REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

ST. FRANCIS OF ASSIS KIUNGUNI SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2021

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THARAKA-NITHI COUNTY

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TABLED BY: Hon. Robert pukose
CLERK-AT THE-TABLE: J. Lemerelle.

Revised 30th June 2021.

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St. FRANCIS OF ASSIS KIUNGUNI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIALYEAR ENDED 30th June 2021

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

Table of Contents Page

PUBLIC SECONDARY SCHOOLS
Reports and Financial Statements

For the year ended 30th June 2021

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 THARAKA NITHI COUNTY County, MERU SOUTH Sub-County

The school was registered in 22.07.2000 under registration number…GP/A/3410/2005……. And is currently categorized as a COUNTY public school established, owned or operated by the Government.

The school is a day school and had …316……. Students as at *30th June 2021* . *It* has TWO streams and 18 teachers of which TWO 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	Abraham Maruta	Chairman	19.07.2019
2	Samuel John Mile	Secretary- Principal	19.07.2019
3	Prisca Kaari	Member	19.07.2019
4	Agostina Gakuuri	Member	19.07.2019
5	Egidis Nyaga	Member	19.07.2019
6	Gabriel Rwigi	Member	19.07.2019
7	Wilfred Mbaka	Member	19.07.2019
8	Alex Kimathi	Member – Rep CEB	19.07.2019
9	Daina Nyaga	Member Rep Teachers	19.07.2019
10	Edwin Mutethia	Sponsor	19.07.2019
11	Casty Kagwiria	Member - Community	19.07.2019
12	Victor Rithi	MemberSpecial Needs	19.07.2019
13	Pamela Gatugi	Rep Students	19.07.2019
14			

The functions of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	**Executive Committee**	Abraham Maruta Samuel John Mile Prisca Kaari Wilfred Mbaka Erastus Mugambi	Chairman Secretary Treasurer V/Chair PTA Chair	3
2	Audit Committee	Wilfred Mbaka Samuel John Mile Alex Kimathi Mrs. Egidia Nyaga	Chairman Secretary Member Member	3
3	Finance,procurement and general purposes Committee	Abraham Maruta Samuel John Mile Prisca Kaari Wilfred Mbaka Erastus Mugambi	Chairman Secretary Treasurer V/Chair PTA Chair	3
4	Academic Committee	Samuel John Mile Dr. Nicholas Ngece Mrs. Casty Kagwiria Mrs. Nyaga Daina	Secretary Member Chair Member	3
5	Development Committee	Dr. Nicholas Ngece Abraham Maruta Samuel John Mile Prisca Kaari Wilfred Mbaka Erastus Mugambi	Chairman Member Secretary Member Member Member	3
6	Discipline and welfare Committee	Fr. Edwin Mutethia Samuel John Mile Mrs. Agostina Mutegi Mrs. Priscah Mukuru Mrs. Mputhia	Chairman Secretary Member Member Deputy	3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended *30th June 20*<u>*21*</u>____ the School day-to-day management was under the following persons:

Ref :	Designation	Name	TSC Number/ID No.
1	Principal	SAMUEL JOHN MILE	364198
2	Deputy Principal	LUCY NJERI MPUTHIA	3489691
3	School Bursar	MARTIN MWANDIKI	25129811

(e) Schools contacts

Post Office Box: 314 – 60400, CHUKA

Telephone: 0725818045

E-mail: kiungunihighschool@gmail.com

(f) School Bankers

The school operated 5 bank accounts in the following banks:

1. **TUITION ACCOUNT**

   Name of Bank: EQUITY

   Branch: CHUKA

   Account Number: 0210291339789

2. **OPERATIONS ACCOUNT**

   Name of Bank EQUITY

   Branch: CHUKA

   Account Number: 0210291771327

3. **SCHOOL FUND ACCOUNT**

   Name of Bank: EQUITY

   Branch: CHUKA

   Account Number: 0210101510358

4. **BUS ACCOUNT**

   Name of Bank: EQUITY

   Branch: CHUKA

   Account Number: 0210267312559

5. **INFRASTRUCTURE ACCOUNT**

   Name of Bank: EQUITY

   Branch: CHUKA

   Account Number: 0210273715934

(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

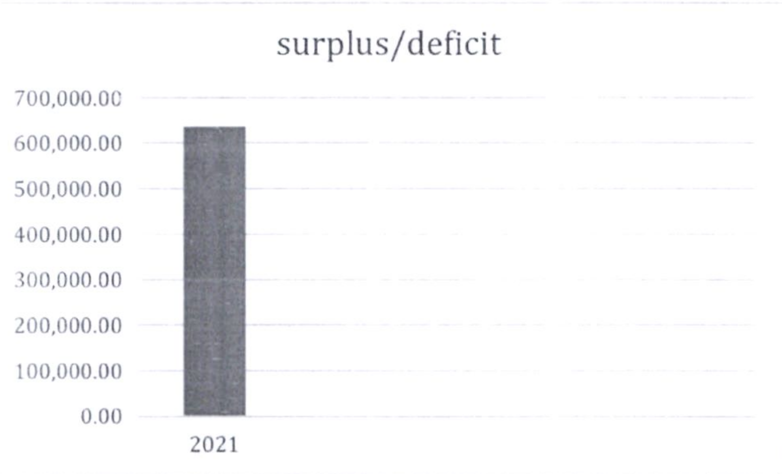
The following is a summary report of the performance of the school against the set perfo ance evaluation criteria:

a) **Financial performance**:

Under this section, the following information should be given:

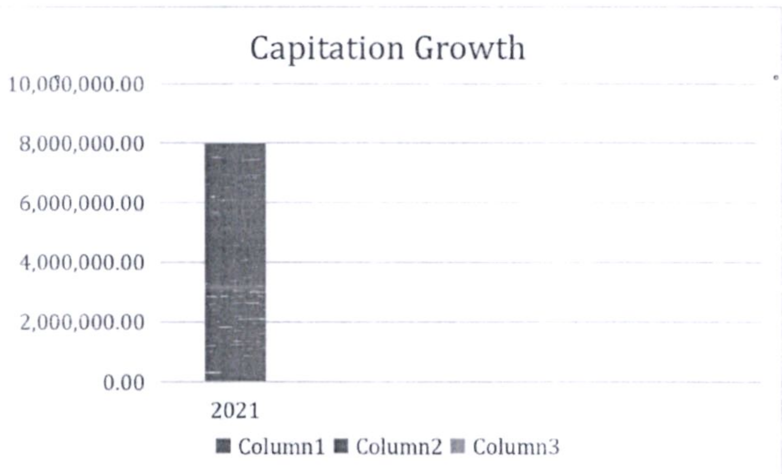
1. **Surplus/ deficit for the year**

2021(KSHS)
637,252.19



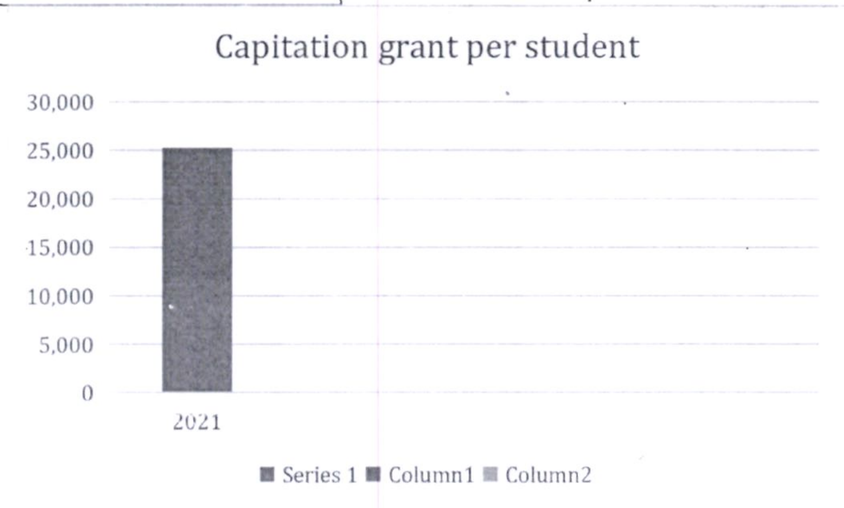
2. **Capitation grants from the Ministry of Education**

2021(KSHS)
7,987,650.30



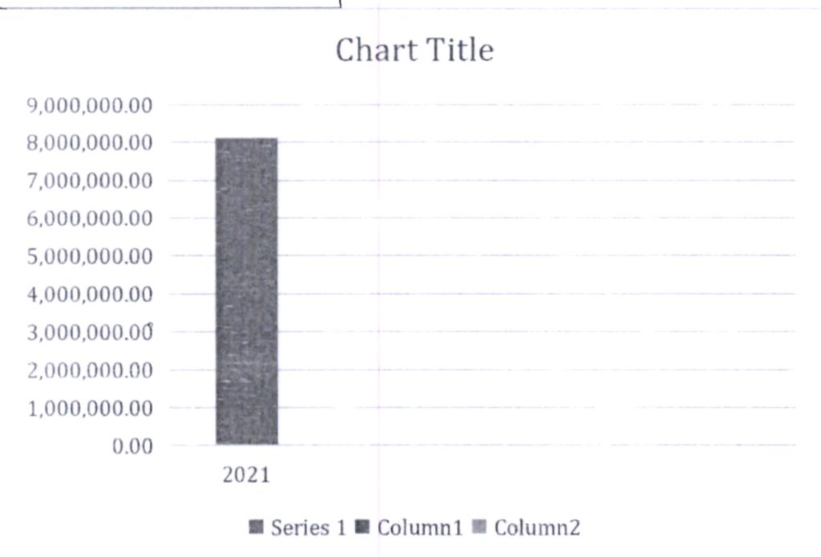
3. Ratio of capitation grant per student

2021(KSHS)
1:25,277



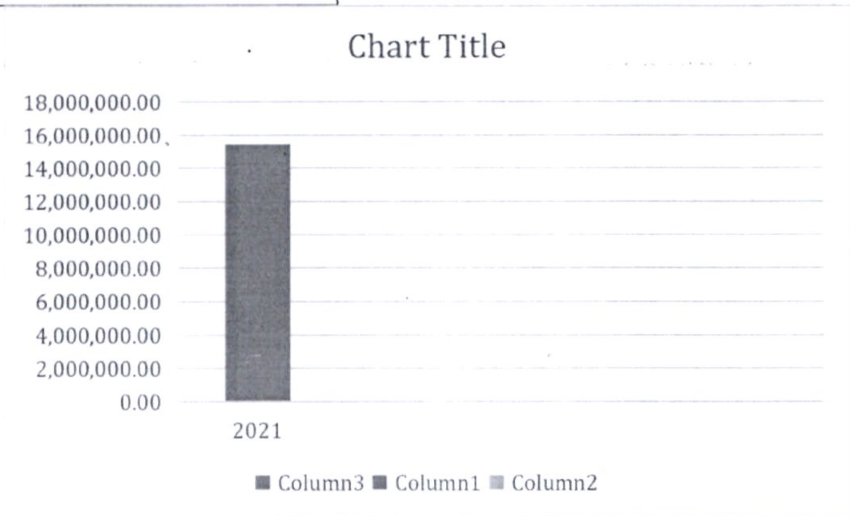
4. Overview of growth of other income(s) earned by the school.

2021(KSHS)
8,110,531.00



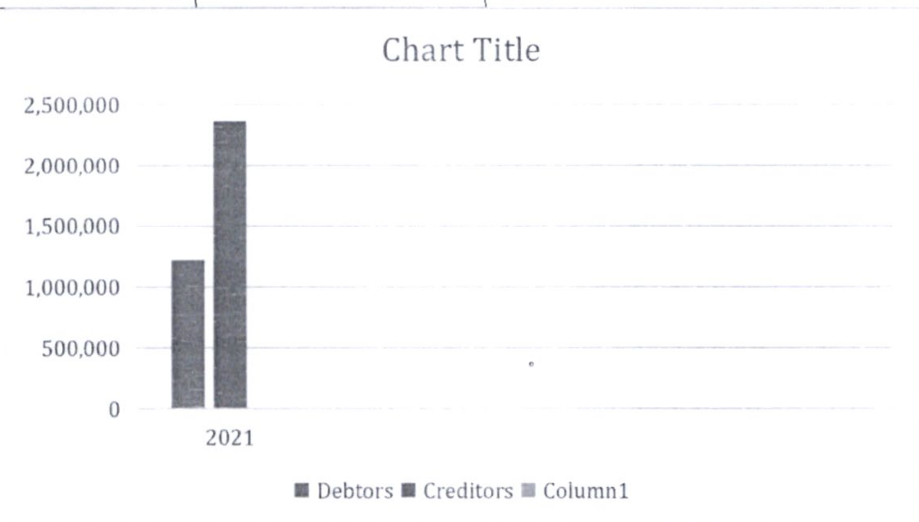
5. A three-year overview of growth in expenditure of the school

2021(KSHS)
15,460,929.11



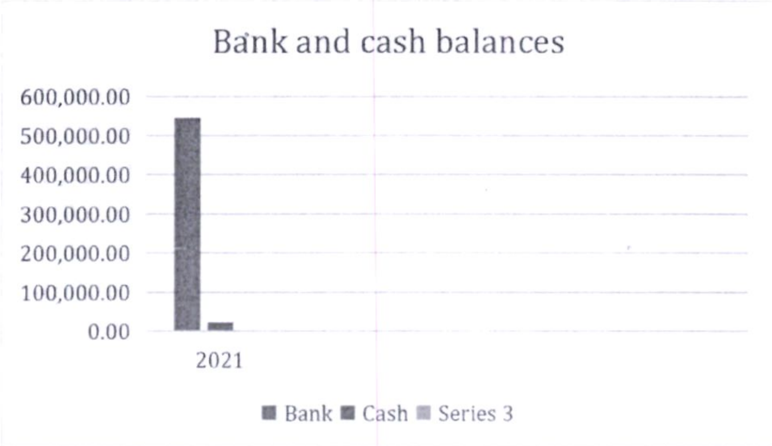
6. Movement of debtors and creditors of the school over the last three years

	2021(KSHS)
DEBTORS	1,223,87.00
CREDITORS	2364641.00



7. Movement of cash and bank balances over the last three years

	2021(KSHS)
Bank	546188.00
Cash	22,132.00



b) **Teacher Student ratio**:

- ✔ The teacher student ratio is 1:17
- ✔ One teacher was transferred during the year
- ✔ No teacher was employed by the TSC
- ✔ No teacher retired during the year

Teaching subjects

	NAME	EMPLOYER	SUBJECT COMBINATION	REMARKS
1	Mile John Samuel	TSC	Math/Geo	
2	Lucy Mputhia	TSC	Kisw/CRE	
3	Njue Wincate	TSC	Math/Physics	
4	Diana Kainda	TSC	Bio/Chem	
5	Richard Odo	TSC	Hist/CRE	
6	Evelyne Mkandi	TSC	BS/Geo	
7	Kelvin Miriti	TSC	Kisw/Hist	
8	Daniel Njoroge	TSC	Chem/Bio	
9	Nyamgongo Duke	TSC	Math/Physics	
10	Ann Karendi	TSC	Eng/Lit	
11	Mary Wanjiku	TSC	Bio/Agric	
12	Peter Karuga	TSC	Hist/CRE	
13	Boniface Mwalimu	TSC	Math/Geo	
14	Jane Ngure	TSC	Kisw/CRE	
15	Ann Akoth	TSC	Eng/Lit	
16	Jane Kirimi	TSC	Eng/Lit	
17	Peter Kavidu	BOM	Geo/Maths	Shortfall
18	Emmaculate Cherotich	BOM	Chem/Maths	Shortfall

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

YEAR	MEAN SCORE	TRANSITION TO UNIVERSITY
2021	**3.000**	**1**

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

YEAR	NO. OF CANDIDATES		
2021	**Boys**	**Girls**	**Total**
	37	**36**	**73**

e) **Capacity of the school:**

Boys - *165*
Girls - *151*
Total - *316*

Physical facilities

Facility	*Units*	*Capacity it can hold*	*No. in use*	*No. not in use*	*Shortfall*
Boys Toilets	10	200	165	35	2
Girls Toilets	14	250	151	99	-
Boys Dormitories	3	250	165	85	-
Girls Dormitories	2	180	151	29	-
Laboratory	1	316	316	-	-
Library	nil	N/A	-	-	-
Dining Hall	1	400	316	-	-
Computer lab	nil	N/A	-	-	1
Boys Bathrooms	10	250	165	-	-
Girls Bathrooms	5	200	151	-	-

f) Development projects carried out by the school:

Project	***Financier***	***Amount***	***Status***
Dormitory phase 1	*MOEST*	*1620000.00*	*Complete*
Dormitory phase 2	*MOEST*	*1620000.00*	*Complete*
Bus shelter	*PARENTS/CDF*	*500000.00*	*Ongoing*

Sign………………………………………………………….

NAME. STELLA W. KUBANIA ………………………………..
School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012requires 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 ……*KIUNGUNI*……………………… 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 30th June, 20 21, and of the school's financial position as at that date.

Name: JOHN NJAGI MUGO

Designation: Chairman, School Board of Management

Sign:

Date: 20/4/26

Name: STELLA W. KUBANIA

Designation: School Principal& Secretary to Board of Management

Sign:

Date: 20/4/26

Name: Stella Kawira

Designation: Bursar/ Finance Officer

Sign:

Date: 20/4/2026

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON ST. FRANCIS OF ASSIS KIUNGUNI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – THARAKA NITHI COUNTY

PREAMBLE

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

A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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. Francis of Assis Kiunguni Secondary School – Tharaka Nithi County set out on pages 15 to 33, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments , statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Francis of Assis Kiunguni Secondary School – Tharaka Nithi County as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.2,364,641 as disclosed in Note 14 to the financial statements. However, invoices were not provided for audit review. In addition, the School did not have any plans on how to settle the payables. Further, the balance includes trade creditors of Kshs.1,126,701 which had been outstanding for more than two years but did not form a first charge payments during the financial year.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.2,364,641 could not be confirmed. In addition, Management was in breach of the law.

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.1,223,087 as disclosed in Note 13 to the financial statements. However, student's debtors' statements as well as debtors' ledger schedule showing all the outstanding fees were not provided for audit review. In addition, ageing analysis revealed that the amount includes receivables of Kshs.702,737 was long outstanding fees arrears for prior periods of more than two years.

In the circumstances, the accuracy and completeness accounts receivables balance of Kshs.1,223,087 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.20,449,700 and Kshs.17,644,181 respectively, resulting in an under-funding of Kshs.2,855,519 or 14% of the budget. However, the School spent Kshs.15,460,929 against actual receipts amount of Kshs.17,644,181 leading to under-utilization of Kshs.2,183,252 or 12% of the actual receipts.

The under-funding and 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for year ended 30 June, 2021 include Nil comparative information. However, the Nil comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

My audit opinion on the current period financial statements is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on page 2 to 13 which comprise of Key School Information and Management, Summary Statement of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 effects of the matter 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

Late Submission of Financial Statements for Audit

The Management did not submit the financial statements for the financial period ended 30 June, 2021 to the Office of the Auditor-General by the statutory date of 30 September, 2021. The statement was submitted to the office of the Auditor-General on 5 August, 2025 three years after the statutory deadline. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Office of the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of 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 governance were not effective.

Basis for Conclusion

Weaknesses in Management Assets

The land on which the School is situated has not been surveyed valued or issued with ownership documents as at the time of Audit.

In the circumstances, existence of a strong system of internal control over fixed assets could not be confirmed.

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 April, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 20_21

DESCRIPTION OF VOTE HEAD	Note	2020-2021
		Kshs
RECEIPTS		
Capitation grants for tuition	1	1,080,989.50
Capitation grants for operations	2	5,360,660.80
Infrastructure Grant	3	1,546,000.00
School Fund Income- Parents' Contributions	4	7,919531.00
School Fund Income- Other receipts	5	191,000.00
Proceeds from borrowings		
TOTAL RECEIPTS		**16,098,181.30**
PAYMENTS		
Payments for Tuition	6	472,205.00
Payments for operations	7	5,779,649.00
Infrastructure Grant	8	1,234,793.95
Boarding and school fund payments	9	7,974,281.16
TOTAL PAYMENTS		**15,460,929.11**
SURPLUS/DEFICIT		**637,252.19**

The school financial statements were approved on __________ 20__________ and signed by:

Sign: [signature]
Name JOHN NJAGI MUGO
Chair BOM
Date 20/4/2026

Sign [signature]
Name STELLA W. KUBANIA
School Principal/ Secretary to BOM
Date 20/4/26

Sign [signature]
Name Stella Kawira
Bursar/ Finance Officer
Date 20/4/2026

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021
		Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	10	524,056.42
Cash Balances	11	22,132.00
Short term Investment	12	
Total Cash and cash equivalent		**546,188.42**
Account's receivables	13	1,223,087.00
TOTAL FINANCIAL ASSETS		**1,769,275.42**
FINANCIAL LIABILITIES		
Accounts Payables	14	2,364,641.00
NET FINANCIAL ASSETS		**595,365.58**
REPRESENTED BY		
Accumulated Fund b/fwd	15	**(1,232,617.77)**
Surplus/Deficit for the year		**637,252.19**
NET FINANCIAL POSSITION		**(595,365.58)**

The School's financial statements were approved on ___________ 20_________ and signed by:

Name: John Njagi Mugo
Chairman, BoM
Sign:
Date: 20/4/26

Name: Stella W. Kubania
School Principal/Secretary to BoM
Sign:
Date: 20/4/26

Name: Stella Kawira
Bursar/Finance
Sign:
Date: 20/4/2026

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021
		Kshs
Receipts for operating income		
Capitation grants for tuition	1	1,080,989.50
Capitation grants for operations	2	5,360,660.80
Infrustructure	3	1,546,000.00
School fund income- Parents contributions/ fees	4	7,919,531.00
School fund income- other receipts	5	191,000.00
Total receipts		**16,098,181.30**
Payments		
Payments for Tuition	6	472,205.00
Payments for operations	7	5,779,649.00
Infrustructure	8	1,234,793.95
Boarding and school fund payments	9	7,974,281.16
Total payments		**15,460,929.11**
Net cash flow from operating activities		**637,252.19**
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets Receivables (-)		6,669.00
Acquisition of Assets Payables (-)		278,975.00
Proceeds from investments		
Purchase of investments		
Net cash flows from Investing Activities		
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans		
Repayment of principal borrowings		
Net cash flow from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS		**364.946.19**
Cash and cash equivalent at BEGINNING of the year		**181,242.23**
Cash and cash equivalent at END of the year		**546,188.42**

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 cash flow as recommended by PSASB.

PUBLIC SECONDARY SCHOOLS

For the year ended 30th June 2021

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	1,243,200	0	1,243,200	1,080,989.5	162,210.50	87%
Chalks						
Exams and assessment						
Teachers guides						
Sub TOTAL	**1,243,200**	**0**	**1,243,200**	**1,080,989.5**	**162,210.50**	**87%**
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,846,800	0	1,846,800	1,851,630.0	(4,830.0)	100%
Repairs and maintenance	1,500,000	0	1,500,000	1,489,610.0	10,390.0	99%
Local transport / travelling	543,000	0	543,000	298,235.0	244,765.0	55%
Electricity and water	135,000	0	135,000	375,120.0	(240,120.0)	278%
Medical	600,000	0	600,000	-	600,000.0	0%

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
Administration costs	295,200	0	295,200	1,035,055.8	(739,855.8)	351%
Activity	450,000	0	450,000	311,010.0	138,990.0	69%
Gratuity					-	
SMASSE	60,000	0	60,000		60,000.0	0%
Sub TOTAL	**5,430,000**	**0.00**	**5,430,000**	**5,360,660.8**	**69,339.2**	**99%**
(3) FEES CHARGED ON INFRASTRUCTURE						
M&I	1,500,000	0	1,500,000	1,546,000	-46,000	103%
Sub TOTAL	**1,500,000**	-	**1,500,000**	**1,546,000**	**(46,000)**	**103%**
(4) FEES CHARGED ON PARENTS						
Personnel emoluments						
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
SMASSE						
Fee on Boarding Equipment and Stores	10,471,500	0	10,471,500	7,919,531.0	2,551,969.0	76%
Sub TOTAL	**13,471,500**	-	**13,471,500**	**11,011,531**	**2,459,969**	**82%**
OTHER INCOME						
Rent income						
Income from farming activities	35,000	0	35,000	60,000.0	25,000.0	171%

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
Insurance compensation					-	
Income from Posho mill					-	
Income from Bus Hire	270,000	0	270,000	131,000.0	139000	49%
Fee for hire of ground and equipment					-	
Interest income					-	
Income from any other investment					-	
Sub TOTAL	**305,000**	-	**305,000**	**191,000**	**164,000**	**63%**
TOTAL INCOME	**20,449,700**	-	**20,449,700**	**17,644,181**	**2,855,519**	**86%**
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	1,243,200	0	1,243,200	468,305.0	774,895.0	38%
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges	-	0	-	3,900.0	(3,900.0)	0%
Sub TOTAL	**1,243,200**	-	**1,243,200**	**472,205**	**770,995**	**38%**

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
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,846,800	0	1,846,800	1,899,784.0	(52,984.0)	102%
Repairs, maintenance& improvements	1,500,000	0	1,500,000	1.587,482.00	#VALUE!	105%
Local transport / travelling	543,000	0	543,000	317,835.0	225,165.0	59%
Electricity, water and conservancy	135,000	0	135,000	578,282.0	(443,282.0)	428%
Medical	600,000	0	600,000		600,000.0	0%
Administration costs	295,200	0	295,200	1,057,116.0	(761,916.0)	358%
Activity Expenses	450,000	0	450,000	333,330.0	116,670.0	74%
Gratuity					-	
Bank charges		0	-	5,820.0	(5,820.0)	0%
SMASSE	60,000	0	60,000	-	60,000.0	0%
Sub TOTAL	**5,430,000**	**-**	**5,430,000**	**4,192,167**	**#VALUE!**	**77%**
(3) EXPENDITURE FOR INFRASTRUCTURE						
Dormitory	1,500,000	0	1,500,000	1,233,526.0	266,474.05	82%
Bank Charges				1,268.0	(1,268.00)	0%
Sub TOTAL	**1,500,000**	**-**	**1,500,000**	**1,234,794**	**265,206**	**82%**
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments						
Repairs, maintenance and improvements						
Local transport / travelling						
Electricity, water and conservancy						

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
Medical Expenses						
Administration costs						
Activity						
Lunch programme	10,471,500	0	10,471,500	7,388,097.0	3,083,403.0	71%%
Boarding Equipment and Stores					-	
Expenditure for Income generating activity	305,000	0	305,000	567,512.0	(262,512.0)	186%
Bank charges			-	7,920.0	(7,920.0)	0%
Other expenses on investments			-	18,672.2	(18,672.2)	0%
Rent Expenses					-	
Bank Charges infrastructure			-	60.0	(60.0)	0%
Loan Interest Repayment						
Acquisition of Assets						
Sub TOTAL	10,776,500	-	10,776,500	7,982,261	2,794,239	74%
TOTALS	18,949,700			15,460,929.1		81%
Bank charges			-	7,920.0	(7,920.0)	0%
Other expenses on investments			-	18,672.2	(18,672.2)	0%
Rent Expenses					-	

For the year ended 30th June 2021

IX. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

2. **Recognition of receipts and payments**

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

3. **In-kind contributions**

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

4. **Cash and cash equivalents**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, impresis 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 20__21____.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021
	Kshs
Textbooks and reference materials	
Exercise books	
Laboratory equipment	
Internal exams	
Teaching / learning materials	1,080,989.50
Chalks	
Exams and assessment	
Teachers guides	
Total	**1,080,989.50**

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	1,851,630.00
Repairs and maintenance	1,489,610.00
Local transport / travelling	298,235.00
Electricity and water	375,120.00
Medical	
Administration costs	1,035,055.80
Activity	311,010.00
Total	**5,360,660.80**

3 CAPITATION FOR INFRUSTRUCTURE GRANT

Project Title	
M&i	1,546,000.00

4 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
Personnel emoluments	
Repairs and maintenance	
Local transport / travelling	
Electricity and water	
Fee on B.E.S	7,919,531.00
Administration costs	
Activity	
Total	**7,919,531.00**

5 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
Fee on Boarding Equipment and Stores	
Rent income	
Income from farming activities	60,000.00
Insurance compensation	
Income from Posho mill	
Income from Bus Hire	131,000.00
Fee for hire of ground and equipment	
Income from grants and donations*	
Interest income	
Dividends income	
Total	**191,000.00**

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

6 PAYMENTS FOR TUITION

	2020-2021
	Kshs
Textbooks and reference materials	
Exercise books	
Laboratory equipment	
Internal exams	
Teaching / learning materials	468,305.00
Chalks	
Exams and assessment	
Teachers guides	
Administration Costs	
Bank Charges	3,900.00
Total	**472,205.00**

7 PAYMENTS FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	1,899,784.00
Service Gratuity	
Administration Cost	1,057,116.0
Repairs and maintenance & improvements	1,587,482.00
Local transport / travelling	317,835.00
Electricity and water	578,282.00
Medical	
Activity Expenses	333,330.00
SMASSE	
Insurance Cost	
Bank Charges	5,820.00
Acquisition of Assets	
TOTAL	**5,779,649.00**

8 PAYMENT FOR INFRUSTRUCTURE

Project Title	
Bank charges	1,268.00
Construction of a dormitory	1,233,525.95
	1,234,793.95

9 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021
	Kshs
Personnel emoluments	
Administration costs	
Repairs and maintenance & Improvements	
Local transport / travelling	
Electricity and water	
Medical Expenses	
Lunch Programme	
Bank Charges	18,672.16
Expenses on Income Generating Activities	5,675,512.00
Fee on Boarding Equipment and Stores	7,388,097.00
Rent Expenses	
Insurance Cost (Life Property)	
Loan Principal repayment	
Loan Interest repayment	
Acquisition of Assets	
Service Gratuity	
TOTAL	**7,974,281.160**

10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021
		Kshs
Tuition Account		59,367.66
Operations Account		56,670.16
School Fund Account/Boarding		92,685.00
Savings Account		
Parent Association Development Account		
Income generating activities Account		2,208.00
Infrastructural Account		313,125.60
Total		**524,056.42**

11 CASH IN HAND

Description	2020-2021
	Kshs
Tuition Account	
Operation Account	
School Fund account	22,132.00
Total	**22,132.00**

12 SHORT TERM INVESTMENTS

Description	2020-2021
	Kshs
Cooperative shares	
Treasury Bills	
Fixed deposit	
Equity stock	
Other investments	
Total	

13 ACCOUNTS RECEIVABLE

Description	**2020-2021**
	Kshs
Fees arrears	1,223,087.00
Other non-fees receivables	
Salary advances	
Imprest	
Total	**1,223,087.00**

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

Description	**2020-2021**
	Kshs
Fees arrears for current year	520,350.00
Fees arrears for the previous year	
Fees arrears for prior periods (over two years)	702,737.00
Less recoveries	
Total	**1,223,087.00**

14 ACCOUNTS PAYABLE

Description	**2020-2021**
	Kshs
Trade creditors (See ageing below and appendix 1)	2,364,641.00
Prepaid fees	
Retention monies	
Total	**2,364,641.00**

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

Description	**2020-2021**
	Kshs
Trade creditors for current year	1,237,940.00
Trade creditors for the previous year	
Trade creditors for prior periods (over two years)	1,,126,701.00
Less creditors paid	
Total	**2,364,641.00**

15 FUND BALANCE BROUGHT FORWARD

Description	**2020-2021**
	Kshs
Bank balances	181,242.23
Cash balances	
Short Term Investments	
Receivables	1,229,756.00
Payables	2,643,616.00
Total	**1,232,617.77**

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.

16 **Non-current Liabilities Summary**

Description	**2020-2021**
	Kshs
Bank loan(s)	
Outstanding Leases	
Hire purchase	
Gratuity and leave provision	
Total	

17 **Biological assets**

Description	**Numbers**	**2020-2021**
		Kshs
Cattle	2	180000.00
Sheep	2	3000.00
Trees	500	50000.00
Coffee or tea plantation		
Poultry		
Total		**233000.00**

18 **Borrowings**

Description	**2020-2021**
	KShs
a) Borrowings	
Borrowing at beginning of the year	
Borrowings during the year	
Repayments of during the year	
Balance at end of the year	

Other important disclosure notes

19 Stock/ Inventory

Description	2020-2021
	KShs
b) Borrowings	
Stock/ inventory at beginning of the year	
Stock/ inventory purchased during the year	
Stock/ inventory issued during the year	
Balance at end of the year	

20 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.

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

For the year ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of goods						
1. Lenham Enterprises	1,154,701.00			1,154,701.00		
2. Aspect school suppliers	29000.00			29000.00		
3. Mintab Enterprises	13500.00			13500.00		
4. Nyapeigo	78800.00			78800.00		
5. Vicom Uniform	141000.00			141000.00		
6. John N. Ntiba	57750.00			57750.00		
7. Wamo Tech	368000.00			368000.00		
8. Advermatex LTD	54250.00			54250.00		
9. Pan Master suppliers	28000.00			28000.00		
10. Kabuori Electricals	72400.00			72400.00		
11. Chuka Uniform	33000.00			33000.00		
12. Mafuko Industries	140640.00			140640.00		
13. AWS Systems	67800.00			67800.00		
14. Eustace Muchiri	7000.00			7000.00		
15. Karishe Kagendo	11050.00			11050.00		
16. Patrick Njagi	48300.00			48300.00		
Sub-Total	**1178490**			**1178490**		
Supply of services						
17. Empowerment Tech	14000.00			14000.00		
18. Cyber school	30000.00			30000.00		

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
19. Postal Coop	15450.00			15450.00		
Sub-Total	59450			59450		
Grand Total	2,364,641.00			2,364,641.00		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	2005	Kiunguni.	7200000.00			7200000.00
Land 2						
Buildings and structures	2005	Kiunguni	19500000.00			19500000.00
Motor vehicles	2016	Kiunguni	6500000.00			6500000.00
Office equipment, furniture and fittings	2005	Kiunguni	2500000.00			2500000.00
ICT Equipment, and Other ICT Assets	2005	Kiunguni	1500000.00			1500000.00
Tools and apparatus	2005	Kiunguni	420000.00			420000.00
Textbooks	2005	Kiunguni	3000000.00			3000000.00
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware	2019	Kiunguni	580000.00			580000.00

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Total			**41,200,000.00**			**41,200,000.00**

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