

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 25 NOV 2024

DAY.

MONDAY

TABLED
BY:

HON. NAOMI WABU
DEP. MAJORITY WHIP

OF

CLERK-AT
THE-TABLE:

HAILE HUSSEIN

THE AUDITOR-GENERAL

ON



CHAVAKALI HIGH SCHOOL

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

VIHIGA COUNTY



CHAVAKALI HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

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CHAVAKALI HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

I. Key School Information and Management

(a) Background information

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

The school was re-registered in March 2020 under registration number **38S00300073** and is currently categorized as a National School.

The school is a boarding school and had **2263** number of students as at 30th June 2022. It has **12 streams** and **85 teachers** of which **29 teachers** are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref	Name of Board Member	Designation	Date of appointment
1	Mr. Kobia Mucheke	Chairman	28 th May 2019
2	Mr. John Kuira	Secretary - Principal	28 th May 2019
3	Mr. Tom Majani	Member –Rep CEB	“
4	Ms. Emily Kadenyi	Member - PA	“
5	Mr. Rodgers Mulemi	Member - Sponsor	“
6	Mr. Hesborn Aligula	Member - PA	“
7	Mr. Enos Lanogwa	Member- PA Chair	“
8	Mr. Philip Lumwamu	Member -Community	“
9	Dr. Malweyi Inwani	Member -Community	“
10	Mrs, Gladys Jepkorir	Members – PA Rep	“
11	Mr. Phelix Opondo	Member - Community	“
12	Mrs. Gladys Madete	Member -Community	“
13	Ms. Deborah Kwamboka	Member –Teacher Rep	“
14	Mrs. Christine Mabele	Member - Community	“
15	Mr. Benson Mudangale	Member – Special Needs	“
16	Mrs. Peninah Vulimu	Member -Sponsor	“
17	Beatrice Agala	Member - Sponsor	“
18	Mr. Benedict Khayati	D/Principal Acad	“
19	Mr. Evans Mackenzie	D/Principal Admin	“

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****The function of the School Board of Management include:**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Kobia Mucheke Enos Lanogwa Hesborn Aligula Philip Lumwamu John Kuira Rodgers Mulemi SCDE Benedict Khayati Evans Mackenzie	Chair person Member " " " " " " "	5
2	Finance, procurement and general purposes Committee	Dr. Malweyi Inwani Christine Mabele John Kuira Rodgers Mulemi Evans Mackenzie Benedict Khayati	Chair Person Member " " "	4
3	Academic Committee	Tom Alex Majani Philip Lumwamu John Kuira Deborah Kwamboka Benedict Khayati Evans Mackenzie	Chairperson Member " " " "	4
4	SIC Committee	Gladys Madete Kobia Mucheke John Kuira Enos Lanogwa Hesborn Aligula Benedict Khayati	Chairperson Member " " " "	5

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
5	Discipline and welfare Committee	Gladys Jepkorir Felix Opondo John Kuiru Emily Kadenyi Evans Mackenzie Benedict Khayati	Chairperson Member " " " "	5
6	Ad hoc Committee (if any during the year)			

(d) School operation Management

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

Ref :	Designation	Name	TSC Number
1	Principal	John Kuiru Warutere	199176
2	Deputy Principal- Finance & Admin	Evans Mackenzie	314622
3	Deputy Principal- Academics	Benedict Khayati	380239
4	School Bursar	Jared Omunyole Ochieng	CPA14051

CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

(e) Schools contacts

Post Office Box: 144-50300
Telephone: 0714726527
E-mail: chavahigh@yahoo.co.uk
Web site:

(f) School Bankers

The following school operated 10 number of bank accounts in the following banks:

1. Name of Bank: KCB Bank
Branch: Mbale
Account Number: 1102302228 – Boarding Account
1102302082 – Tuition Account
1102309605 - Operations Account
1110511930 – Savings A/c P.Emoluments
1110511647 – Savings A/c Service Gratuity
1255083204 - Parents Association A/c

2. Name of Bank: Equity Bank
Branch: Mbale
Account Number: 0960297321233 – SIC Account
0960297321162 – Fees Collection Account - Boarding

3. Name of Bank: Cooperative Bank
Branch: Mbale
Account Number: 01129471133000 – Fees Collection A/c – Boarding

4. Name of Bank: Absa Bank
Branch: Mbale
Account Number: 2037268197 – Fees Collection A/c

(g) Independent Auditors

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

CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

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:

Surplus and Deficit

Year	June 2022	-	32,366,120
Year	Jan – June 2021	-	(316,699)
Year	2020	-	(2,922,737)

Capitation grants

Year	Tuition	Operations	Infrastructure	Total
June 2022	6,633,211	19,190,312	9,428,059	35,251,582
Jan-June 2021	2,583,070	10,359,782	7,047,498	19,990,350
Dec 2020	3,515,000	19,703,313	7,600,000	30,818,313

Ratio of Capitation Grants per Student

Year	2022	-	35,251,582.40/2263	=Kshs. 15,577.40 per Student
Year	Jan – June 2021	-	19,990,349.60/1686	=Kshs. 11,856.60 per Student
Year	2020	-	30,818,313.19/1862	=Kshs. 16,552.19 per Student

Other Income Growth

Year	Parents Fees	House Rent	School Farm	Damages	Total
2022	160,573,957	-	-	7,663,532	168,237,489
Jan-June 2021	55,714,792	-	-	-	55,714,792
2020	68,545,215	345,600	-	-	68,890,815

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****Growth in Expenditure**

Year	Tuition	Operations	Boarding	Infrast	Total
2022	6,947,301	14,472,123	174,926,017	7,860,216	197,768,479
Jan-June 2021	2,533,704	9,600,110	60,268,870	9,512,445	81,915,129
2020	3,358,220	23,668,943	60,988,713	19,337,270	107,353,146

Movement of Debtors (School Fees Arrears)

s	Arrears 1996-2014	Arrears 2015-2022	Total
2022	38,777,347	36,413,751	75,191,098
Jan-June 2021	38,777,347	30,192,165	68,969,512
2020	38,777,347	24,514,378	63,291,725

Movement of Trade Creditors

Year	Tuition	Operations	Boarding	Total
2022	8,870,545	-	16,372,049	25,242,594
Jan-June 2021	8,870,545	-	15,852,215	24,722,760
2020	9,111,775	3,646,564	13,468,908	26,227,247

Movement of Cash and Bank Balances

Account	Dec 2020		June 2021		June 2022	
	Cash	Bank	Cash	Bank	Cash	Bank
Tuition	-	585,564	-	393,700	-	79,610
Operations	1,479	623,802	1,479	1,898,532	1,479	7,364,529
Boarding A/Cs	187,185	13,597,367	3,863,909	12,553,966	-	14,018,143
Infrastructure	618,100	10,328,768	-	8,064,264	-	16,309,910
Total	806,764	25,135,502	3,865,388	22,910,462	1,479	37,772,193

b) Teacher Student ratio:

Total No. of teachers	-	85
No. of TSC teachers	-	56
No. of BOM teachers	-	29

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

No. of students - 2263
Teacher to student ratio - 56 : 2263 = 1 : 41

c) Mean score, candidature and university transition in the 2019, 2020 and 2021 KCSE:

Year	Mean	Deviation	Candidature	University Entry
2019	7.7558	1.4604	571	471
2020	8.5545	0.7987	404	404
2021	8.0098	-0.5447	452	401

d) Capacity of the school:

Enrolment	Facilities				
	Classrooms	Dormitories	D/Hall	Laboratories	Toilets, Urinals & Water Points
2263	44	17	1	8	68

e) Development projects carried out by the school:

- Construction of 2 CBC classrooms. (Phase One)
- Funded by the Ministry of Education.

NAME : Edward Wachilonga Namasaka

DESIGNATION: Senior Principal

SIGN:

DATE: 8/7/2022



CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

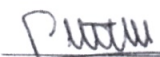
III. Statement of School Management Responsibility

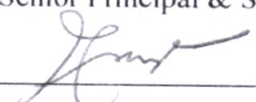
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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


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

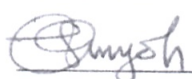
The Board of Management of Chavakali High school accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).


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 half financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name: CPA Rodgers Mulemi
Designation: Chairman, School Board of Management
Sign: 
Date: 08/07/24

Name: Mr. Edward Wachilonga Namasaka
Designation: Senior Principal & Secretary Board of Management
Sign: 
Date: 8/7/2024

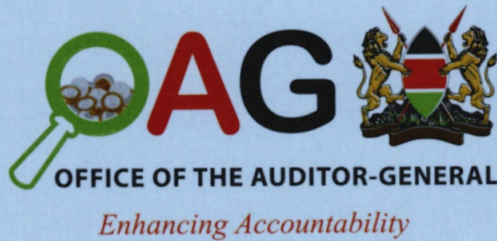


Name: CPA Jared Omonyole Ochieng
Designation: Bursar/ Finance Officer
Sign: 
Date: 8/7/2024



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHAVAKALI HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – VIHIGA 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 Chavakali High School – Vihiga County set out on pages 11 to 25, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows

and the 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 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 Chavakali High School – Vihiga 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 comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported School Fund Income- Parents Contributions

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.168,237,489 in respect of school fund income - parents' contributions. However, the school fund income - parents' contributions were not supported by detailed listings or schedule indicating the name of student and amount paid.

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

2. Inaccuracies in the Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects a cash and cash equivalents balance of Kshs.41,988,099 and as disclosed in Note 9 and 10 to the financial statements. The statement reflects bank balance of Kshs.41,986,620 which related to fifteen (15) bank accounts as disclosed in Note 9 to the financial statements. However, the School did not provide the bank reconciliations statements to support the balances.

Further, three (3) bank accounts were not disclosed in Note 9 to the financial statements and eleven (11) cashbooks with a balance amounting to Kshs.27,309,791 were not provided for audit.

In addition, the statement reflects an amount of Kshs.1,479 in respect of cash in hand. However, the amount was not supported by Board of Cash Survey Report.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance could not be confirmed.

3. Unsupported and Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.80,993,722. The

accounts receivables balance was in respect of fees arrears, rent arrears and salary advances which was not supported by debtor's ledger and schedule showing the opening balances, receivables for the year, amount received during the year and the outstanding balances. Further, receivables balance in respect of fees arrears amounting to Kshs.67,168,706 or 83% of the account receivables was outstanding for a period of over one (1) year.

In the circumstances, the accuracy and completeness of the accounts receivables could not be confirmed.

4. Unsupported and Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payable balance of Kshs.24,893,352 in respect of trade creditors, prepaid fees, pocket money, caution money and NHIF. Included in the accounts payables were trade creditors balances of Kshs.19,297,120 as disclosed in Note 12 to the financial statements which were not supported by the creditors ledger, invoices, delivery notes, local purchase orders (LPO), issues and receipts vouchers. Further, payables in respect of trade creditors amounting to Kshs.16,465,962 or 66% of the accounts payables was outstanding for a period of over one (1) year.

In the circumstances, the accuracy and completeness of the accounts payables could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.171,530,874 and Kshs.232,336,636 respectively resulting to over-funding of Kshs.60,805,762 or 35% of the budget. However, the School spent amount of Kshs.203,930,137 against actual receipts of Kshs.232,336,636 resulting to an under-utilization of Kshs.28,406,499 or 12% of the actual receipts.

The source of the over-funding was not confirmed while the under-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.

Key Audit Matters

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

Other Matter

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

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. The financial statements were submitted on 20 May, 2024 which was twenty (20) months after the statutory deadline. 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. Late submission of financial report adversely affects the Office of the Auditor-General in meeting the statutory timelines.

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

2. Non-Compliance with the Public Sector Accounting Standards Board

The financial statements were not paginated in accordance with the prescribed reporting template. All the pages were numerically paginated whereas the reporting template requires that the pages containing the non-financial information be in roman numbers while the pages from the statement of receipts and payments to the Annexes be in numerical numbers.

Further, Annex 2 to the financial statements on summary of fixed assets register did not reflect the date assets were purchased as required by the PSASB template as issued by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, Management did not comply with reporting template requirements by PSASB.

3. Non-Compliance with the Public Procurement and Asset Disposal Act, 2015

Review of payment vouchers and supporting documentation revealed there was no evidence that the goods were inspected after delivery to confirm if what was requested is what was delivered. This was contrary to Section 48 (1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to establish an *ad hoc* committee known as the Inspection and Acceptance Committee and the Committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.

Further, goods received and issued were not supported by counter requisition and issue voucher by the user department. This was contrary to provisions of Regulation 168 of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets by ensuring that they are received and taken on charge. In addition, Management did not prepare a procurement plan for the year under review. This was contrary to Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer shall prepare an Annual Procurement Plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

4. Conflict of Interest in Procurement of Goods

Review of payment records provided for audit revealed that Kshs.2,003,800 was paid to the School workers group for supply and delivery of beef during the year under review. However, this was a registered group owned and operated by members of non-teaching staff of the school who did not declare their conflict of interest. This was contrary to Section 66(5)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that an employee or agent of the procuring entity or a member of the Board or committee of the procuring entity who has a conflict of interest with respect to a procurement shall not take part in the procurement proceedings.

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

5. Failure to Prepare School Improvement Plan

During the year under review, Management did not prepare a School Improvement Plan to be used to measure the School's improvement activities, keep the School in focus in achieving the school target, prioritization of School needs, ensuring prudent utilization of resources and to improve accountability. This was contrary to Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School Funds which 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.

In the circumstances, Management was in breach of the provisions of the Operation Manual.

6. Inadequate Management of Inventory

Review of the school's inventory revealed that there were books and stationery, food stuff and repairable furniture stocks. However, inventory management records such as receipts vouchers (S13), receipts counter issue vouchers (S11) and stores ledger cards (S9) were not maintained. This was contrary to Regulation 166(4) of the Public Procurement and Asset Disposal Regulations, 2020 which states that for effective, economic, efficient and transparent use of government inventory, stores and assets at all levels, an Accounting Officer of a procuring entity shall take full responsibility of the management or control of inventory and assets. Further, no evidence was provided for audit to indicate that stock taking exercise was conducted at the end the financial and no stock/inventory disclosure was made in the annual report and financial statements as required by the financial reporting template.

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

7. Non-Compliance with Non-Teaching Staffing Level

Review of the non- teaching staff payroll provided for audit revealed that the School employed a total of forty - three (43) non- teaching staff against the set limit of thirty - six (36). Thus, the School exceeded the maximum number of staffs by seven (7) officers. This was contrary to Section 5.0 of Ministry Circular No. MOE.HQS/3/13/3 dated 19 October, 2017 on Guidelines for Implementation of Free Day Secondary Education that states to minimize the cost of secondary education it is necessary to rationalise the recruitment of non- teaching as recommended by the taskforce report as detailed in table 3.2.

In the circumstances, Management was in breach of the Ministerial set guidelines and may lead to the School's inability to sustain the wage bill.

9. Stalled Construction of Hostel Block

The School entered into a contract with a company on 7 August, 2020 for construction of a four (4) storey hostel block (building) at a contract price of Kshs.123,230,540. During the year under review, the School paid the contractor a sum Kshs.7,584,359 for works done and certified. However, physical inspection of the project undertaken in the month of May 2024 revealed that only the ground floor of the hostel was constructed and was occupied by the students. The project had stalled and the contractor was not on site.

In the circumstances, the value for money incurred on the stalled projects could not be confirmed.

10 Failure to Reconciled Student Enrollment Data

Review of student's records provided for audit revealed unexplained variance in student numbers between National Education Management Information System (NEMIS) and

School registers resulting to tuition fees under disbursement on both capitation grants for tuition and operation fees of Kshs.1,560,275 as analyzed below:

Month	No of Students per NEMIS	No of Students as per Register	Capitation Grant per Student Kshs.	Total Expectation per School Register Kshs.	Actual Capitation Received Kshs.	Capitation not Received Kshs.
3 Aug. 2021	2,146	2,263	3,336	7,549,836	7,159,500	390,336
8 Oct. 2021	2,146	2,263	2,792	6,318,197	5,991,538	326,659
6 Jan. 2022	2,146	2,263	401	906,882	859,995	46,887
6 Jan. 2022	2,146	2,263	700	1,584,944	1,503,000	81,944
6 Jan. 2022	2,146	2,263	1,863	4,216,070	3,998,094	217,976
20 Apr. 2022	2,146	2,263	2,955	6,686,713	6,341,001	345,712
Total	15,022	15,841		30,178,647	28,618,372	1,560,275

Management explained that the difference was due to failure by the School to fully register all students on National Education Management Information System especially Form One (1) students who at the time of admission, they did not have all the required particulars for uploading to National Education Management Information System. This was contrary to the Ministry of Education Circular No. MOE.HQ/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners to be registered in National Education Management Information System and the principals to ensure their records are accurate.

In the circumstances, Management was in breach of the circular and the underfunding 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weakness in the Accounting System

During the year under review, the School processed revenue and payments through automated accounting system. The school relied on the accounting system to produce reports. However, the system did not produce periodical financial reports needed for internal management and controls purposes or for external analysis purposes such as budget performance reports, bursary reports, detailed revenue and receivables reports. Further, the system did not allow for adequate customization of reports to meet specific user needs such as bank reconciliations. Further, there was lack of adequate training and support for users of the School's accounting system resulting to inconsistent use of the system, errors in data entry and report generation.

In the circumstances, the reliability of the accounting system could not be confirmed.

2. Lack of Audit Committee

During the year under review, the School operated without an Audit Committee. This was contrary to Section 61(2) of the Basic Education Act 2013 which requires the Board of Management to establish Finance, Procurement and General Purposes Committee, Academic Standards, Quality and Environment Committee, Ethics and Integrity Committee, Audit Committee and Human Rights and Student Welfare Committee.

In the circumstances, the existence of an effective internal control mechanism of internal controls could not be confirmed.

3. Failure to Maintain an Imprest Register

During the year under review, the school issued imprests for different purposes to staff. However, Management did not prepare and maintain an imprest register and imprests were not issued through imprest warrants. It was therefore not possible to confirm whether the imprests issued during the year were accounted for and if the regulations regarding management of imprest were adhered to.

In the circumstances, the existence of effective internal controls on imprest management could not be confirmed.

4. Lack of Ownership Documents

Management maintained a fixed asset register that did not contain all information required including identification or serial number, acquisition date, description of asset, location, class and cost of acquisition. In addition, ownership documents for unknown size of land owned by the School were not provided for audit.

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

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 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 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 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 controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 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

17 September, 2024

CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

V. Statement of Receipts and Payments Year Ended 30th June 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	Jan-June 2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	6,633,211	2,537,070
Capitation grants for operations	2	28,618,369	15,982,223
School Fund Income- Parents' Contributions	3	168,237,489	67,843,981
School Fund Income- Other receipts	4	28,847,567	115,850
TOTAL RECEIPTS		232,336,636	86,479,124
PAYMENTS			
Payments for Tuition	5	6,947,301	3,271,576
Payments for operations	6	14,472,123	9,607,110
Infrastructure	7	7,584,359	12,390,992
Boarding and school fund payments	8	174,926,354	55,858,879
TOTAL PAYMENTS		203,930,137	81,128,557
SURPLUS/DEFICIT		28,406,499	5,350,567

The school financial statements were approved on 8/7 2024 and signed by:

.....
Rodgers Muvani

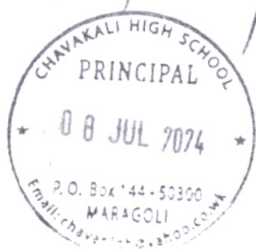
Name: **RODGERS MUVANI**
Chair BOM

Date: 08/07/24

.....
Edward Mwachira

Name: **EDWARD MWACHIRA**
School Principal/ Secretary to BOM

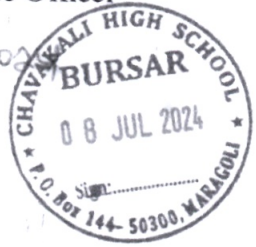
Date: 8/7/2024



.....
Jared Omwittoke

Name: **JARED OMWITTOKE**
Bursar/ Finance Officer

Date: 8/7/2024



CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

VI. Statement of Assets And Liabilities As At 30th June 2022

	Note	2021-2022	Jan-June 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	41,986,620	28,171,800
Cash Balances	10	1,479	3,865,388
Total Cash and cash equivalent		41,988,099	32,037,189
Account's receivables	11	80,993,722	74,209,775
TOTAL FINANCIAL ASSETS		122,981,821	106,246,964
FINANCIAL LIABILITIES			
Accounts Payables	12	24,893,352	36,564,994
NET FINANCIAL ASSETS		98,088,469	69,681,970
REPRESENTED BY			
Accumulated Fund b/fwd	13	69,681,970	64,331,403
Surplus/Deficit for the year		28,406,499	5,350,567
NET FINANCIAL POSSITION		98,088,469	69,681,970

The School's financial statements were approved on 8/7 2024 and signed by:

[Signature]

Name: Roderick Mulemi

Chair BOM

Date: 08/07/24

[Signature]

Name: EDWARD WACHITHA
School Principal/ Secretary to BOM

Date: 8/7/2024

[Signature]

Name: JARED OUNWYTORE
Bursar/ Finance Officer

Date: 8/7/2024



CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

VII. Statement of Cash Flows for the Period Ended 30th June 2022

	2021-2022	Jan-June 2021
	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	6,633,211	2,537,070
Capitation grants for operations	28,618,369	15,982,223
School fund income- Parents contributions/ fees	150,866,164	64,449,347
School fund income- other receipts	28,847,567	115,850
Total receipts	214,965,311	83,084,490
Payments		
Payments for Tuition	6,947,301	3,271,576
Payments for operations	14,472,123	9,607,110
Boarding and school fund payments	176,010,618	55,858,878
Total payments	197,430,042	68,737,564
Net cash flow from operating activities	17,535,269	14,346,925
Cashflow From Investing Activities		
Proceeds from Sale of Assets	-	-
Acquisition of Assets	7,584,359	(12,390,992)
Net cash flows from Investing Activities	(7,584,359)	(12,390,992)
Cashflow From-Borrowing Activities		
Proceeds from borrowings/ loans	-	-
Net cash flow from financing activities		
Net Increase in Cash And Cash Equivalents	9,950,910	1,955,933
Cash and cash equivalent at Beginning of the year	32,037,189	30,081,255
Cash and cash equivalent at End of the year	41,988,099	32,037,189

The school's financial statements were approved on 8/7 2024 and signed by:

.....
 Name: RODGER MULEMI
 Chair BOM
 Date: 08/07/24

.....
 Name: Samuel Mwachira
 School Principal/ Secretary to
 BOM
 Date: 8/7/2024

.....
 Name: JARED OMWYCHE
 Bursar/ Finance Officer
 Date: 8/7/2024



**Reports and Financial Statements
For the year ended 30th June 2022**

VIII. Statement of Budgeted Versus Actual Amounts for the Year Ended 30th June 2022

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Teaching / learning materials	8,901,312	-	8,901,312	6,633,211	2,268,101	75%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	12,361,740	-	12,361,740	11,889,666	472,074	96%
Repairs and maintenance	10,740,000	-	10,740,000	9,428,059	1,311,941	88%
Local transport / travelling	3,937,284	-	3,937,284	1,873,520	2,063,764	48%
Electricity and water	6,768,348	-	6,768,348	3,420,190	3,348,158	51%
Medical	2,146,926	-	2,146,926	200,865	1,946,061	9%
Administration costs	3,376,656	-	3,376,656	1,806,069	1,570,587	53%
Activity	2,697,888	-	2,697,888	-	-	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	16,160,664	-	16,160,664	32,610,851	(16,450,187)	202%
Repairs and maintenance	8,592,000	-	8,592,000	9,515,503	(923,503)	111%
Local transport / travelling	3,481,908	-	3,481,908	5,388,536	(1,906,628)	155%
Electricity and water	13,536,696	-	13,536,696	20,525,994	(6,989,298)	152%
Administration costs	7,552,368	-	7,552,368	11,776,737	(4,224,369)	156%
Activity	1,714,104	-	1,714,104	2,868,857	(1,154,753)	167%
Fee on Boarding Equipment and Stores	69,562,980	s-	69,562,980	85,551,011	(15,988,031)	123%

CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
OTHER INCOME						
Refundable fees				141,276	(141,276)	-
Damages	-		-	7,663,532	-	-
PA Fund Project	-		-	3,328,370	-	-
Students Uniform	-		-	16,960,689	-	-
Students IDs	-		-	305,700	-	-
Magazine	-		-	448,000	-	-
TOTAL INCOME	171,530,874	-	171,530,874	232,336,636	(60,805,762)	135%
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	11,379,950	-	11,379,950	6,947,301	4,432,649	61%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	9,889,392	-	9,889,392	3,093,000	0	-
Local transport / travelling	3,937,284	-	3,937,284	1,164,462	6,796,392	31%
Electricity, water and conservancy	5,414,400	-	5,414,400	3,758,884	2,772,822	30%
Administration costs	3,376,656	-	3,376,656	6,422,430	1,655,516	69%
Activity Expenses	2,158,310	-	2,158,310	21,780	(3,045,774)	190%
Bank Charges	-	-	-	2,136,530	1%	1%
3) FDSE for infrastructure						
Maintenance & Improvement MoE	6,500,000	-	6,500,000	5,584,359	-	-
M&I parents' contribution	2,200,000	-	2,200,000	2,000,000	915,641	86%
					200,000	91%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	15,184,780	-	15,184,780	40,056,474	(24,871,694)	264%

CHAVAKALI HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs		Kshs	Kshs	
Repairs, maintenance and improvements	4,095,260	-	4,095,260	1,070,229	3,025,031	26%
Local transport / travelling	3,362,716	-	3,362,716	7,101,439	(3,738,723)	211%
Electricity, water and conservancy	8,167,600	-	8,167,600	6,573,539	1,594,061	80%
Administration costs	12,943,344	-	12,943,344	5,523,795	7,419,549	43%
Activity	2,191,690	-	2,191,690	322,350	1,869,340	15%
Boarding Equipment and Stores	80,729,492	-	80,729,492	83,984,943	(3,255,451)	104%
Bakery Expenses	-	-	-	1,939,697	-	-
Students Uniforms	-	-	-	17,394,450	-	-
Damages	-	-	-	10,153,238	-	-
Magazine	-	-	-	600,000	-	-
Students IDs	-	-	-	100,000	-	-
Medical	-	-	-	106,200	-	-
TOTALS	171,530,874		171,530,874	203,930,137	(32,399,263)	119%

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 Chavakali High School and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)**5. Accounts Receivable**

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

X. Notes to the Financial Statements

1 Capitation Grant for Tuition

	2021-2022	Jan-June 2021
	Kshs	Kshs
Textbooks and reference materials	-	638,973
Teaching / learning materials	6,633,211	1,799,197
SMASSE	-	98,900
Total	6,633,211	2,537,070

2 Capitation Grant for Operations

	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel emoluments	11,889,666	4,831,687
Maintenance & Maintenance	9,428,059	5,823,307
Local transport / travelling	1,873,520	755,795
Electricity and water	3,420,190	2,046,352
Administration costs	1,806,069	1,156,825
Medical & Insurance	200,865	1,368,257
Total	28,618,369	15,982,223

3 Parents Contribution/Fees - School Fund Account

	2021-2022	Jan-June 2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	85,551,011	46,795,770
Personnel emoluments	32,610,851	8,629,438
Maintenance & Improvement	9,515,503	2,428,167
Local transport / travelling	5,388,536	1,334,142
Electricity and water	20,525,994	5,121,042
Administration costs	11,776,737	2,877,311
Activity	2,868,857	658,111
Total	168,237,489	67,843,981

4 Other Receipts – School Fund Account

	2021-2022	Jan-June 2021
	Kshs	Kshs
Refundable Fees	141,276	-
PA Fund Project	3,328,370	-
Uniform Fund	16,960,689	112,850
Damages	7,663,532	-
Students IDs	305,700	1,200
Magazine	448,000	1,800
Total	28,847,567	115,850

Notes to the Financial Statements (Continued)

Payments For Tuition

	2021-2022	Jan-June 2021
	Kshs	Kshs
Textbooks and reference materials	-	638,972.50
Teaching / learning materials	6,947,301	2,531,769.00
SMASSE	-	98,900.00
Bank Charges	-	1,934.50
Total	6,947,301	3,271,576.00

6 Payments for Operations

	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel emoluments	3,093,000	6,998,629
Administration Cost	6,422,430	722,725
Local transport / travelling	1,164,462	-
Electricity and water	3,758,884	510,500
Edu Afya NHIF	-	666,981
Activity Expenses	21,780	-
Medical / Insurance Cost	-	701,275
Bank Charges	11,567	7,000
TOTAL	14,472,123	9,607,110

7 INFRASTRUCTURE PAYMENTS

Description	2021-2022	2020-2020
	Kshs	Kshs
Construction of dormitory	7,584,359	12,390,992
Total	7,584,359	12,390,992

Notes to the Financial Statements

8 Boarding and School Fund Payments

	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel emoluments	27,077,943	1,795,573
Service Gratuity	-	4,127,184
Repairs and maintenance & Improvements	572,640	2,248,347
Local transport / travelling	7,101,439	3,546,512
Electricity and water	6,573,539	2,002,462
Tuition Materials	-	4,460,065
Administration costs	5,523,795	3,992,853
Students IDs	100,000	-
Medical	106,200	-
Net Salaries	12,978,531	6,602,695
Fee on Boarding Equipment and Stores	83,984,943	25,159,711
Activity Expenses	322,350	265,623
Bakery Expenses	1,939,697	546,764
Damages	10,153,238	-
Magazine	600,000	-
Uniform Fund	17,394,450	-
Farm Expenses	-	188,770
NSSF	-	821,520
NHIF	-	100,800
PAYE	497,589	-
TOTAL	174,926,354	55,858,879

Notes to the Financial Statements

9 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	Jan-June2021
		Kshs	Kshs
Tuition Account	1102302082	79,610	393,700
Operations Account	1102309605	7,364,529	1,898,532
School Fund Account/Boarding KCB	1102302228	7,232,288	5,355,255
S/ Acc – Absa Bank Collection Acc	2037268197	190,504	303,481
S / Acc – Coop Bank Collection Acc	01129471133000	2,696,790	1,682,275
S / Acc – Equity Bank Collection Acc	0960297321162	3,898,161	5,212,955
Parent Association Development Acc	1255083204	198,170	2,367,114
Farm Account		11,009	11,009
Infrastructural Account	0960297321233	16,310,311	8,064,264
Savings Acc - BOM	1110920720	-	785,183
Savings acc – P. Emoluments	1110511930	665,031	1,840,501
Savings Acc – Gratuity Acc	1110511647	3,340,218	(3,594)
Savings Acc - PTA	1109208723	-	153,549
CHS Project		-	44,258
NSIUA		-	63,318
Total		41,986,620	28,171,800

10 CASH IN HAND

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Operation Account	1,479	1,479
School Fund account	-	3,863,909
Total	1,479	3,865,388

11 ACCOUNTS RECEIVABLE

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Fees arrears	75,191,098	68,969,513
Rent Arrears	4,527,750	4,527,750
Salary advances	574,692	712,513
Total	80,293,540	74,209,776

Notes to the Financial Statements

An ageing of the fees arrears is as shown below

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Fees arrears for current year	8,022,392	12,139,188
Fees arrears for the previous year	10,328,381	1,444,510
Fees arrears for prior periods (over two years)	56,840,325	55,385,815
Total	75,191,098	68,969,512

12 Accounts Payable

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	19,297,120	19,638,762
Prepaid fees	3,267,679	5,223,638
Pocket Money	78,762	73,362
Retention monies	-	1,145,857
Advance Recovery	-	6,533,584
CHS Project	-	1,700,000
Caution Money	2,235,361	2,235,361
RD-Cheques	-	-
NHIF	14,430	14,430
Total	24,893,352	36,564,994

An ageing of the creditors is as shown below

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Trade creditors for current year	2,831,158	6,533,584
Trade creditors for the previous year	-	2,585,449.22
Trade creditors for prior periods (over two years)	16,465,962	16,494,602.43
Total	19,297,120	25,613,635.65

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Bank balances	28,171,800	29,274,491
Cash balances	3,865,388	806,764
Receivables	74,209,776	68,391,609
Payables	(36,564,994)	(34,141,461)
Total	69,681,970	64,331,403

Other important disclosure notes

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

14 Stock/ Inventory

Description	2021-2022	Jan-June 2021
	KShs	KShs
a) Stock / Inventory		
Stock/ inventory at beginning of the year	45,398,724	-
Stock/ inventory purchased during the year	63,020,675	-
Stock/ inventory issued during the year	(105,562,790)	-
Balance at end of the year	2,856,609	-

15 Progress on Follow Up of Auditor Recommendations

This is the first audit being conducted, and as such, there are no previous years' recommendations to report or follow up on.

CHAVAKALI HIGH SCHOOL
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of goods						
1. Walker Furniture	299,000	2015	-	299,000	299,000	
2. Pamellah Kavai	408,000	2016	-	408,000	408,000	
3. Humphrey Gaitano	100,000	2016	-	100,000	100,000	
4. Ronicah Ambogo	100,000	2016	-	100,000	100,000	
5. Balahonya Gen. Dist.	135,000	2016	-	135,000	135,000	
6. Broadcore Construction	850,000	2016	-	850,000	850,000	
7. Kwamusoga Investment	550,000	2016	-	550,000	550,000	
8. Essarke Enterprises	482,490	2016	-	482,490	482,490	
9. Joshua M. Kavinguha	245,000	2016	-	245,000	245,000	
10. Lvwwsb	250,000	2016	-	250,000	250,000	
11. Petronola Andiba	125,000	2017	-	125,000	125,000	
12. Stanley Majanga	90,000	2017	-	90,000	90,000	
13. Pamellah Kavai	50,920	2017	-	50,920	50,920	
14. Kivuhia Star	70,000	2017	-	70,000	70,000	
15. Bathlomew F. Olang	50,000	2017	-	50,000	50,000	
16. Fum Ministries Office	750,000	2017	-	750,000	750,000	
17. Gerishom Muluhya	442,430	2017	-	442,430	442,430	
18. Hakaki Enterprises	327,500	2017	-	327,500	327,500	
19. Carolyn Wanyonyi	42,500	2017	-	42,500	42,500	
20. Madadi Suppliers	170,500	2017	-	170,500	170,500	
21. Mildred Aleyo	149,000	2017	-	149,000	149,000	
22. Margaret Kavulani	112,200	2017	-	112,200	112,200	
23. Arnold Mamadi	129,500	2017	-	129,500	129,500	
24. Walker Furniture	225,000	2017	-	225,000	225,000	
25. Broadcore Construction	3,015,000	2017	-	3,015,000	3,015,000	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
26. Nancy Madagwa	202,700	2017	-	202,700	202,700	
27. Evans Ndeda	118,000	2017	-	118,000	118,000	
28. Sambamba Technologies	887,500	2017	-	887,500	887,500	
29. Faystep	429,100	2018	-	429,100	429,100	
30. Evans Ashiruka Amulavu	570,000	2018	-	570,000	570,000	
31. Alexander Kigunzu	265,200	2018	-	265,200	265,200	
32. Cowood Limited	312,000	2018	-	312,000	312,000	
33. W. Kisia	145,600	2018	-	145,600	145,600	
34. Ndombi	280,000	2018	-	280,000	280,000	
35. Namasaka	280,000	2018	-	280,000	280,000	
36. Kenways Engineering	248,660	2018	-	248,660	248,660	
37. Evans Amugune	25,200	2021/2022	-	25,200	-	
38. Berlyne Kwamboka	55,760	2021/2022	-	55,760	-	
39. Lilian Muyesu	92,780	2021/2022	-	92,780	-	
40. Philip Ochondo	103,400	2021/2022	-	103,400	-	
41. Mary Nyakundi	21,260	2021/2022	-	21,260	-	
42. Pamellah Kavai	53,000	2021/2022	-	53,000	-	
43. Margaret Kavulani	50,000	2021/2022	-	50,000	-	
44. Lilian Irusa	110,120	2021/2022	-	110,120	-	
45. Jeddah Dalizu Grocers	56,040	2021/2022	-	56,040	-	
46. Chavakali H.S W Welfare	121,500	2021/2022	-	121,500	-	
47. Medistown Pharmaceuti	52,928	2021/2022	-	52,928	-	
48. Connel Enterprises	2,400	2021/2022	-	2,400	-	
49. Ayub Wanjala	6,240	2021/2022	-	6,240	-	
50. Vuma Biofuels	460,000	2021/2022	-	460,000	-	
51. Luqman Supermarket	664,730	2021/2022	-	664,730	-	
52. Riverline Grain Traders	301,500	2021/2022	-	301,500	-	
53. Kimini Hardware	363,200	2021/2022	-	363,200	-	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
54. Vic Enterprises	12,500	2021/2022	-	12,500	-	
55. Affordable Enterprises	70,600	2021/2022	-	70,600	-	
56. Chakra Company Ltd	208,000	2021/2022	-	208,000	-	
57. Trim Tab Enterprises	200,000	2015	-	200,000	200,000	
58. Text Book World	2,040,030	2017	-	2,040,030	2,040,030	
59. Chavakali Bookshop	177,940	2017	-	177,940	177,940	
60. Merry Glory Enterprises	460,000	2017	-	460,000	460,000	
61. Startic Distributors	575,100	2017	-	575,100	575,100	
62. Yokhama Enterprises	50,000	2017	-	50,000	50,000	
63. The Copy Cat Ltd	55,092	2017	-	55,092	55,092	
Sub-Total	19,297,120			19,297,120	16,465,962	
Grand Total	19,297,120			19,297,120	16,465,962	

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ANNEX 2 – Summary of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	1959	Chavakali	200,000,000			200,000,000
Buildings and structures		“	550,000,000	7,584,359		557,584,359
Motor vehicles		“	14,400,000			14,400,000
Office equipment, furniture and fittings		“	100,000,000			100,000,000
ICT Equipment, and Other ICT Assets		“	4,392,000			4,392,000
Tools and apparatus		“	2,500,000			2,500,000
Textbooks		“	7,631,000			7,631,000
Other Machinery and Equipment – (Generator, mowers, bakery, posho mill)		“	4,500,000			4,500,000
Heritage and cultural assets – (music band instruments,		“	1,200,000			1,200,000
Intangible assets- soft ware		“	1,800,000			1,800,000
Total			886,423,000	7,584,359		894,007,359