

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**ST JOHN SCHOOL, KANUNGA**

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

**KIAMBU COUNTY**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 30 NOV 2023 DAY: *Friday*

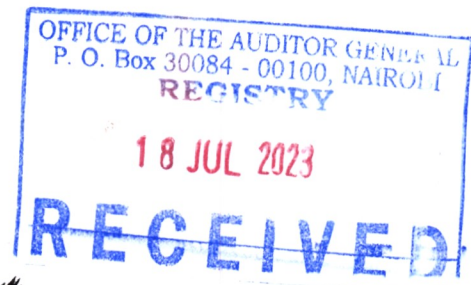
TABLED BY: *Hon. Naomi Wago, MP  
Deputy Majority Whip  
A. Shubane*







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



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***ST JOHN SCHOOL, KANUNGA***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30 June 2022**

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



*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

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ST. JOHN SCHOOL, KANUNGA  
**PUBLIC SECONDARY SCHOOLS - (Indicate actual name of the School)**  
**Reports and Financial Statements**  
**For the year ended 30 June 22**

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

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

**(a) Background information**

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

The school was first registered in the 1960s, later re-registered regularly, with current registration of 01/2021 under registration number 22S00300641 and is currently categorized as an Extra County (*National, Extra County, county and Sub County*) public school established, owned by the Government and sponsored by the Catholic Church.

The school is a boarding school and had 1134 number of students as at 30 June 2022. It has 6 streams and 47 teachers of which 8 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	Samson Muhoho	Chairman	7th March 2022
2	James Maina Ephraim	Secretary - Principal	7th March 2022
3	Margaret Wambui Njenga	Member	7th March 2022
4	Andrew Thuo	Member	7th March 2022
5	Patrick Ngata	Member	7th March 2022
6	Charles Gikera	Member	7th March 2022
7	Johnstone Ndungi	Member	7th March 2022
8	Prof. Rebecca Waihenya	Member	7th March 2022
9	Francis Ng'ang'a	Member	7th March 2022
10	James Mungai Karanja (Vice chairman) and the Chairman	Member	7th March 2022
11	Beth Gathoni Mwangi	Member	7th March 2022
12	Elijah Kabiro	Member	7th March 2022
13	(Students council chairman)	Rep Students	



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

**The function of the School Board of Management include:**

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



*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

**(c) Committees of the Board**

	<b>COMMIITEE</b>	<b>NAMES OF MEMBERS</b>	<b>DESIGNATION</b>	<b>NO OF MEETINGS ATTENDED</b>
<b>1)</b>	<b>Executive committee</b>			
		Samson Muhoho	Chairman, BOM	9
		James Mungai Karanja	Vice Chairman, BOM	9
		James Maina	Secretary, BOM/Principal	9
		Pauline Ngonyo	Member	9
		George Mwangi Mbugua	P.A. Chairman	9
		Charles Gikera	P.A. Chairman	2
<b>2)</b>	<b>Academic Committee</b>			
		Francis Ngugi Nganga	Academic D/Principal	1
		Prof Rebbeca Waihenya	Member	1
		Andrew Thuo	Member	1
		Charles Gikera	PA Chairman	1
		James Maina	Principal	1
<b>3)</b>	<b>Finance, Procurement and General purpose</b>			
		<b>Samson Muhoho</b>	BOM Chairman	1
		Charles Gikera	PA Chairman	1
		James Maina	Principal	1
		Francis Ngugi Nganga	Deputy Principal	1
		Roselyne Litaba	SCDE	1
		lucy Gitau	Member	1
		Patrick Ngata	Member	1
<b>4)</b>	<b>Discipline and welfare Committee</b>			
		Beth Mwangi	Member	1
		James Karanja	Member	1
		Elijah Kabiru	Member	1
		Johnstone Ndungi	Member	1
		Thomas Gitau Wagura	Deputy Principal-Admin	1
		James Maina	Principal	1
<b>5)</b>	<b>Audit Committee</b>			
		Charles Gikera	Member	1
		Johnstone Ndungi	Memembr	1
		Patrick Ngata	Member	1
<b>6)</b>	<b>Adhoc Committee (if any during the year)</b>			

**(d) School operation Management**

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

<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
1	Principal	James Maina Ephraim	310926
2	Deputy Principal	Thomas Gitau Wagura	256143
3	Deputy Principal	Francis Ngugi Ng'ang'a	333492
4	School Bursar	Samwel Nduati Mwangi	n/a



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

**(e) Schools contacts**

Post Office Box:	331-00900	
Telephone:		0202049897
E-mail:		kanunga.high@yahoo.com
Website:		https://stjohnkanunga.sc.ke
Facebook:		n/a
Twitter:		n/a

**(f) School Bankers**

The school operated 5 bank accounts in the following banks:

- |    |                 |               |
|----|-----------------|---------------|
| 1. | Name of Bank:   | Equity bank   |
|    | Branch:         | Kiambu        |
|    | Account Number: | 0640299892491 |
|    | (Main A/C)      |               |
  
- |   |                      |                    |
|---|----------------------|--------------------|
| 2 | <b>Name of Bank:</b> | <b>Equity bank</b> |
|   | Branch:              | Kiambu             |
|   | Account Number:      | 0640299892533      |
|   | (Tuition A/C)        |                    |
  
- |   |                      |                    |
|---|----------------------|--------------------|
| 3 | <b>Name of Bank:</b> | <b>Equity bank</b> |
|   | Branch:              | Kiambu             |
|   | Account Number:      | 0640299892509      |
|   | (Operation A/C)      |                    |
  
- |   |                      |                    |
|---|----------------------|--------------------|
| 4 | <b>Name of Bank:</b> | <b>Equity bank</b> |
|   | Branch:              | Kiambu             |
|   | Account Number:      | 0640281284832      |
|   | (MIF A/C)            |                    |
  
- |   |                 |               |
|---|-----------------|---------------|
| 5 | Name of Bank:   | Equity Bank   |
|   | Branch:         | Kiambu        |
|   | Account Number: | 0640199892557 |
|   | (Savings A/C)   |               |
  
- 6 MPESA Pay Bill No. 319450 attached to Equity bank (Main) account.

*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

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**(g) Independent Auditors**

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

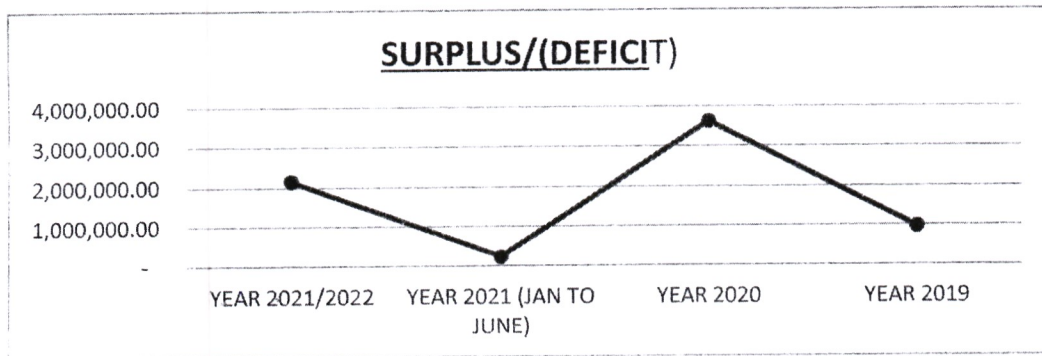


**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

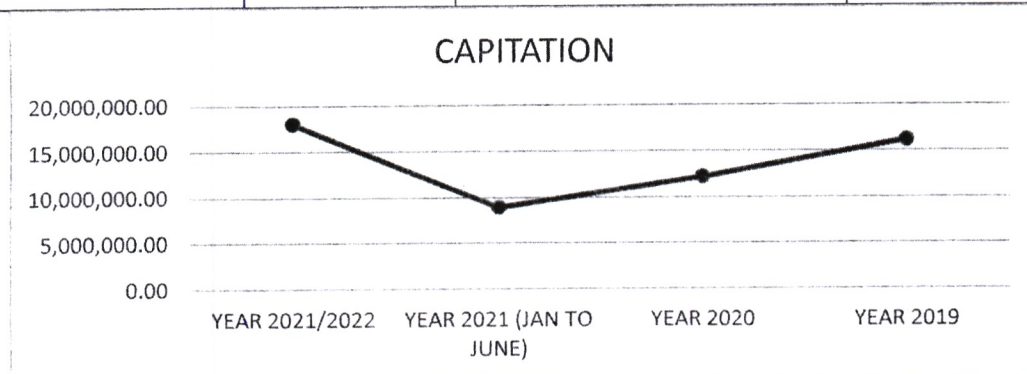
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

<b>SURPLUS/(DEFICIT)</b>				
ITEM	YEAR 2021/2022	YEAR 2021 (JAN TO JUNE)	YEAR 2020	YEAR 2019
SURPLAS/DEFICIT	2,157,272.45	235,330.94	3,627,836.69	980,133.00

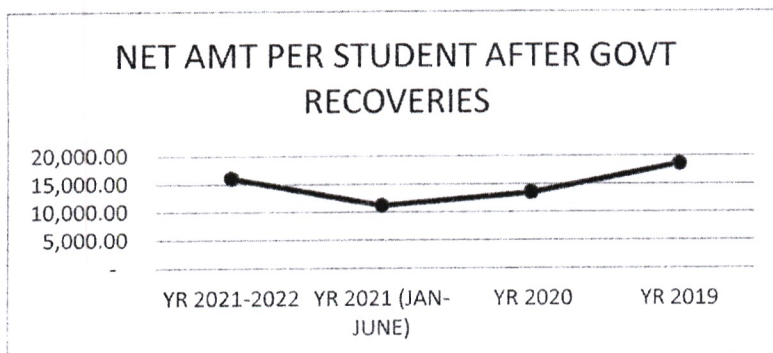


<b>CAPITATIONS</b>				
	YEAR 2021/2022	YEAR 2021 (JAN TO JUNE)	YEAR 2020	YEAR 2019
CAPITATION	18,010,335.70	8,885,979.25	12,235,965.00	16,178,299.35

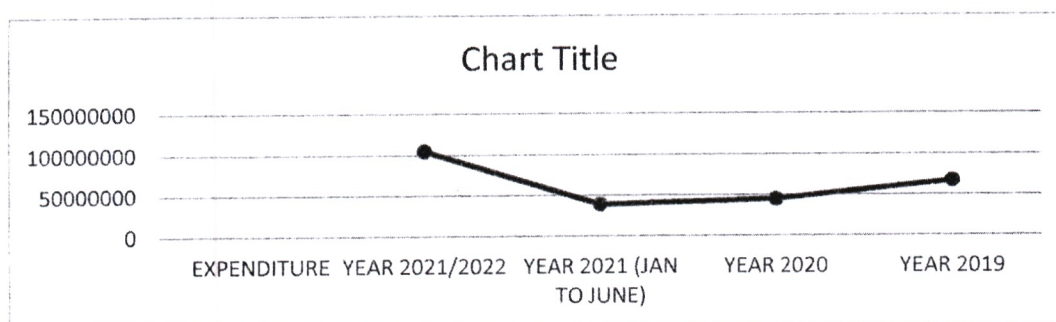


**ST JOHN SCHOOL, KANUNGA.**  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

CAPITATION RATIO		
PERIOD	NET AMT PER STUDENT AFTER GOVT RECOVERIES	
YR 2021-2022	16,040.15	
YR 2021 (JAN-JUNE)	11,221.30	
YR 2020	13,501.00	
YR 2019	18,549.19	



GROWTH IN EXPENDITURE				
EXPENDITURE	YEAR 2021/2022	YEAR 2021 (JAN TO JUNE)	YEAR 2020	YEAR 2019
	104,674,999.25	38,985,557.35	44,919,418.81	67,304,435.35
EXPENDITURE GROWTH	65,689,441.90	(5,933,861.46)	(22,385,016.54)	
PERCENTAGE GROWTH	168%	-13%	-33%	

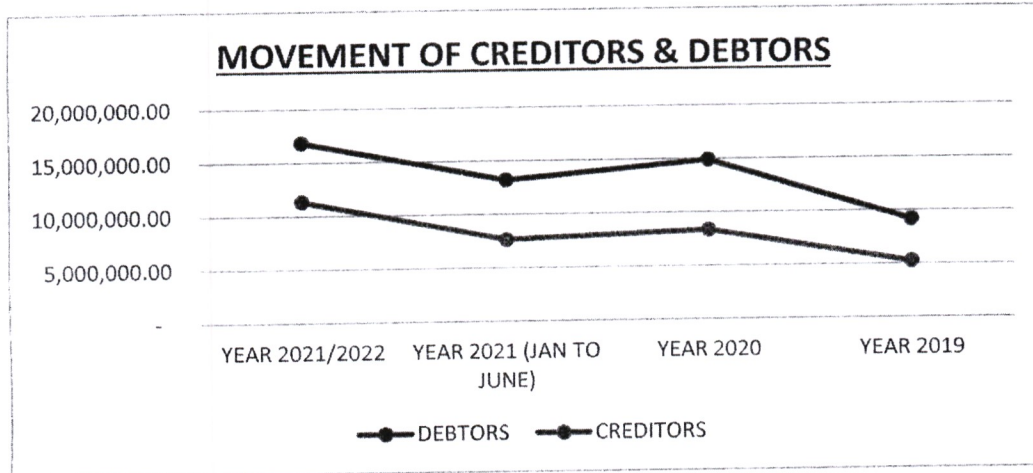




**ST JOHN SCHOOL, KANUNGA.**  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

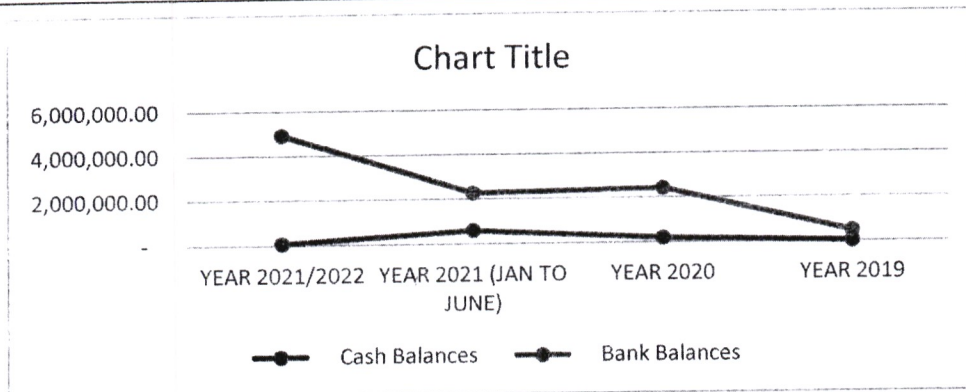
**MOVEMENT OF CREDITORS & DEBTORS**

	YEAR 2021/2022	YEAR 2021 (JAN TO JUNE)	YEAR 2020	YEAR 2019
DEBTORS	16,873,669.00	13,218,920.00	14,923,642.00	9,181,505.00
CREDITORS	11,377,893.00	7,640,435.00	8,358,404.00	5,274,710.60



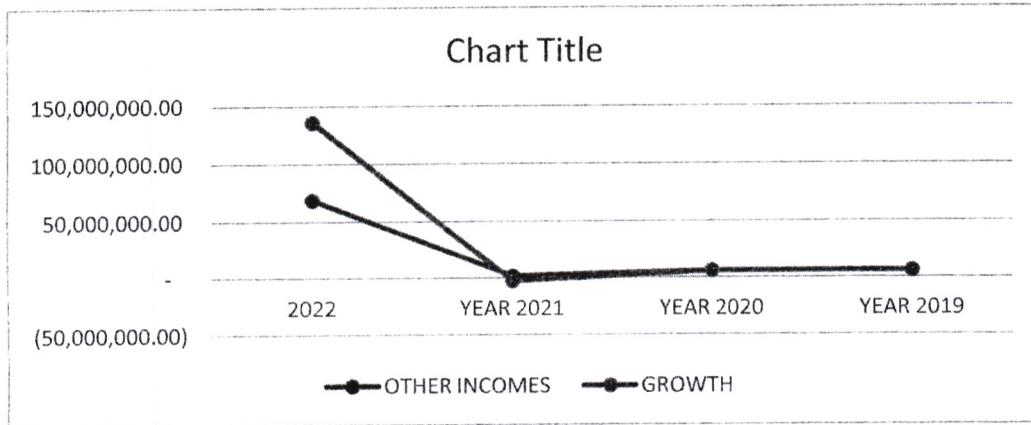
**MOVEMENT OF CASH & BANK BALANCES**

	YEAR 2021/2022	YEAR 2021 (JAN TO JUNE)	YEAR 2020	YEAR 2019
Cash Balances	63,549.55	585,790.55	191,607.55	7,256.65
Bank Balances	4,936,497.00		2,256,983.55	2,415,834.85



*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

THREE YEAR OVER-VIEW OF GROWTH OF OTHER INCOMES				
	2022	YEAR 2021	YEAR 2020	YEAR 2019
OTHER INCOMES	68,945,237.00	1,847,430.00	6,162,814.00	6,248,026.00
GROWTH	67,097,807.00	(4,315,384.00)	(85,212.00)	



**b) Teacher Student ratio:**

BY DATE	POPULATION		TEACHER STUDENT RATIO
	STUDENTS	TEACHERS	
30.6.2022	1,113	47	1 to 23.6

<b>TEACHERS TURN OVER IN YEAR 2022</b>	
Teachers recruited by BOM	5
Teachers posted by TSC to the school	7
<b>Total</b>	<b>12</b>

<b>TEACHERS WHO TRANSFERRED JANUEARY TO JUNE 2021</b>	
TSC teachers	4
BOM teachers	9
<b>Total</b>	<b>13</b>

*The school had 48 teachers*

*4 Teachers left the station.*

*7 Teachers were posted to the school during the year.*



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

<b>KCSE RESULTS</b>					
<b>YEAR</b>	<b>CANDIDATE ENTIES</b>	<b>MEAN SCORE</b>	<b>DEVIATION FORM PREVIOUS YEAR</b>	<b>TARGET</b>	<b>TRASITION TO HIGHER EDUCATION</b>
2019	179	6.402	-0.274	7.5	112
2020	184	6.929	0.527	7.5	166
2021	223	5.954	-0.98	7.5	201

**d) Number of Candidates in the 2021 KCSE:**

<b>NUMBER OF CANDIDATES</b>	
<b>YEAR</b>	<b>CANDIDATE ENTIES</b>
2020	184
2021	223
2022	235

<b>TEACHERS TURN OVER</b>	
<b>POSTED IN</b>	<b>LEFT</b>
7	4

*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

e) **Capacity of the school:**

**CAPACITY OF THE SCHOOL AND FORECASTS**

FORM	YR 2022	YR 2023	YR 2024	YR 2025	YR 2026	YR 2027
	POP					
1	326	340	340	340	340	340
2	309	326	340	340	340	340
3	255	309	326	340	340	340
4	235	255	309	326	340	340
POPULATION	1125	1230	1315	1346	1360	1360
CLASS RMS NEEDED	30	30	32	37	37	37
AVAILABLE	26	26	26	26	26	26
SHORTFALL/SURPLUS	-4	-4	-6	-11	-11	-11
DORMITORY SPACE NEEDED	1125	1230	1315	1346	1360	1360
AVAILABLE	1122	1122	1122	1122	1122	1122
SHORTAGE/SURPLUS	-3	-108	-193	-224	-238	-238
DINING HALL SPACE NEEDED	1125	1230	1315	1346	1360	1360
AVAILABLE	1490	1490	1490	1490	1490	1490
SHORTAGE/SURPLUS	365	260	175	144	130	130
BATHROOMS NEEDED	56	61	66	67	68	68
AVAILABLE	76	76	76	76	76	76
SHORTAGE/SURPLUS	20	15	10	9	8	8
TOILETS NEEDED (TUITION AREA)	38	41	44	45	45	45
AVAILABLE	40	40	40	40	40	40
SHORTAGE/SURPLUS	-2	-1	-4	-5	-5	-5
TOILETS NEEDED (BOARDING AREA)	32	41	44	45	45	45
AVAILABLE	32	32	32	32	32	32
SHORTAGE/SURPLUS	0	-9	-12	-13	-13	-13
LIBRARY SPACES NEEDED	250	273	292	299	302	302
AVAILABLE	150	150	150	150	150	150
SHORTAGE/SURPLUS	-100	-123	-142	-149	-152	-152
LABORATORY SPACE NEEDED	235	255	309	326	340	340
AVAILABLE	195	255	255	255	255	255
SHORTAGE/SURPLUS	-40	0	-54	-71	-85	-85
WATER NEEDED AT PEAK DAYS	200,000	220,000	230,000	240,000	240,000	240,000
AVAILABLE	480,000	480,000	480,000	480,000	480,000	480,000
SURPLAS/DEFICIT	280,000	260,000	250,000	240,000	240,000	240,000

*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

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

<i>Development projects carried/ONGOING out in the school</i>				
<i>ITEM</i>	<i>PROJECT STATUS</i>	<i>Initial cost</i>	<i>Amt Spent JAN-JUNE 2021</i>	<i>FUNDING</i>
		<i>Ksh</i>	<i>Ksh</i>	
<i>Sinking borehole</i>	<i>70% Done</i>	<i>2,500,000.00</i>	<i>2,462,800.00</i>	<i>Parents</i>
<i>Dining hall extension</i>	<i>70% Done</i>	<i>1,740,000.00</i>	<i>1,218,000.00</i>	<i>Parents</i>
<i>Buiding 4 classes.</i>	<i>83% Done</i>	<i>8,000,000.00</i>	<i>8,568,728.00</i>	<i>Parents</i>
		<i>12,240,000.00</i>	<i>12,249,528.00</i>	

CHIEF PRINCIPAL  
 ST. JOHN SCHOOL KANUNGA  
 18 JUL 2023  
 SIGN:   
 P. O. Box 331, KAMPENI, KILIMBARI TEL: 00254 20 44997

*Sign*

*School Principal*




### III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

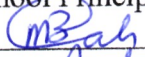
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

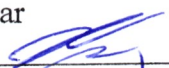
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

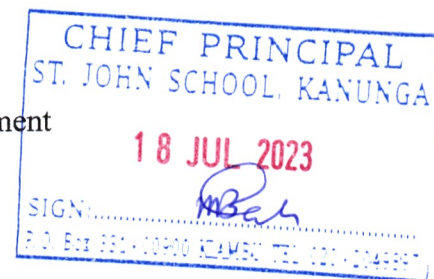
The Board of Management of *St. John School, Kanunga* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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:** Samson Muhoho  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 18-07-23

**Name:** James Maina Ephraim  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 18/7/2023

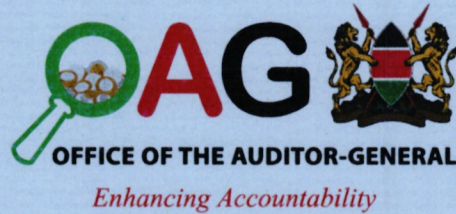
**Name:** Samwel Nduati Mwangi  
**Designation:** Bursar  
**Sign:**   
**Date:** 18/07/2023





# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON ST JOHN SCHOOL, KANUNGA FOR THE YEAR ENDED 30 JUNE, 2022 – KIAMBU COUNTY**

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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 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 control, 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 St John School, Kanunga – Kiambu County set out on pages 18 to 42, which comprise of the statement of financial

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*Report of the Auditor-General on St John School, Kanunga for the year ended 30 June, 2022 – Kiambu County*



assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation account 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 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 St John School, Kanunga – Kiambu 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013

### **Basis for Qualified Opinion**

#### **1. Unsupported Accounts Payable Balance**

The statement of financial assets and liabilities as at 30 June, 2022 reflects accounts payable of Kshs.1,072,526 as disclosed in Note 12 to the financial statements. However, supporting schedules indicating creditors under caution money of Kshs.511,933 and pocket money of Kshs.180,798 were not provided for audit.

In the circumstances, the validity of the account payables balance of Kshs.1,072,526 could not be confirmed.

#### **2. Unsupported Accounts Receivables Balance**

The statement of financial assets and liabilities as at 30 June, 2022 reflects accounts receivables of Kshs.40,000 as disclosed in Note 11 to the financial statements. However, ageing analysis was not provided for audit .

In the circumstances, the accuracy and recoverability of the account receivables of Kshs. 40,000 could not be confirmed

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



## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Controls and Performance**

The statement of budgeted versus actual amounts for the year ended 30 June, 2022 reflects budgeted receipts of Kshs.112,250,274 and actual receipts of Kshs.106,832,272 resulting to underfunding of Kshs.5,418,002 or 5% of the budget. Similarly, the School expended Kshs.104,674,999 against an approved budget of Kshs.112,250,274 resulting to an under-expenditure of Kshs.7,575,275 or 7% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Lack of Approved Procurement Plan**

Review of the annual procurement plan provided for audit revealed that there was no evidence of approval of the procurement plan by the Board of Management. This is contrary to Section 53(2) and (5) of the Public Procurement and Asset Disposal Act, 2015 which requires entities to have in place procurement and asset disposal plans that are based on indicative or approved budgets which shall be integrated with the applicable budget process.

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

## **2. Non-Compliance with Public Sector Accounting Standards Board Reporting Requirements**

The financial statements for the year under review revealed various discrepancies and errors as detailed below:

- i. The number of Board of Management members disclosed in the Financial Statement submitted is less than the recommended 17 which contradicts Section 55(3) and 56(3) of the Basic Education Act, 2013;
- ii. The number of teachers recruited and posted to the school and employed by Teachers Service Commission and Board of Management within the year under review was not disclosed under Teacher Student ratio;
- iii. Expected completion time for the projects disclosed under development projects carried out by the school has not been indicated; and
- iv. Biological assets disclosed in the Financial Statements do not contain market value/cost.

In the circumstances, the financial statements do not conform to IPSAS and the presentation format prescribed by the Public Sector Accounting Standard Board (PSASB).

## **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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Inventory and Stock Taking Report**

Note 4 to the financial statements, under other important disclosure notes reflects stock balance at the end of the year as Kshs.3,165,001. However, school did not provide stock take report as at 30 June, 2022 contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which requires the Head of Procurement Function to arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure



compliance with all respective governing laws and submit the report to the Accounting Officer.

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

## **2. Incomplete Fixed Asset Register**

Review of the annual report and financial statements for the period under review revealed that the school fixed asset register was incomplete. The attached appendices were not comprehensive, and the assets listed had no corresponding value. This is contrary to Section 143(1) of Public Finance Management (National Government) Regulations, 2015 prescribes that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws

Further, Annex 2 to the financial statements, reflects four parcels of land identified as land 1,2,3 and 4 respectively. However, land 1 was a donation by the Catholic Church in 1960 but whose title deed was not availed for audit.

In the circumstances, the effectiveness of internal controls over management of assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 2330. The standard requires 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 (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall Governance.

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




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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 October, 2023



ST JOHN SCHOOL, KANUNGA.  
Annual Report and Financial Statements  
For the year ended 30 June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021 - 2022	2021- 2020
			Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	3,341,682.60	1,222,068.25
Capitation grants for operations	2	14,668,653.10	7,663,911.00
School Fund Income- Parents' Contributions	3	19,876,699.00	8,788,842.26
School Fund Income- Other receipts	4	68,945,237.00	21,546,066.78
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>106,832,271.70</b>	<b>39,220,888.29</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,612,984.10	736,205.00
Payments for operations	6	14,596,398.00	8,063,641.00
Boarding and school fund payments	7	87,465,617.15	30,185,471.35
<b>TOTAL PAYMENTS</b>		<b>104,674,999.25</b>	<b>38,985,317.35</b>
<b>SURPLUS/DEFICIT</b>		<b>2,157,272.45</b>	<b>235,570.94</b>

The school financial statements were approved on 18/07 2023 and signed by:

Sign: 

Samson Muhoho

Chair BOM

Date 18-07-23

Sign 

James Maina Ephraim

School Principal/  
Secretary to BOM

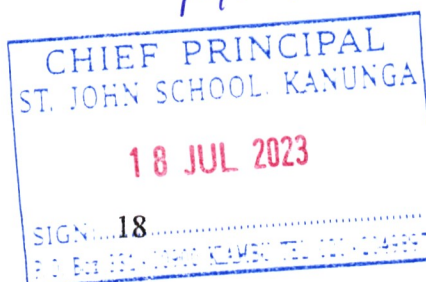
Date 18/7/2023

Sign 

Samwel N Mwangi

Bursar/

Date 18/07/2023



ST JOHN SCHOOL, KANUNGA.  
Annual Report and Financial Statements  
For the year ended 30 June 2022

STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30  
JUNE 2022

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	4,936,497.00	2,256,983.55
Cash Balances	9	63,549.55	585,790.55
Short term Investment	10	-	-
<b>Total Cash and Cash Equivalents</b>		<b>5,000,046.55</b>	<b>2,842,774.10</b>
Account's receivables	11	40,000.00	343,006.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>5,040,046.55</b>	<b>3,185,780.10</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	1,072,526.00	1,375,532.00
<b>NET FINANCIAL SSETS</b>		<b>3,967,520.55</b>	<b>1,810,248.10</b>
<b>REPRESENTED BY</b>		<b><u>3,967,520.55</u></b>	<b><u>1,810,248.10</u></b>
Fund balance b/fwd 1st July...	13	1,810,248.54	1,574,917.60
Surplus/Defict for the year		2,157,272.45	235,330.94
<b>NET FINANCIAL POSITION</b>		<b>3,967,520.99</b>	<b>1,810,248.54</b>

The School's financial statements were approved on 18/07 2023 and signed by:

**Samson Muhoho**

Chairman, BoM

Sign: 

Date: 18-07-23

**James Maina Ephraim**

School Principal/Secretary to BoM

Sign: 

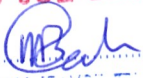
Date: 18/7/2023

**Samwel N Mwangi**

Bursar

Sign: 

Date: 18/07/2023

CHIEF PRINCIPAL  
ST. JOHN SCHOOL, KANUNGA  
19  
18 JUL 2023  
SIGN:   
P.O. Box 111, Kanungu, Kenya Tel: 011-254957



ST. JOHN SCHOOL, KANUNGA  
**PUBLIC SECONDARY SCHOOLS - (Indicate actual name of the School)**  
**Reports and Financial Statements**  
**For the year ended 30 June 22**

**VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022**

		2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Capitation grants for tuition	1	3,341,682.60	1,222,068.25
Capitation grants for operations	2	14,668,653.10	7,663,911.00
School fund income- Parents contributions/ fees	3	19,876,699.00	8,788,842.26
School fund income- other receipts	4	68,945,237.00	21,546,066.78
<b>Total receipts</b>		<b>106,832,271.70</b>	<b>39,220,888.29</b>
<b>Payments</b>			
Payments for Tuition	5	2,612,984.10	736,205.00
Payments for operations	6	14,596,398.00	8,063,641.00
Boarding and school fund payments	7	87,465,617.15	30,185,471.35
<b>Total payments</b>		<b>104,674,999.25</b>	<b>38,985,317.35</b>
<b>Net cash flow from operating activities</b>		<b>2,157,272.45</b>	<b>235,570.94</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>NET CASHFLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flows from Financing Activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>2,157,272.45</b>	<b>235,570.94</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>2,842,773.54</b>	<b>2,607,442.60</b>
<b>Cash and cash equivalent at END of the year</b>		<b>5,000,045.99</b>	<b>2,842,773.54</b>

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

ST JOHN SCHOOL, KANUNGA.  
Annual Report and Financial Statements  
For the year ended 30 June 2022

VII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR  
ENDED 30 JUNE 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Text books		0	-		-	
Exercise books			-		-	
Laboratory equipments and apparatus			-		-	
Teaching/learning materials	3,991,240.00		3,991,240.00	3,341,682.60	-	83.7%
chalks			-		-	
Internal exams					-	
Reference books			-		-	
SES					-	
<b>SUB-TOTAL FOR TUITION ACCOUNT RECEIPTS</b>	<b>3,991,240.00</b>	<b>-</b>	<b>3,991,240.00</b>	<b>3,341,682.60</b>	<b>649,557.40</b>	<b>84%</b>
					-	
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	7,784,400.00		7,784,400.00	7,664,973.60	119,426	98.5%
Repairs and maintenance	6,700,000.00		6,700,000.00	5,117,500.00	1,582,500	76.4%
Local transport / travelling	1,708,300.00		1,708,300.00	1,012,500.00	695,800	59.3%
Electricity and			159,400.00			63.0%



*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
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water	159,400.00			100,400.00	59,000	
Medical	180,000.00		180,000.00	200,200.00	(20,200)	111.2%
Administration costs	791,100.00		791,100.00	573,079.50	218,021	72.4%
Activity Fund	772,200.00		772,200.00		772,200	0.0%
<b>SUB-TOTAL FOR OPERATION ACCOUNT RECEIPT</b>	<b>18,095,400.00</b>	<b>-</b>	<b>18,095,400.00</b>	<b>14,668,653.10</b>	<b>3,426,746.90</b>	<b>81%</b>
					-	
<b>(3) FEES CHARGED ON PARENTS</b>					-	
Personnel emoluments	7,502,000.00		7,502,000.00	6,432,074.00	1,069,926	86%
Repairs and maintenance	3,564,000.00		3,564,000.00	3,215,139.00	348,861	90%
Local transport / travelling	1,980,000.00		1,980,000.00	2,066,336.00	(86,336)	104%
Electricity and water	5,018,000.00		5,018,000.00	5,049,328.00	(31,328)	101%
Medical	-		-	33,567.00	(33,567)	
Administration costs	2,297,000.00		2,297,000.00	2,466,567.00	(169,567)	107%
Activity	635,000.00		635,000.00	613,688.00	21,312	97%
SMASSE			-		-	
Fee on Boarding Equipment and Stores	34,028,500.00		34,028,500.00	33,582,219.00	446,281	99%
<b>SUB-TOTAL FOR FEES CHARGED ON PARENTS</b>	<b>55,024,500.00</b>	<b>-</b>	<b>55,024,500.00</b>	<b>53,458,918.00</b>	<b>1,565,582.00</b>	<b>97%</b>
<b>OTHER INCOME</b>						
<i>Canteen</i>	4,500,000.00		4,500,000.00	4,669,156.00	(169,156)	103.8%
<i>House rent</i>	300,000.00		300,000.00	256,400.00	43,600	85.5%
<i>School farm</i>	216,376.00		216,376.00	216,376.00	-	100.0%

ST JOHN SCHOOL, KANUNGA.  
Annual Report and Financial Statements  
For the year ended 30 June 2022

<b>PA SES</b>	34,669.00		34,669.00	34,669.00	-	100.0%
<b>Damages</b>	586,276.00		586,276.00	586,276.00	-	100.0%
<b>Dev Fund</b>	12,240,000.00		12,240,000.00	11,562,128.00	677,872	94.5%
<b>Uniforms</b>	17,261,813.00		17,261,813.00	18,038,013.00	(776,200)	104.5%
<b>Fee on Boarding Equipment and Stores</b>						
<b>SUB-TOTAL FOR OTHER INCOMES</b>	<b>35,139,134.00</b>	<b>-</b>	<b>35,139,134.00</b>	<b>35,363,018.00</b>	<b>(223,884.00)</b>	<b>100.6%</b>
	-			-		
<b>TOTAL INCOME</b>	<b>112,250,274.00</b>	<b>-</b>	<b>112,250,274.00</b>	<b>106,832,271.70</b>	<b>5,418,002.30</b>	<b>95.2%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Text books				-	-	
Exercise books				-	-	
Laboratory equipments and apparatus				-	0	
Teaching/learning materials	3,991,240.00	-	3,991,240.00	2,612,984.10	1,378,256	65%
chalks				-	-	
Internal exams				-	-	
Reference books				-	-	
Bank charges				-		



*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

					-	
<b>SUBTOTAL FOR EXPENDITURE FOR TUITION</b>	<b>3,991,240.00</b>	<b>-</b>	<b>3,991,240.00</b>	<b>2,612,984.10</b>	<b>1,378,255.90</b>	<b>65%</b>
			-		-	
			-		-	
<b>PAYMENTS FOR OPERATIONS</b>			-		-	
Personal Emoluments	7,784,400.00	-	7,784,400.00	10,292,427.00	(2,508,027)	132%
Service Gratuity					-	
Administration Cost	791,100.00	-	791,100.00	518,485.00	272,615	66%
Repairs and maintenance & improvements	6,700,000.00	-	6,700,000.00	2,110,062.00	4,589,938	31%
Local transport / travelling	1,708,300.00	-	1,708,300.00	988,150.00	720,150	58%
Electricity and water	159,400.00	-	159,400.00	87,274.00	72,126	55%
Medical	180,000.00	-	180,000.00	-	180,000	
Activity Expenses	772,200.00		772,200.00	600,000.00	172,200	78%
SMASSE	-		-	-		
Insurance Cost	-		-	-		
Bank Charges			-			
Acquisition of Assets						
<b>SUB-TOTAL FOR PAYMENTS FOR OPERATIONS</b>	<b>18,095,400.00</b>	<b>-</b>	<b>18,095,400.00</b>	<b>14,596,398.00</b>	<b>3,499,002.00</b>	<b>81%</b>
<b>BOARDING AND SCHOOL FUND PAYMENTS</b>						
BES			34,028,500.00			91%

*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

	34,028,500.00			31,099,784.00	2,928,716.00	
RMI	3,564,000.00		3,564,000.00	9,939,597.00	6,375,597.00	279%
EWC	5,018,000.00		5,018,000.00	4,689,907.00	328,093.00	93%
LT@T	1,980,000.00	-	1,980,000.00	1,739,629.40	240,370.60	88%
ACTIVITY	635,000.00	-	635,000.00	1,089,060.00	(454,060.00)	172%
ADMIN COSTS	2,297,000.00		2,297,000.00	2,573,473.00	(276,473.00)	112%
Personal emolument	7,502,000.00	-	7,502,000.00	2,279,816.00	5,222,184.00	30%
Medical	-	-	-	252,091.00	(252,091.00)	0%
Canteen	4,500,000.00	-	4,500,000.00	4,016,332.00	483,668	89%
House rent	300,000.00	-	300,000.00	229,842.00	70,158	77%
School farm	216,376.00	-	216,376.00	156,729.00	59,647	72%
PA SES	34,669.00		34,669.00	1,633,541.00		4712%
Bank charges	-		-			
Damages	586,276.00		586,276.00			
Expenses on Income Generating Activities	-		-	-		
Fee on Boarding Equipment and Stores			-	-		
Uniform	17,261,813.00		17,261,813.00	15,879,936.00	1,381,877	92%
PA DEV FUND	12,240,000.00		12,240,000.00	11,885,879.75	354,120	97%
Loan Principal repayment	-		-	-		
Loan Interest repayment	-		-	-	-	
Acquisition of Assets	-		-	-	-	
<b>SUBTOTAL FOR PAYMENTS OF BOARDING</b>	<b>90,163,634.00</b>	<b>-</b>	<b>90,163,634.00</b>	<b>87,465,617.15</b>	<b>16,461,806.85</b>	<b>97%</b>



*ST JOHN SCHOOL, KANUNGA.*  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2022**

<b>AND SCHOOL FUND COUNT</b>						
<b>TOTAL PAYMENTS</b>	<b>112,250,274.00</b>	<b>-</b>	<b>112,250,274.00</b>	<b>104,674,999.25</b>	<b>21,339,064.75</b>	<b>93.3%</b>

## VIII. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

### 2. Recognition of receipts and payments

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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



## SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 5. Accounts Receivable

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

### 6. Accounts Payable

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

### 7. Non-current assets

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

### 8. Budget

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

### 9. Comparative figures

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

### 10. Subsequent events

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

<b>1 CAPITATION GRANT FOR TUITION</b>			
			-
		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
Text books			
Exercise books		0.00	
Laboratory equipments and apparatus		0.00	
Teaching/learning materials		3,341,682.60	1,222,068.25
chalks		0.00	
Internal exams		0.00	
Reference books			
SES		0.00	
<b>Total</b>		<b>3,341,682.60</b>	<b>1,222,068.25</b>
<b>2 CAPITATION GRANT FOR OPERATIONS</b>			
		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments		7,664,973.60	2,972,042.00
Repairs and maintenance		5,117,500.00	3,754,500.00
Local transport / travelling		1,012,500.00	49,155.00
Electricity and water		100,400.00	549,155.00
Medical		200,200.00	-
Administration costs		573,079.50	339,059.00
Insurance			
Activity		0.00	1,124,490.00
<b>Total</b>		<b>14,668,653.10</b>	<b>7,663,911.00</b>
<b>3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT</b>			
		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments		6,432,074.00	



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			3,964,274.26
	Repairs and maintenance	3,215,139.00	339,926.00
	Local transport / travelling	2,066,336.00	849,272.00
	Electricity and water	5,049,328.00	638,315.00
	Medical	33,567.00	539,375.00
	Administration costs	2,466,567.00	1,408,746.00
	Activity	613,688.00	1,048,934.00
	<b>Total</b>	<b>19,876,699.00</b>	<b>8,788,842.26</b>
<b>4</b>	<b>OTHER RECEIPTS – SCHOOL FUND ACCOUNT</b>		
		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	<b>Fee on Boarding Equipment and Stores</b>		
		33,582,219.00	11,159,571.78
	<b>Canteen</b>		
		4,669,156.00	1,919,065.00
	<b>House rent</b>		
		256,400.00	326,230.00
	<b>School farm</b>		
		216,376.00	102,220.00
	<b>PA-SES</b>		
		34,669.00	1,566,916.00
	<b>Losses/Damages</b>		
		586,276.00	71,266.00
	<b>Interest income</b>		
		0.00	
	<b>PA-DEV FUND</b>		
		11,562,128.00	4,553,368.00
	<b>Uniform</b>		
		18,038,013.00	1,847,430.00
		0.00	-
	<b>Total</b>	<b>68,945,237.00</b>	<b>21,546,066.78</b>
<b>5</b>	<b>PAYMENTS FOR TUITION</b>		
		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Text books		-
	Exercise books	512,820.00	-
	Laboratory equipments and apparatus	0.00	-
	Teaching/learning materials	336,390.00	-
	chalks	14,400.00	-
	SES	1,745,764.10	735,725.00

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	Internal exams		-
	Reference books		-
	Bank charges	3,610.00	480.00
		0.00	-
			-
	<b>Total</b>	<b>2,612,984.10</b>	<b>736,205.00</b>
<b>6</b>	<b>PAYMENTS FOR OPERATIONS</b>		
		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Personal Emoluments	10,292,427.00	2,956,828.00
	Service Gratuity		-
	Administration Cost	518,485.00	7,210.00
	Repairs and maintenance & improvements	2,110,062.00	4,142,695.00
	Local transport / travelling	988,150.00	100.00
	Electricity and water	87,274.00	766,808.00
	Medical	0.00	-
	Activity Expenses	600,000.00	190,000.00
	SMASSE	0.00	-
	Insurance Cost	0.00	-
	Bank Charges	0.00	-
	Acquisition of Assets	0.00	-
	<b>TOTAL</b>	<b>14,596,398.00</b>	<b>8,063,641.00</b>



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7	BOARDING AND SCHOOL FUND PAYMENTS		
		2021-2022	2020-2021
		Kshs	Kshs
	BES	31,099,784.00	8,840,032.00
	RMI	9,939,597.00	4,424,081.50
	EWC	4,689,907.00	723,237.00
	LT@T	1,739,629.40	1,050,695.00
	ACTIVITY	1,089,060.00	(650,342.00)
	ADMIN COSTS	2,573,473.00	1,651,869.40
	Personal emolument	2,279,816.00	3,128,270.00
	Medical	252,091.00	184,335.00
	Canteen	4,016,332.00	1,446,146.00
	House rent	229,842.00	106,880.00
	School farm	156,729.00	169,860.00
	PA SES	1,633,541.00	1,413,920.00
	Bank charges		-
	Expenses on Income Generating Activities		-
	Fee on Boarding Equipment and Stores	0.00	-
	Uniform	15,879,936.00	186,340.00
	PA DEV FUND	11,885,879.75	7,510,147.45
	Loan Principal repayment	0.00	-
	Loan Interest repayment	0.00	-
	Acquisition of Assets	0.00	-
	<b>TOTAL</b>	<b>87,465,617.15</b>	<b>30,185,471.35</b>

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	<i>Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.</i>			
<b>8</b>	<b>BANK ACCOUNTS</b>			
	<b>Name of Bank, Account No. &amp; currency</b>	<b>2021-2022</b>	<b>2020-2021</b>	
		<b>Kshs</b>	<b>Kshs</b>	
	Tuition Account	735,039.70	592,925.20	
	Operations Account	904.13	496,701.03	
	School Fund Account/Boarding	2,751,443.87	749,384.02	
	Savings Account	1,036,084.30	417,973.30	
	Income generating activities Account	0.00		
	Infrastructural Account	413,025.00		
	Gratuity Account			
	Farm Account	0.00		
	<b>Total</b>	<b>4,936,497.00</b>	<b>2,256,983.55</b>	
<b>9</b>	<b>CASH IN HAND</b>			
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>	
		<b>Kshs</b>	<b>Kshs</b>	
	Tuition Account			
	Operation Account			
	School Fund account	63,549.55	585,790.55	
	<b>Total</b>	<b>63,549.55</b>	<b>585,790.55</b>	
<b>10</b>	<b>SHORT TERM INVESTMENTS</b>			
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>	
		<b>Kshs</b>	<b>Kshs</b>	
	Cooperative shares	-	-	
	Treasury Bills	-	-	
	Fixed deposit	-	-	
	Equity stock	-	-	
	Other investments			
	<b>Total</b>	<b>-</b>	<b>-</b>	



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<b>11</b>	<b>ACCOUNTS RECEIVABLE</b>		
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Fees arrears		
	Other non-fees receivables		
	Salary advances	40,000.00	29,000.00
	Imprest	-	-
	<b>Total</b>	<b>40,000.00</b>	<b>29,000.00</b>
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Fees arrears for current year	4,077,976.00	1,665,545.00
	Fees arrears recovered during the year	923,227.00	3,370,267.00
	Fees arrears for the previous year	1,665,545.00	6,187,928.00
	Fees arrears for prior periods (over two years)	11,553,375.00	8,735,714.00
	<b>Total</b>	<b>16,373,669.00</b>	<b>13,218,920.00</b>
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Non Fees arrears for current year		
	Non Fees arrears received during the year	700,000.00	
	Non Fees arrears for the previous year	700,000.00	
	Non Fees arrears for prior periods (over two years)		
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>ACCOUNTS PAYABLE</b>		
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Prepaid fees	328,877.00	806,231.00
	Retention monies		
	Clubs and Societies	50,918.00	20,093.00
	Caution Money	511,933.00	511,933.00

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	Pocket Money	180,798.00	37,275.00
	<b>Total</b>	<b>1,072,526.00</b>	<b>1,375,532.00</b>
	[Include an ageing of the creditor's arrears below]		
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Trade creditors for current year	11,285,743.00	4,724,793.00
	Trade creditors paid during the year	7,548,285.00	5,442,762.00
	Trade creditors for the previous year	4,724,793.00	7,519,624.00
	Trade creditors for prior periods (over two years)	2,915,642.00	838,780.00
	<b>Total</b>	<b>11,377,893.00</b>	<b>7,640,435.00</b>
<b>13</b>	<b>FUND BALANCE BROUGHT FORWARD</b>		
	<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	Bank balances	4,936,497.00	2,481,243.60
	Cash balances	63,549.55	899,796.55
	Short Term Investments		
	Receivables	40,000.00	13,561,926.00
	Payables	1,072,526.00	9,021,914.00
	<b>Total</b>	<b>3,967,520.55</b>	<b>7,921,052.15</b>



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

**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.

**1 Non-current Liabilities Summary**

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

**2 Biological assets**

Description	Numbers	2022-2021	2020-2021
		Kshs	Kshs
Cattle	8	840,000.00	600,000.00
Goats		xxx	xxx
Trees	110	572,000	550,000.00
Coffee or tea plantation		xxx	Xxx
Poultry		xxx	xxx
<b>Total</b>		<b>1,412,000.00</b>	<b>1,550,000.00</b>

**3 Borrowings**

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

**Other important disclosure notes**

**4 Stock/ Inventory**

Description	2021-2022	2019-2021
	KShs	KShs
<b>Stock/Inventory</b>		
Stock/ inventory at beginning of the year	2,499,272.00	3,000,000.00
Stock/ inventory purchased during the year	87,564,076.50	25,039,182.00
Stock/ inventory issued during the year	86,898,348.00	25,539,910.00
<b>Balance at end of the year</b>	<b>3,165,000.50</b>	<b>2,499,272.00</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>



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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

NO	Supplier	CONTRACT AMOUNT	Date	Ordered Amount	Amount Paid		Outstanding		Remarks
					to date	Ksh	Balance	Ksh	
-	-	Ksh	Contracted	Ksh					
i)	<u>Construction of Buildings</u>	-	-	-					
-	KARABAI INVESTMENTS	2,043,080.00	29/12/2021	1,314,000.00	804,000.00	510,000.00			
-	GITHUNGURI HARDWARE	3,154,805.00	01/01/2022	2,100,425.00	1,654,765.00	445,660.00			
-	CONFIDENCE SUPPLIES	1,050,965.00	01/01/2022	570,021.00	422,321.00	147,700.00			
-	THREE RINGS GEN HARDWARE	3,660,610.00	01/01/2022	3,464,280.00	2,756,170.00	708,110.00			
-	GLOBE MUSTER	3,257,280.00	25/04/2022	3,257,280.00	2,462,800.00	794,480.00			
	<b>Subtotal</b>	<b>13,166,740.00</b>		<b>10,706,006.00</b>	<b>8,100,056.00</b>	<b>2,605,950.00</b>			
ii)	<u>Supply of Goods</u>								
-	KESAJI DISTRIBUTORS	2,715,000.00	23/12/2021	2,217,100.00	1,257,500.00	959,600.00			Cereals
-	KUGERIA ENTERPRISES	3,598,200.00	01/01/2022	1,547,100.00	1,217,820.00	329,280.00			Beef
-	SAWAB PLUS ENTERPRISES	5,410,950.00	31/12/2021	2,885,300.00	1,585,400.00	1,299,900.00			Rice, Sugar, Cooking fat.
-	EVERYDAY BAKERS	4,610,024.00	01/01/2022	1,259,083.00	519,053.00	740,030.00			Bread
-	FRASHIA MACHARIA	223,340.00	01/01/2022	223,340.00	195,690.00	27,650.00			Eggs
-	NJERICA GROCERIES	2,268,000.00	29/12/2021	1,518,119.00	1,216,135.00	301,984.00			Vegetables and fruits
-	GREENFIELD MILLERS	1,408,000.00	03/01/2022		1,043,500.00				maize flour

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-	GITHUNGURI DAIRY FARMERS	1,995,000.00	31/12/2021	1,453,267.00	409,767.00	MILK
-	SHIKAMED PHARMACY	123,300.00	01/01/2022	123,300.00	154,000.00	Medicines
-	Kamwai ltd	355,394.00	01/01/2022	175,300.00	20,600.00	Bus Fuel
-	FAPHODHA STATIONERS	734,880.00	31/12/2021	736,740.00	578,110.00	Stationaries
-	CLIEWALLITE	10,000.00	01/01/2022	10,000.00	10,000.00	Stationaries
-	PENGU STATIONERS	2,067,120.00	30/12/2021	2,484,771.00	1,349,540.00	Stationaries
-	KANHA LAB SUPPLIES	1,003,073.00	01/01/2022	746,493.00	194,781.00	Lab Chemicals
-	STEWAN COMPUTERS	462,500.00	01/01/2022	462,500.00	130,000.00	Computers
-	SAMAR ENERGY	429,400.00	01/01/2022	429,400.00	295,000.00	Kitchen works
-	TUBA ENTERPRISES	671,890.00	01/01/2019	671,890.00	22,150.00	2019 lab chemicals
-	WEAVER BIRD GARMENTS	9,409,745.00	29/12/2021	7,758,525.00	1,307,420.00	Uniforms
-	<b>Subtotal</b>	<b>37,495,816.00</b>		<b>25,469,114.00</b>	<b>8,610,043.00</b>	
iii)	<b>Supply of Services</b>					
-	Dan photos	31,500.00	01/01/2022	31,500.00	31,500.00	passport e-photos
-	WILLYNKY	307,200.00	01/01/2022	257,100.00	60,400.00	CCTV camera works
-	AYUS SOLUTIONS	70,000.00	01/01/2019	70,000.00	70,000.00	Unfinished bell system works
	<b>Subtotal</b>	<b>408,700.00</b>		<b>358,600.00</b>	<b>161,900.00</b>	
	<b>GRAND TOTAL</b>	<b>51,071,256.00</b>		<b>36,533,720.00</b>	<b>25,155,827.00</b>	<b>11,377,893.00</b>



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

<u>ASSET CLASS</u>	<u>DATE PURCHASED</u>	<u>Location</u>	<u>HISTORICAL COST</u>	<u>ADDITIONS IN THE YR</u>	<u>DISPOSAL IN THE YR</u>	<u>HISTORICAL COST</u>
land-1	Donation-around 1960					-
Land 2	May 1995					
land 3	March 2002					
Land 4	March 2002					
Motor Vehicles						
KCE 839D	JAN 2016					
KAV 271 E	2005					
KAJ 792 S	1998					
Buildings and structures						
Admin Block						-
Lab Block						-
Library Block						-
Form 2 Block						-
Form 3 block						-
Form 4 Block						-
Old Main upper Block						-
Form 1 Block						-





