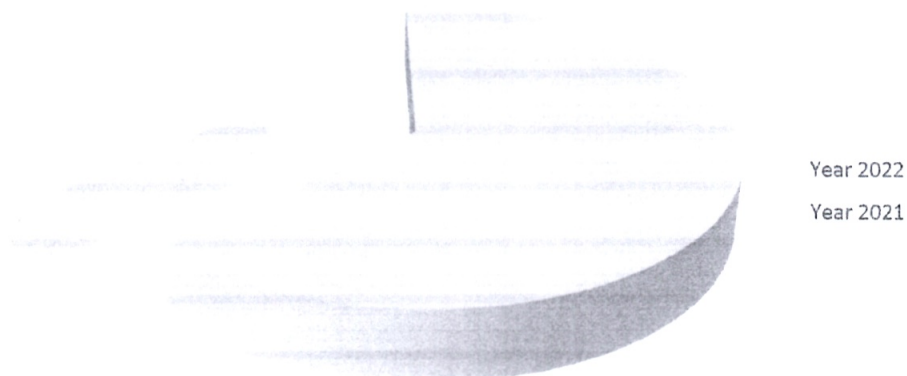


**BARINGO HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

vi) **Movement of cash and bank over the last two years**

<b>Details</b>	<b>2022</b>	<b>2021</b>
<i>Tuition Account</i>	136,729.15	532,885.35
<i>Operation Account</i>	651,327.20	1,350,076.65
<i>School fund a/c</i>	6,921,207.00	2,527,740.21
<i>Farm a/c</i>	28,288.92	128,288.92
<b>Total cash &amp; Bank</b>	<b>7,737,552.27</b>	<b>4,518,040.13</b>
<b>Growth</b>	<b>3,219,512.14</b>	-

**Cash and cash equivalent**



*Pie chart representation of cash and cash equivalent over a two year period*

vii) **Teacher Student ratio**

<b>Details</b>	<b>No.</b>
<i>TSC Teachers</i>	47
<i>BOM Teachers</i>	12
<i>Recruited</i>	0
<i>Transferred</i>	0
<b>Total No</b>	<b>59</b>

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

<i>Student Enrol</i>	<i>1195</i>
<i>Ratio</i>	<i>1:20</i>
<i>Excess</i>	<i>12</i>

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

Year	Enrolled	Passed	Mean Score	Change	Grade	Transition
2021	227	213	8.863	+0.211	B-	94%TRANSITION
2020	204	182	8.652	+0.603	B-	89%TRANSITION
2019	225	177	8.049	+0.836	B-	79%TRANSITION

**Mean Scores**



*Graphical representation of school means scores over a period of three years*

ix) **Capacity of the school:**

Facility	Quantity	Capacity
<i>Dormitories</i>	<i>9</i>	<i>820</i>
<i>Laboratories</i>	<i>4</i>	<i>75</i>
<i>Toilets (doors)</i>	<i>81</i>	<i>1220</i>
<i>Classrooms</i>	<i>24</i>	<i>1220</i>
<i>Dining Hall</i>	<i>1</i>	<i>700</i>

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

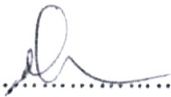
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x) **Development projects carried out by the school:2022**

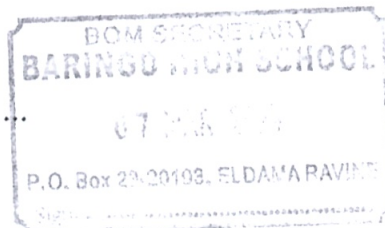
Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

*Sign*

*Mr. Titus K Ngetich*



.....  
School Principal



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

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**4. 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.

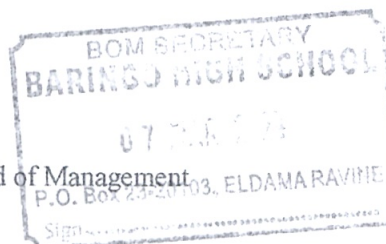
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

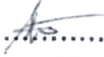
The Board of Management of **BARINGO HIGH SCHOOL** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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, 2022**, and of the school's financial position as at that date.

.....  
  
Name: **PROF HENTRY KIPLAGAT**  
Designation: Chairman, School Board of Management  
Date:

.....  
  
Name: **MR TITUS K NGETICH**  
Designation: School Principal & Secretary to Board of Management  
Date:



.....  
  
Name: **MR HILLARY KIBET**  
Designation: Bursar/ Finance Officer  
Date:

# REPUBLIC OF KENYA



*Enhancing Accountability*

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Website: www.oagkenya.go.ke

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

## REPORT OF THE AUDITOR-GENERAL ON BARINGO HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - BARINGO COUNTY

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and 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 Baringo High School - Baringo County set out on pages 1 to 16, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of



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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Baringo High School - Baringo County as at 30 June, 2022 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 do not comply with Public Finance Management Act, 2012 and Basic Education Act, 2013.

## **Basis for Qualified Opinion**

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

#### **a) Variance Between the Statement of Receipts and Payments and the Statement of Cashflow**

The statement of receipts and payments reflects school fund income-other receipts of Kshs.93,618,515 and boarding and school fund payments of Kshs.105,134,791 as disclosed in Notes 4 and 7 to the financial statements respectively. However, the balance varies with Kshs.85,058,210 and Kshs.102,161,766 reflected in the Statement of Cash flows resulting to an unexplained or an unreconciled variance of Kshs.8,560,305 and Kshs.2,973,025 respectively

In the circumstances, the accuracy and completeness of the statement of receipts and payments and the statement of cash flows amounts could not be confirmed.

#### **b) Missing Reference Notes to the Financial Statements**

The statement of cash flows is not fully referenced with Notes to the financial statements on payments for tuition, payments for operation and boarding and school fund payments. In addition, cash and cash equivalents at the beginning of the year is wrongly referenced to Note 10 to the financial statement whereas Note 10 refers to short term investments.

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

## **2. Unsupported Insurance Cost Payments**

The statement of receipts and payments reflects boarding and school fund payments balance of Kshs.105,134,791 as disclosed in Note 7 to the financial statements of which Kshs.220,322 relates payments for insurance costs for school bus registration Number KBZ 175D. However, the payment was not supported insurance policy documents.

In the circumstances, the occurrence of insurance costs of Kshs.220,322 could not be confirmed.

### **3. Unsupported Tuition Payments**

The statement of receipts and payments reflects Kshs.5,295,131 as payments for tuition as disclosed in Note 5 to the financial statements. However, payment vouchers and schedules amounting to Kshs.738,636 were not provided for audit.

In the circumstances, the occurrence, accuracy and completeness of the payments for tuition amount of Kshs.5,295,131 could not be confirmed.

### **4. Unsupported Receipts**

The statement of receipts and payments reflects school fund income-parents' contribution and school fund income-other receipts of Kshs.16,967,029 and Kshs.93,618,515 respectively as disclosed in Notes 3 and 4 to the financial statements respectively. However, the receipts were not supported with details of students.

Further, the cash book provided for audit reflected parents' contributions and other receipts amounting to Kshs.15,480,437 and Kshs.65,336,056 respectively, resulting to unexplained variances of Kshs.1,486,592 and Kshs.28,282,459 respectively

In the circumstances, the accuracy and completeness of the school fund income- parents' contribution and school fund income-other receipts of Kshs.16,967,029 and Kshs.93,618,515 respectively could not be confirmed.

### **5. Inaccuracies of Boarding and School Fund Payments**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.105,134,791 as disclosed in Note 7 to the financial statements. However, the supporting ledger schedule and cash book balances are Kshs.83,953,336, resulting to an unreconciled and unexplained variance of Kshs.21,181,455.

Further, the balance of Kshs.105,134,791 in respect to boarding and school fund payments includes Kshs.7,782,694 in respect of previous years' fees arrears which had not been posted in the students' fees accounts vote heads.

In the circumstances, the accuracy, completeness and the effectiveness of internal controls over the collection and recording of the school fund income-parents' contributions totalling Kshs.105,134,791 could not be confirmed.

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

The statement of receipt and payments reflects boarding and school funds payments of Kshs.105,134,791 as disclosed in Note 7 to financial statements. This amount includes expenditure totalling Kshs.2,778,242 in respect of repairs, maintenance and improvements which was not supported by approved list of prequalified suppliers, Local Purchase Orders, Goods Received Notes, requisition notes, inspection and acceptance

report. This was contrary to Section 104(1) of Public Finance Management (National Government) Regulations, 2015 which requires that all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

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

## **7.0 Accounts Receivables**

### **7.1 Unsupported Accounts Receivables**

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs.28,137,737 as disclosed in Note 11 to the financial statements. However, a detailed movement schedule indicating opening balance, fees payable and fees paid to arrive at the balance was not provided for audit.

In the circumstances, the accuracy and completeness of accounts receivables of Kshs.28,137,737 could not be confirmed.

### **7.2 Long Outstanding Receivables**

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.28,137,737 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.11,590,941 which had been outstanding for more than one (1) year. 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.19,398,157 could not be confirmed.

## **8. Failure to Prepare Bank Reconciliations and Maintain Proper Cashbooks**

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.7,737,552. Included in this balance are bank balances and cash balances of Kshs.7,710,237 and Kshs.27,316 respectively as disclosed in Notes 8 and 9 to the financial statements respectively. Review of documents provided for audit revealed the School operates six (6) banks accounts and one (1) SACCO account. However, bank reconciliations were not prepared on a monthly basis. In addition, the cashbooks provided indicated that transactions for four (4) bank accounts were recorded in one school fund/boarding consolidated cashbook contrary to Regulation 90(1) of the Public Finance Management Regulations, 2015.

In the circumstance, the accuracy and completeness of cash and cash equivalents balance of Kshs.7,737,552 could not be confirmed and Management was in breach of the law.

## **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.99,993,800 and Kshs.42,659,725 respectively, resulting to an under-funding of Kshs.57,334,075 or 57% of the budget. However, the School spent a balance of Kshs.71,523,539 against actual receipts of Kshs.42,659,725 resulting to an over-utilization of Kshs.28,863,814 or 68% of actual receipts.

The under-funding and over-utilization 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.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

Review of the financial statements presented for audit revealed some areas of noncompliance with the reporting template prescribed by the Public Sector Accounting Standards Board (PSASB) as set out in the revised template for June 2022 as follows:

- i. The statement of budgeted versus actual amounts does not contain a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100% as required by the template.
- ii. Further, there is no disclosure on Other Important Disclosures, summary of fixed assets register, headers for several pages are missing, Notes 14, 15, 16 and 18 and section on Follow up of Auditor Recommendations.

In the circumstances, the financial statements do not comply with the reporting template.

## **2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflect payments for operations of Kshs.25,721,346 as disclosed in Note 6 to the financial statements. Included in this balance is payment made by the School and transferred as co-curricular funds totalling Kshs.541,350 to Kenya Secondary School Heads Association (KESSHA), a private entity that is a welfare organization that draws its membership from school Principals only and is not subject to Public Finance Management Act, 2012 or any other public finance regulations.

Further, the organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by schools.

Under the circumstances, the School may not have received value for the Kshs.541,350 transferred to KESSHA.

## **3. Irregular Remuneration of Members of the Board of Management.**

The statement of receipts and payments reflects payments for operations of Kshs.25,721,346 as disclosed in Note 6 to the financial statements. Included in this balance is Kshs.22,895,481, being administration and other costs, which further include board allowances amounting to Kshs.1,158,090 paid to the Board of Management and members of subcommittees. However, no evidence of approvals from the Cabinet Secretary as provided in Section 63 of the Basic Education Act of 2013 was provided for audit. In addition, the School did not provide attendance registers and minutes of the board meetings for audit.

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

## **4. Late Submission of Financial Statements for Audit**

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial

statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

## **5. Underfunding of Capitation Grants**

The statement of receipts and payments reflects Kshs.4,898,975 and Kshs.25,022,597 in respect of capitation grants for tuition, capitation grants for operations and infrastructure grants respectively and as disclosed in Notes 1 and 2 to the financial statements totalling Kshs.29,921,572. 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 on average six hundred and twenty eight (628) students while records from the County Director of Education had seven hundred and fifty one (751) students, resulting to an underfunding of the School by an amount of Kshs.3,104,656. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 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.

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 THE 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, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

Review of the School Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of

ICT Policy framework to enable the School to realize its long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records in the absence of information and communication Technology policy.

## **2. Failure to Develop School Improvement Plan and Poor Infrastructure**

Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School funds requires a school to develop improvement plan which is a road map for changes that a school needs to improve the school environment and learning outcomes. However, during the year under review, the School did not develop a School Improvement Plan to be used to measure schools' improvement activities and hold schools accountable, keep the schools in focus in achieving the schools target, prioritization of school needs, ensuring prudent utilization of resources and to improve accountability. Further, site visit conducted at the School revealed that the School lacks clearly demarcated grounds, and proper fencing.

In the circumstances, Management was in breach of the requirements of the Operational Manual for Utilization of Learner Capitation Grant and Other School Funds.

## **3. Weaknesses in Inventory Control, Asset and Stores Management and Distribution**

A review of the financial statements for the year under review and as disclosed under Note 17 to the financial statements reveal that the School had Nil stock values for the year, including the prior year and which was not supported by a stock taking report. Further, the value of stores at the beginning of the year, purchases and issues made are not disclosed in Note 17.

In the circumstances, the effectiveness in the management of inventory could not be confirmed.

## **4. Management of School Assets**

### **5.1 Failure to Maintain a Fixed Assets Register**

Annex 2 to the financial statements reflects a summary of various categories of fixed assets with nil balances. However, Review of the assets listing revealed that the School did not maintain an Assets Register to indicate date of purchase, cost, supplier, location, unique identification number, accumulated depreciation and net book values of the assets.

Further, Public Sector Accounting Standards Board template and The National Treasury's Circular Ref: AG/4/16/3/Vol.3(66) dated 6 July, 2022 provide for the inclusion of the register in the financial statements.

In the circumstances, the School was in breach of the law and school assets are exposed to pilferage and loss.

## **5.2 Disputed Ownership of Land**

Annex 2 to the financial statements reflects a summary of various categories of fixed assets with nil balances. However, a scrutiny of the School Land records revealed that Plot No 498/12/SEC/RAVINE and 498/13/SEC/RAVINE belonging to the School has an outstanding Legal Court Case dating back to 27 June, 2003 but was concluded on 19 December, 2019. A study of the judgement shows that the Case was ruled in favor of the plaintiff.

Although, the court ruled that the National Land Commission be responsible in making compensation to the plaintiff on behalf of the School, there is no documentation to confirm that the compensation was done.

In the circumstances, the conclusion of the matter is not confirmed.

## **5.3 Encroachment of the School Land**

Annex 2 to the financial statements reflects a summary of various categories of fixed assets with nil balances. However, the School land at Plot: F/R No.240/188 has been encroached by private developers although management explained that there is a case in court challenging the same.

In the circumstances, the plot of land is likely to be lost to land grabbers.

## **5.4 Failure by the School Institution to Transfers the Ownership of Land**

Annex 2 to the financial statements reflects a summary of various categories of fixed assets with nil balances. The school has donated Land assets with no values to Eldama Ravine Technical and Vocational College for the Institute to be constructed. Although the Institute has made request to the School to transfer the title to the Institute the same has not been done.

In the circumstances, the effective control and management of assets by the School Management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were



operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 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 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.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

02 October, 2024

**BARINGO HIGH SCHOOL**  
**I. STATEMENT OF RECEIPTS AND PAYMENTS**

DESCRIPTION OF VOTE HEAD	NOTE	2022 KSHS.CTS	2021 KSHS.CTS
<b>RECEIPTS</b>			
Capitation grants for tuition	1	4,898,975.00	1,327,957.00
Capitation grants for operations	2	25,022,596.55	9,015,243.35
School Fund Income- Parents' Contributions	3	16,967,028.86	772,814.00
School Fund Income- Other receipts	4	93,618,515.15	14,995,370.10
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>140,507,115.56</b>	<b>26,111,384.45</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	5,295,131.20	1,018,943.00
Payments for operations	6	25,721,346.00	8,434,633.00
Boarding and school fund payments	7	105,134,790.87	21,926,047.00
<b>TOTAL PAYMENTS</b>		<b>136,151,268.07</b>	<b>31,379,623.00</b>
<b>SURPLUS/DEFICIT</b>		<b>4,355,847.49</b>	<b>(5,268,238.55)</b>

SIGN.....*[Signature]*  
 NAME **P.R. STEWART KERETO**  
 CHAIRMAN/MEMBER BOM

DATE **7/3/2024**

SIGN.....*[Signature]*  
 NAME **[Signature]**  
 PRINCIPAL/SECRETARY BOM

BOM SECRETARY  
 BARINGO HIGH SCHOOL  
 DATE.....  
 P.O. Box 23, 20102, ELDAFA RAVINE  
 STATE.....

SIGN.....*[Signature]*  
 NAME **[Signature]**  
 FINANCE OFFICER/BURSAR

DATE **7/3/2024**

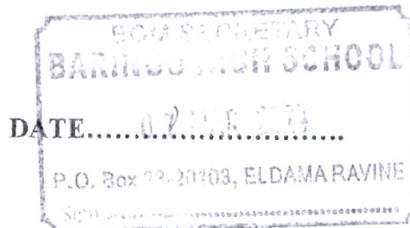
**BARINGO HIGH SCHOOL**

<b>II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES</b>			
	Note	2022	2021
		KSHS.CTS	KSHS.CTS
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	7,710,236.77	4,518,040.13
Cash Balances	9	27,315.50	20,951.00
Short term Investment	10	-	-
<b>Total Cash and Cash Equivalents</b>		<b>7,737,552.27</b>	<b>4,538,991.13</b>
Account's receivables	11	28,137,737.44	19,398,157.44
<b>TOTAL FINANCIAL ASSETS</b>		<b>35,875,289.71</b>	<b>23,937,148.57</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	14,273,460.95	6,691,167.30
<b>NET FINANCIAL ASSETS</b>		<b>21,601,828.76</b>	<b>17,245,981.27</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	17,245,981.27	22,514,219.82
Surplus/Deficit for the year		4,355,847.49	(5,268,238.55)
<b>NET FINANCIAL POSITION</b>		<b>21,601,828.76</b>	<b>17,245,981.27</b>
		-	-

SIGN.....  
 NAME **R. STELLAH KERE TO**  
 CHAIRMAN/MEMBER BOM

DATE **7/3/2024**

SIGN.....  
 NAME **Peter Nyachet**  
 PRINCIPAL/SECRETARY BOM



SIGN.....  
 NAME **H. H. O. P. T. LALAT**  
 FINANCE OFFICER/BURSAR

DATE **7/3/24**

**BARINGO HIGH SCHOOL**

<b>STATEMENT OF CASH FLOW</b>			
		<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
<b>Receipts from operating activities</b>			
Capitation grants for tuition	1	4,898,975.00	1,327,957.00
Capitation grants for operations	2	25,022,596.55	9,015,243.35
School fund income- Parents contributions/ fees	3	16,967,028.86	772,814.00
School fund income- other receipts	4	85,058,210.30	14,409,540.00
Imprest arrears recovered		-	-
Fees arrears Recovered		7,807,216.00	7,031,799.00
<b>Total receipts</b>		<b>139,754,026.71</b>	<b>32,557,353.35</b>
<b>Payments</b>			
Payments for Tuition		5,295,131.20	1,018,943.00
Payments for operations		25,721,346.00	8,434,633.00
Boarding and school fund payments		102,161,766.37	18,548,843.00
Creditors paid		3,377,222.00	2,677,222.00
<b>Total Payments</b>		<b>136,555,465.57</b>	<b>30,679,641.00</b>
<b>Net cash flow from operating activities</b>		<b>3,198,561.14</b>	<b>1,877,712.35</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</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>3,198,561.14</b>	<b>1,877,712.35</b>
Cash and cash equivalent at BEGINNING of the year	10	4,538,991.13	2,661,278.78
Cash and cash equivalent at END of the year		7,737,552.27	4,538,991.13
		(0.00)	-

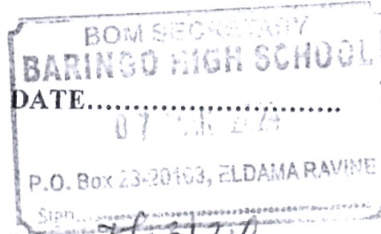
Note: cash and cash equivalent is the summation of Note 8,9 and 10 as presented in the statement of assets and liabilities

The above presentation of cashflow statement uses direct method of cashflow presentation which is encouraged under IPSAS as recommended by PSASB.

SIGN.....*[Signature]*  
NAME DR. STELLAH KELETO  
CHAIRMAN/MEMBER BOM

DATE 7/3/2024

SIGN.....*[Signature]*  
NAME Y. K. Njehel  
PRINCIPAL/SECRETARY BOM



SIGN.....*[Signature]*  
NAME Amulya W. Lakot  
FINANCE OFFICER/BURSAR

DATE 7/3/24

BARINGO HIGH SCHOOL

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b				
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<i>(1) CAPITATION GRANT ON TUITION</i>							
Textbooks and reference materials	-	-	-	-	-	-	#DIV/0!
Exercise books					-	-	#DIV/0!
Laboratory equipment					-	-	#DIV/0!
Internal exams					-	-	#DIV/0!
Teaching / learning materials	4,558,400.00			4,558,400.00	2,634,218.00	1,924,182.00	57.8%
Chalks					-	-	#DIV/0!
Exams and assessment					-	-	#DIV/0!
Teachers guides					-	-	#DIV/0!
					-	-	#DIV/0!
					-	-	#DIV/0!
<i>(2) CAPITATION GRANT ON OPERATIONS</i>							
Personnel emoluments					-	-	#DIV/0!
Repairs and maintenance	7,700,000.00			7,700,000.00	9,788,612.35	(2,088,612.35)	127.1%
Local transport / travelling					-	-	#DIV/0!
Electricity and water					-	-	#DIV/0!
Other votes	27,244,290.00			27,244,290.00	22,484,102.00	4,760,188.00	82.5%
Administration costs					-	-	#DIV/0!
Activity	2,527,800.00			2,527,800.00	2,109,912.86	417,887.14	83.5%



Medical	563,310.00			563,310.00	48,000.00	515,310.00	8.5%
SMASSE				-	-	-	#DIV/0!
				-	-	-	#DIV/0!
<b>(3) FEES CHARGED ON PARENTS</b>				-	-	-	#DIV/0!
Personnel emoluments				-	-	-	#DIV/0!
Repairs and maintenance	7,700,000.00	-		7,700,000.00	5,207,880.00	2,492,120.00	67.6%
Local transport / travelling				-	-	-	#DIV/0!
Electricity and water				-	-	-	#DIV/0!
Medical				-	-	-	#DIV/0!
Administration costs				-	-	-	#DIV/0!
Activity				-	-	-	#DIV/0!
Other votes				-	-	-	#DIV/0!
Fee on Boarding Equipment and Stores	49,500,000.00	-		49,500,000.00		49,500,000.00	0.0%
				-	-	-	
<b>OTHER INCOME</b>				-	-	-	
Rent income				-	-	-	
Income from farming activities				-	-	-	
Insurance compensation				-	-	-	
Income from Posho mill				-	-	-	
Income from Bus Hire	200,000.00	-		200,000.00	387,000.00	(187,000.00)	193.5%
Fee for hire of ground and equipment				-	-	-	
Interest income				-	-	-	
Income from any other investment				-	-	-	
<b>TOTAL INCOME</b>	<b>99,993,800.00</b>	-		<b>99,993,800.00</b>	<b>42,659,725.21</b>	<b>57,334,074.79</b>	<b>42.7%</b>
				-	-	-	#DIV/0!
<b>(1) EXPENDITURE FOR TUITION</b>							
Personnel emoluments				-	-	-	
Repairs, maintenance and improvements	15,400,000.00	-		15,400,000.00	5,661,427.00	9,738,573.00	36.8%

Teaching / learning materials	4,558,400.00	-	-	4,558,400.00	2,464,780.00	2,093,620.00	54.1%
Electricity, water and conservancy	-	-	-	-	-	-	-
Medical Expenses	563,310.00	-	-	563,310.00	245,280.00	318,030.00	43.5%
Administration costs	-	-	-	-	-	-	-
Activity	2,527,800.00	-	-	2,527,800.00	50,000.00	2,477,800.00	2.0%
Bus	200,000.00	-	-	200,000.00	74,300.00	125,700.00	37.2%
Other votes	27,244,290.00	-	-	27,244,290.00	22,484,102.00	4,760,188.00	82.5%
Boarding Equipment and Stores	49,500,000.00	-	-	49,500,000.00	40,543,650.15	8,956,349.85	81.9%
Expenditure for Income Generating Activity	-	-	-	-	-	-	-
Insurance costs	-	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>99,993,800.00</b>	<b>-</b>	<b>-</b>	<b>99,993,800.00</b>	<b>71,523,539.15</b>	<b>28,470,260.85</b>	<b>71.5%</b>

(28,863,813.94) 28,863,813.94

**10. 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

**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.

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

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- 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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.
- 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.

**BARINGO HIGH SCHOOL**

<b>I. NOTES TO THE FINANCIAL STATEMENTS</b>			
<b>1</b>	<b>1. CAPITATION GRANT FOR TUITION</b>		
		<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	Text books	-	-
	Exercise books	-	-
	Laboratory equipment	-	-
	Tuition grant	2,264,757.00	-
	Teaching/learning materials	2,634,218.00	1,327,957.00
	Chalk	-	-
	Internal Exams	-	-
	Teachers guides	-	-
	<b>Total</b>	<b>4,898,975.00</b>	<b>1,327,957.00</b>
<b>2</b>	<b>2. CAPITATION GRANT FOR OPERATIONS</b>		
		<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	Personal Emoluments	-	-
	Maintenance and Improvement	9,788,612.35	4,377,538.35
	Electricity and water	-	-
	Local transport / travelling	-	-
	Others Votes (L.T & T, E.W.C, ADM & P.E)	15,013,925.20	4,637,705.00
	Administration costs	-	-
	Medical	220,059.00	-
	Activity	-	-
	<b>Total</b>	<b>25,022,596.55</b>	<b>9,015,243.35</b>
<b>3</b>	<b>3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT</b>		
		<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	Personnel emoluments	-	-
	Repairs and maintenance	5,571,480.00	547,030.00
	Local transport / travelling	-	-
	Electricity and water	-	-

Medical	459,379.00	-
Uniform	8,755,885.00	3,000.00
Internal Exams	-	-
Administration costs	-	-
Activity	2,180,284.86	222,784.00
<b>Total</b>	<b>16,967,028.86</b>	<b>772,814.00</b>

**4 4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Boarding	54,251,756.15	8,402,966.00
Bank interest	-	-
Income from dairy farming	1,819,992.00	1,179,734.10
Others Votes (L.T & T, E.W.C, ADM & P.E)	37,159,767.00	5,320,670.00
Income from Posho mill	-	-
Income from Bus Hire	387,000.00	92,000.00
M.I.F	-	-
Bursary	-	-
Income from bakery	-	-
Dividends income	-	-
<b>Total</b>	<b>93,618,515.15</b>	<b>14,995,370.10</b>

**5 5. PAYMENTS FOR TUITION**

	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Tuition	2,830,351.20	-
Teaching / learning materials	2,464,780.00	1,018,943.00
Chalks	-	-
Internal Exams	-	-
Stationery	-	-
Administration Costs	-	-
Bank Charges	-	-
<b>Total</b>	<b>5,295,131.20</b>	<b>1,018,943.00</b>

<b>6. PAYMENTS FOR OPERATIONS</b>			
		<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	Personnel emoluments	-	-
	Transfer to Infrastructure	-	-
	Administration Cost	-	-
	Others Votes (L.T & T, E.W.C, ADM & P.E)	22,895,481.00	8,280,953.00
	Local transport / travelling	-	-
	Electricity and water	-	-
	Mintenance and Improvement	2,530,585.00	100,000.00
	Activity Expenses	50,000.00	-
	Medical	245,280.00	53,680.00
	Ablution block	-	-
	Bank Charges	-	-
	Girls Dorm	-	-
	<b>TOTAL</b>	<b>25,721,346.00</b>	<b>8,434,633.00</b>
<b>7. BOARDING AND SCHOOL FUND PAYMENTS</b>			
		<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	Personnel emoluments	-	-
	Refunds	-	-
	Repairs and maintenance & Improvements	3,080,842.00	302,600.00
	Prepayments	-	1,638,662.00
	Local transport / travelling	-	-
	Electricity and water	-	-
	Medical Expenses	214,290.00	103,980.00
	Administration costs	1,454,212.00	500,000.00
	Activity	3,028,897.72	8,300.00
	Caution Money	8,500.00	8,000.00
	Others Votes (L.T & T, E.W.C, ADM & P.E)	36,709,454.15	4,735,896.00
	Boarding Equipment and Stores	42,299,433.00	8,485,671.00
	Bus Hire	74,300.00	3,000.00
	Bursary	-	-

Farm	1,993,905.00	495,965.00
Arrears	7,782,694.00	5,376,351.00
Bank Charges	-	-
Uniforms	8,488,263.00	267,622.00
Acquisition of Assets	-	-
<b>TOTAL</b>	<b>105,134,790.87</b>	<b>21,926,047.00</b>

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

#### **8.8. BANK ACCOUNTS**

Name of Bank, Account No. & currency	2022	2021
	KSHS.CTS	KSHS.CTS
Tuition Account	136,729.15	532,885.35
Operations Account	651,327.20	1,350,076.65
School Fund Account/Boarding	6,906,693.50	2,519,591.21
Savings Account	-	-
Parent Association Development Account	-	-
I G A - Farm	15,486.92	115,486.92
Infrastructure Account	-	-
<b>Total</b>	<b>7,710,236.77</b>	<b>4,518,040.13</b>

#### **9. CASH IN HAND**

Description	2022	2021
	KSHS.CTS	KSHS.CTS
I G A - Farm	12,802.00	12,802.00
Operation Account	-	-
School Fund account	14,513.50	8,149.00



<b>Total</b>	<b>27,315.50</b>	<b>20,951.00</b>
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**10 10. SHORT TERM INVESTMENTS**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**11 11. ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Fees arrears	28,137,737.44	19,398,157.44
Other non-fees receivables	-	-
Salary advances	-	-
Other receivables	-	-
Imprest	-	-
<b>Total</b>	<b>28,137,737.44</b>	<b>19,398,157.44</b>

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

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Fees arrears for current year	16,546,796.00	2,998,476.00
Fees arrears for the previous year	11,590,941.44	16,399,681.44
Fees arrears for prior periods (over two years)	-	-
<b>Total</b>	<b>28,137,737.44</b>	<b>19,398,157.44</b>

**12 12. ACCOUNTS PAYABLE**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>

Trade creditors (See ageing below and appendix 1)	6,004,237.40	4,278,521.40
Prepaid fees	8,269,223.55	2,412,645.90
Retention monies	-	-
<b>Total</b>	<b>14,273,460.95</b>	<b>6,691,167.30</b>

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

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Trade creditors for current year	5,102,938.00	3,377,204.00
Trade creditors for the previous year	901,299.40	901,317.40
Trade creditors for prior periods (over two years)	-	-
<b>Total</b>	<b>6,004,237.40</b>	<b>4,278,521.40</b>

**13 13. FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Bank balances	4,518,040.13	2,574,923.78
Cash balances	20,951.00	86,355.00
Short Term Investments	-	-
Receivables	19,398,157.44	23,431,480.44
Payables	6,691,167.30	3,578,539.40
<b>Total</b>	<b>17,245,981.27</b>	<b>22,514,219.82</b>

**OTHER IMPORTANT DISCLOSURES**

**14. NON-CURRENT LIABILITIES**

**14 SUMMARY**

<b>Description</b>	<b>2022</b>	<b>2021</b>
	<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-

	<b>Total</b>	-	-
<b>15</b>	<b>15. BIOLOGICAL ASSETS</b>		
	<b>Description</b>	<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	Cattle	-	-
	Goats	-	-
	Trees	-	-
	Coffee or tea plantation	-	-
	Poultry	-	-
	<b>Total</b>	-	-
<b>16</b>	<b>16. BORROWINGS</b>		
	<b>Description</b>	<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	<b>a) Borrowings</b>		
	Borrowing at beginning of the year	-	-
	Borrowings during the year	-	-
	Repayments of during the year	-	-
	<b>Balance at end of the year</b>	-	-
<b>17</b>	<b>17. STOCK/INVENTORY</b>		
	<b>Description</b>	<b>2022</b>	<b>2021</b>
		<b>KSHS.CTS</b>	<b>KSHS.CTS</b>
	<b>Stock/Inventory</b>		
	Stock/ inventory at beginning of the year	-	-
	Stock/ inventory purchased during the year	-	-
	Stock/ inventory issued during the year	-	-
	<b>Balance at end of the year</b>	-	-

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

**12. Annexes**

**Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY 2022	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.Nafuu Senior Hardware				105,000		
<b>Sub-Total</b>				<b>105,000</b>		
<b>Supply Of Goods</b>						
1. Newry Farm				297,490		
2. Vespasian Limited				67,000		
3. Beatrice Ayub				54,050		
4. Star Butchery				805,320		
5. Chefko Company				307,200		
6. Beven Investments				244,400		
7. Mary Chepkonga				344,875		
8. Startic Distributors				690,700		
9. Bartek Printers				193,600		
10. Gilani Supermarket				365,331		
11. Book flyer				949,212		
12. Kennido Enterprises				678,760		
<b>Sub-Total</b>				<b>4,997,938</b>		
<b>Supply Of Services</b>						
<b>Sub-Total</b>						
<b>Grand Total</b>				<b>5,102,938</b>		

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

**Annex 2 – Summary of Fixed Assets Register**

Asset Class	Numbers	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land	33.38 ha		N/A	N/A	
Buildings And Structures					
Motor Vehicles	3 vehicles				
Office Equipment, Furniture And Fittings					
Textbooks	44,725				
ICT Equipment					
Tools And Apparatus					
Other Machinery And Equipment	1 Generator				
Heritage And Cultural Assets		-	-	-	-
Intangible Assets- Soft Ware					
<b>Total</b>					

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