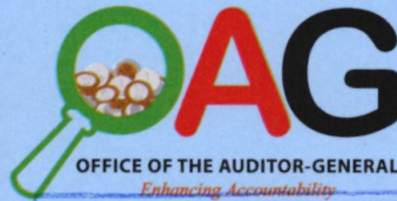


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 10 JUN 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. OWEN BATA, MP

DEPUTY MAGDALY WEAVER

OF

CLERK-AT
THE-TABLE:

ESTHER NGWITO

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

SHINE STAR KAI PUBLIC SECONDARY
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

MAKUENI COUNTY



SHINE STAR KAI PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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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 Makueni County, Makindu Sub-County

The school was registered in 7th February 2008 under registration number 17S30000188 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a boarding & day school and had 544 numbers of students as at 30th June 2022. It has three streams and 26 teachers of which 7 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.	Selestine Kiuluku	Chairperson	22/05/2019
2.	Patrick Wambua Joseph	Secretary/Principal	5/01/2020
3.	Diana Nzomo	Member	22/05/2019
4.	Rose Mulwa	Member	22/05/2019
5.	Eng. Henry Mbaluku	Member	22/05/2019
6.	Andrew Mulwa	Member	22/05/2019
7.	Samuel Mwangangi	Member	22/05/2019
8.	Gabriel Gitonga	Member – rep CEB	22/05/2019
9.	Justus Kyeva	Member – rep CEB	22/05/2019
10.	Jades Kalunda	Sponsor	22/05/2019
11.	Koni Mungumi	Community	22/05/2019
12.	Musyoka Kivungi	Special needs	22/05/2019
13.	Daniel Muindi	Rep - Students	22/05/2019
14.	Peter Chege	Sponsor	22/05/2019
15.	William Kimote	Sponsor	22/05/2019

Shine Star Kai
Public Secondary School
Annual Reports and Financial Statements
For the year ended 30th June 2022

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1.	Executive	Selestine Kiuluku	Chairperson	2 out of 3
		Patrick Wambua	Secretary	3 out of 3
		Jades Kalunda	Vice Chairman	2 out of 3
		Onesmus Mang'au	Member	3 out of 3
		Diana Nzomo	Member	1 out of 3
		Rose Makwata	Member	1 out of 3
2.	Finance, procurement and general purpose committee	Jades Kalunda	Chairperson	2 out of 2
		Patrick Wambua	Secretary	2 out of 2
		Selestine Kiuluku	Member	2 out of 2
		Henry Mbaluku	Member	1 out of 2
		Diana Nzomo	Member	2 out of 2
3.	Academic committee	William Kimote	Chairperson	2 out of 2
		Patrick Wambua	Member	2 out of 2
		Musyoka Kivungi	Member	2 out of 2
		Patricia Ndambuki	Member	2 out of 2
4.	Development committee	Henry Mbaluku	Chairperson	4 out of 4
		Patrick Wambua	Secretary	4 out of 4
		Onesmus Mang'au	Member	2 out of 4
		Selestine Kiuluku	Member	3 out of 4
		Johnson Waihura	Member	2 out of 4
5.	Discipline and welfare committee	Justus Kyeve	Chairperson	2 out of 2
		Patrick Wambua	Member	1 out of 2
		Koni Mungumi	Member	2 out of 2
		Gabriel Gitonga	Member	2 out of 2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Patrick Wambua	TSC No352235
2	Deputy Principal	Jennifer Manthi	TSC No501645
3	School Bursar	Cleophas Kyumwa	ID -25200140

(e) Schools contacts

Post Office Box: 54 – 90138, Makindu
Telephone: +254721209741
E-mail: kaishinestarsec@gmail.com
Facebook:
Twitter:

(f) School Bankers

The following school operated five (5) numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
 Branch: KIBWEZI
 Account Number: 1111429669

2. Name of Bank: KCB
 Branch: KIBWEZI
 Account Number: 1102820822

3. Name of Bank: KCB
 Branch: KIBWEZI
 Account Number: 1102820822

4. Name of Bank: KCB
 Branch: MAKINDU
 Account Number: 1257318950

(g) Independent Auditors

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

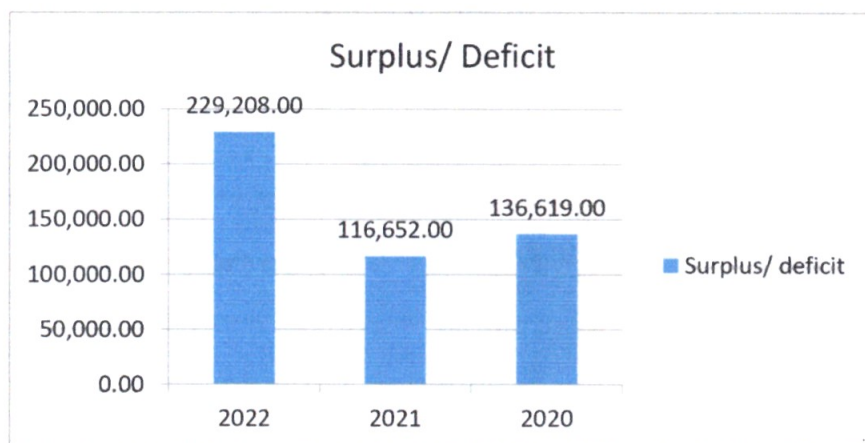
II. Summary Report of Performance of the School

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

a) Financial performance:

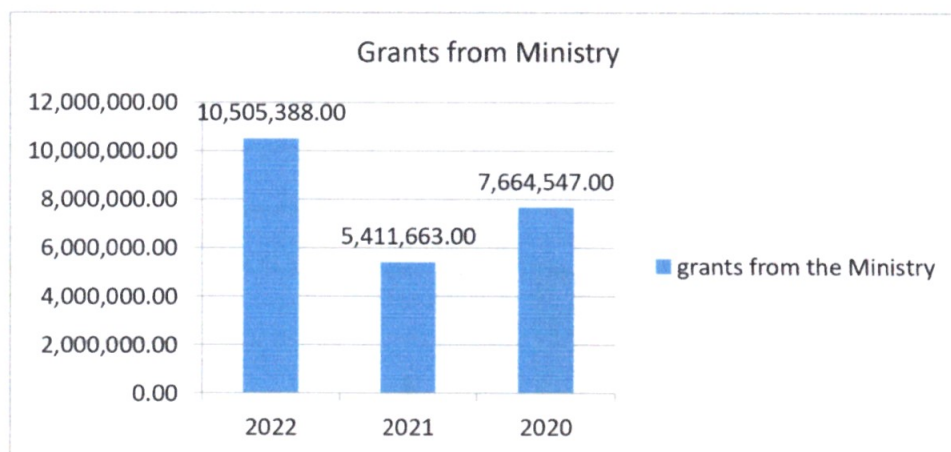
- Surplus/ deficit for the year and a comparison of the same for the last three years

	2022	2021	2020
Surplus / Deficit	229,208	116,652	136,619



- Capitation grants from the Ministry of Education for the last three years

YEAR	2022	2021	2020
CAPITATION	10,505,388	5,411,663	7,664,547

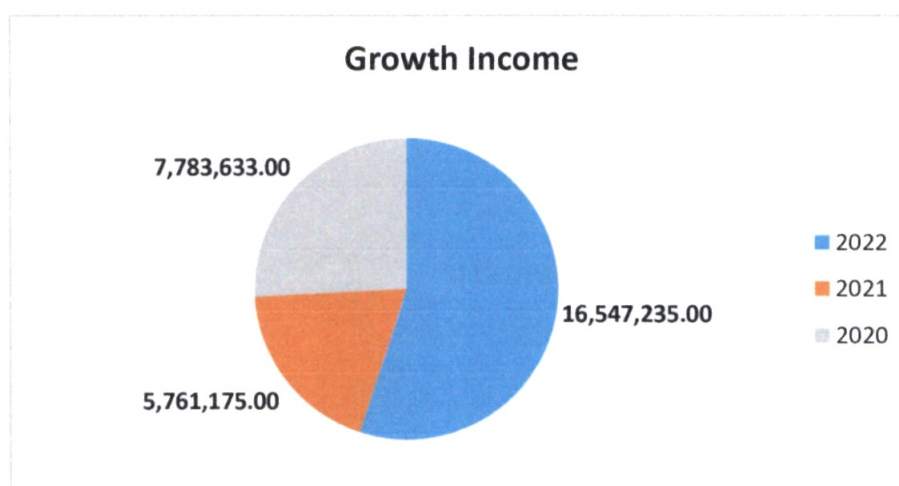


- Ratio of capitation grant per student over the last three years

YEAR	2022	2021	2020
RATION	1:19,311	1:10,191	1:15,329

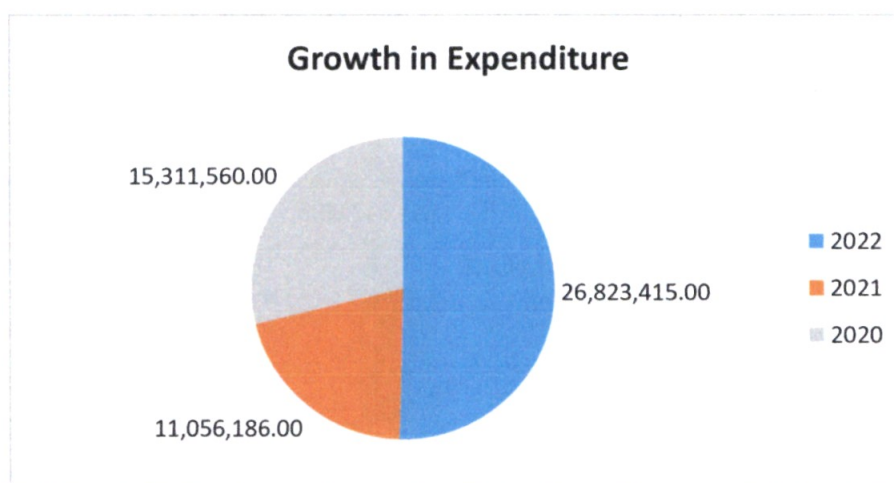
- A Three-Year Overview of Growth of Other Income(S) Earned By the School.

2022	2021	2020
16,547,235	5,761,175	7,783,633



- A three-year overview of growth in expenditure of the schools

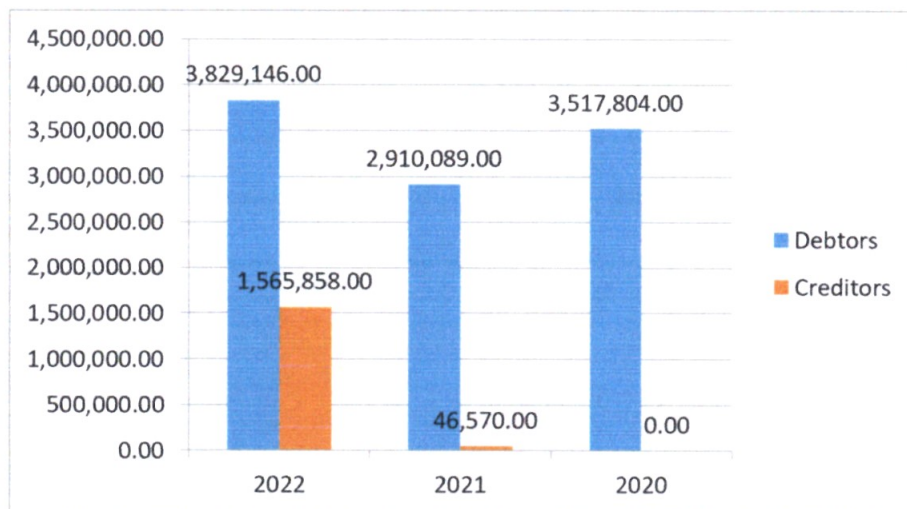
2022	2021	2020
26,823,415	11,056,186	15,311,560



Shine Star Kai
Public Secondary School
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For the year ended 30th June 2022

- Movement of Debtors and Creditors of the school over the last three years

YEAR	DEBTORS	CREDITORS
2022	3,829,146	1,565,858
2021	2,910,089	46,570
2020	3,517,804	0



- Movement of cash and bank balances over the last three years

	CASH	BANK BALANCES
2022	9,174	1,661,445
2021	253,948	587,232
2020	660	69,584

- b) Teacher Students Ratio:

Year	Student	Teacher	Recruited/posted	Transferred
2022	29.4	1	3	2
2021	32	1	3	1
2020	35.7	1	1	-

- Teachers Employed by TSC 19 BOM 7
Shortage

Teacher per subject:

ENG/LIT,CHEM/BIO,GEO/KISW,HIST/CRE
MATHS/CHEM,BIO/AGRI,MATHS/GEO
BIO/CHEM,CRE/KISW,KISW/HIST,PHY/CHEM

- Mean Score in the 2021 KSCE:

	Mean points	Mean score	Comments
2021	5.492	C-	Dropped
2020	5.517	C-	Improved
2019	4.744	C-	Good results

- c) Number of Candidates in the Year 2021 KCSE:

YEAR	Tabulation of students
2021	126
2020	99
2019	83

d) Capacity of the School:

Enrolment boys **284** and girls **260**

1. Dormitories; Girls-2 sufficient

Boys-2 not sufficient

Dining Hall: planned to start 2023/2024

Kitchen: 1 sufficient

Laboratory: 1 not sufficient

Computer lab: Not Available

Toilets; Boys: 12 not sufficient

Girls: 23 not sufficient

Fields: football –1 Available, one required

Volleyball –1 Available 1 required

Netball – 1 required

Handball – Not available, 2 required

Basketball – 1 Available, 1 required

Administration blocks – not sufficient, required modern one

Staff room – 1 Available, departmental offices required

Library – Not available

e) Development projects carried by the school:

2020/2021: Girls modern tiled Bathrooms with showers, Girls permanent toilet funded by RMI from Ministry of Education, contracted sum of Kshs 1,968,180 complete.

2021/2022: Boys modern tiled Bathrooms with showers, Water tower, Staff house funded by RMI from Ministry of Education, contracted sum of Kshs 2,818,560 complete.

Signed by: _____



Principal



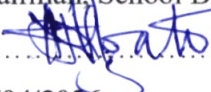
III. Statement of School Management Responsibility

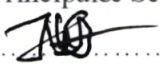
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 **Shine Star Kai Secondary School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name : Peter Kiuluku
Designation : Chairman, School Board of Management
Sign : 
Date : 08/04/2026

Name : Justus Munyao
Designation : School Principal & Secretary to Board of Management
Sign. : 
Date : 08/04/2026

Name : Cleophas Kyumwa
Designation : Bursar/ Finance Officer
Sign : 
Date : 08/04/2026



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON SHINE STAR KAI PUBLIC SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MAKUENI 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Shine Star Kai Public Secondary School set out on pages 1 to 15, which comprise of the statement financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory

information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Shine Star Kai Public Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Management is responsible for the Other Information set out on pages iv to xiv which comprise of Key School Information and Management, Summary Report 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 THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations and infrastructure totalling Kshs.7,679,669 as disclosed in Note 6 to the financial statements. Included in the expenditure is Kshs.562,400 which was transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.562,400 could not be confirmed.

2. Overdrawn Bank Balances

The statement of financial assets and financial liabilities reflects bank balances totalling Kshs.1,661,445 as disclosed in Note 8 to the financial statements. Excluded in the bank balance is an overdraft balance of Kshs.523,367 in the school fund account which has been disclosed in Annex I to the financial statements on analysis of pending accounts payables. However, the authority from The National Treasury or the Board of Management to overdraw the bank account was not provided for audit review. This was contrary to Section 28(4) of the Public Finance Management Act, 2012 which states that, 'An Accounting Officer for a National Government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by The National Treasury or a board of a National Government entity'.

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

3. Failure to Prepare School Improvement

During the year under review, the School did not have an approved School Improvement Plan. This was contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year School Improvement Planning Cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,829,146 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance is accounts receivables balance of

Kshs.2,536,004 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance. This was contrary to Regulation 83(2)(g) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that for purposes of this regulation sound cash management includes pursuing debtors with appropriate sensitivity and rigor to ensure that amounts receivable by the Government are collected and banked promptly.

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

5. Lack of a Procurement Plan

The statement of receipts and payments reflects total receipts and payments amounts of Kshs.27,052,623 and Kshs.26,823,415 respectively. However, Management did not prepare an annual Procurement Plan as part of the annual budget preparation process. This was contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity shall prepare a Procurement Plan for each financial year as part of the annual budget preparation process.

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

6. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

6.1 Weaknesses in Procurements Record-Keeping

During the year, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, user requisitions, contract documents, professional opinions and local purchase orders which limits audit trail and transparency. This was contrary to Section 68(1) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that an Accounting Officer of a procuring entity shall keep records for each procurement for at least six years after the resulting contract has been completed or, if no contract resulted, after the procurement proceedings were terminated.

6.2 Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional. Procurement activities were undertaken by individuals lacking the requisite qualifications. This was contrary to Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020 which stipulates that the procurement function shall be handled by the procurement professionals whose qualifications and experience are recognized in Kenya.

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

7. Late Submission of Financial Statements for Audit

The financial statements for the year 2021/2022 were submitted to the Office of the Auditor-General on 2 October, 2023 instead of the statutory deadline of

30 September, 2022. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

Basis for Conclusion

1. Lack of an Effective Audit Committee

During the year under review, the School's Audit Committee did not meet to deliberate on the internal audit report despite being internally audited by the Ministry of Education. This was contrary to Regulation 175(b) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that the main function of the Audit Committee shall be to follow up on the implementation of the recommendations of internal and external auditors.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Lack of an Effective Revenue Management System

The statement of receipts and payments reflects total revenue of Kshs.27,052,623. Review of records revealed that the School uses an automated system to manage and record revenue collections. However, the following anomalies were noted:

- i) The School has no formal contract or service level agreement with the system service provider governing system usage, data ownership, backup, recovery, or confidentiality.
- ii) The System lacks functionality to generate structured termly student billing statements as it generates only actual receipts and running balances.

- iii) The service provider has unrestricted administrative access to the System, creating the possibility of unauthorized changes to financial data without oversight.

In the circumstances, the existence of an effective revenue management system 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 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 the Management and Board of those Charged with Governance

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

28 April, 2026

Shine Star Kai
Public Secondary School
Annual Reports and Financial Statements
For the year ended 30th June 2022

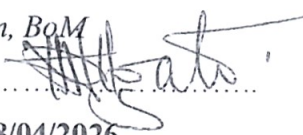
V. Statement of Receipts and Payments Period to 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,974,812	744,940
Capitation grants for operations & infrastructure	2	8,530,576	4,666,723
School Fund Income- Parents' Contributions	3	16,535,885	5,761,175
School Fund Income- Other receipts	4	11,350	0
Proceeds from borrowings		0	0
TOTAL RECEIPTS		27,052,623	11,172,838
Payments			
Payments for Tuition	5	2,157,028	551,994
Payments for operations and infrastructure	6	7,679,669	4,432,588
Boarding and school fund payments	7	16,986,718	6,071,604
TOTAL PAYMENTS		26,823,415	11,056,186
SURPLUS/DEFICIT		229,208	116,652

The school financial statements were approved on 8th April, 2026 and signed by:

Name: Peter Kiuluku

Chairman, BoM

Sign: 

Date: 08/04/2026

Name: Justus Munyao

School Principal/Secretary

Sign: 

Date: 08/04/2026

Name: Cleophas Kyumwa

Bursar/Finance

Sign: 

Date: 08/04/2026

VI. Statement of Financial Assets and Financial Liabilities as At 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	1,661,445	587,232
Cash balances	9	9,174	253,948
Short term investment	10	0	0
Total cash and cash equivalent		1,670,619	841,180
Account's receivables	11	3,829,146	2,910,089
Total financial assets		5,499,765	3,751,269
Financial liabilities			
Accounts payables	12	(1,565,858)	(46,570)
Net financial assets		3,933,907	3,704,699
Represented by			
Accumulated fund b/fwd	13	3,704,699	3,588,047
Surplus/deficit for the year		229,208	116,652
Net financial position		3,933,907	3,704,699

The school's financial statements were approved on 22/04/2026 and signed by:

Name: Peter Kiuluku

Chairman, BoM

Sign:

Date: 22/04/2026

Name: Justus Munyao

School Principal/Secretary

Sign:

Date: 22/04/2026

Name: Cleophas Kyumwa

Bursar/Finance

Sign:

Date: 22/04/2026



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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,974,812	744,940
Capitation grants for operations	2	8,530,576	4,666,723
School fund income- parents contributions/ fees	3	15,689,558	6,323,906
School fund income- other receipts	4	11,350	0
Total receipts		26,206,296	11,735,569
Payments			
Payments for tuition	5	2,157,028	551,994
Payments for operations	6	7,803,219	2,665,294
Boarding and school fund payments	7	15,416,610	5,980,051
Total payments		25,376,857	9,197,339
Net cash flow from operating activities		829,439	2,538,230
Cash flow from investing activities			
Proceeds from sale of assets		0	0
Acquisition of assets		0	1,767,294
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from investing activities		0	(1,767,294)
Cash flow from borrowing activities			
Proceeds from borrowings/ loans		0	0.00
Repayment of principal borrowings		0	0.00
Net cash flow from financing activities		0	0.00
Net increase in cash and cash equivalents		829,439	770,936
Cash and cash equivalent at beginning of the year		841,180	70,244
Cash and cash equivalent at end of the year		1,670,619	841,180

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	1,118,880		1,118,880	1,974,812	(855,932)	177%
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials						
Chalks						
Exams And Assessment						
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments						
Repairs And Maintenance	2,736,000		2,736,000	3,356,500	(620,500)	123%
Local Transport / Travelling						
Electricity And Water						
Medical/Insurance						
Administration Costs						
Activity	448,500		448,500	0	448,500	
Other vote-heads	4,292,500		4,292,500	5,174,076	(881,576)	121%
Smasse						
(3) Fees Charged on Parents						
Personnel Emoluments						
Repairs And Maintenance				556,525		
Local Transport / Travelling						
Electricity And Water						
Medical						
Administration Costs						
Activity						

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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
Smasse						
Fee On Boarding Equipment and Stores	9,089,000		9,089,000	13,241,085	(4,152,085)	146%
Debtors	616,630		616,630			
Other vote-heads				2,619,415		
Other Income						
Rent Income						
Losses				118,860		
Tender				11,000		
Disposal				350		
Income From Farming Activities						
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground And Equipment						
Interest Income						
Income From Any Other Investment						
Total Income	18,301,510		18,301,510	27,052,623	(8,784,113)	148
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	1,115,000		1,115,000	2,154,046	(2,039,046)	193%
Chalks						
Exams And Assessment						
Teachers Guides						
Administration Costs						
Bank Charges					2,982	

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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						
Repairs, Maintenance & Improvements	2,736,000		2,736,000	1,890,725	845,275	69%
Electricity, Water and Conservancy						
Medical/Insurance						
Administration Costs						
Activity Expenses	448,500		448,500	272,300	176,200	61%
Bank charges				3,346		
Other vote-heads	4,292,500		4,292,500	5,513,298	(1,220,798)	128%
(3) Expenditure For School Fund						
Personnel Emoluments						
Repairs, Maintenance and Improvements				538,776		
Local Transport / Travelling						
Electricity, Water and Conservancy						
Medical Expenses						
Administration Costs						
Activity				86,140		
Lunch Programme						
Boarding Equipment and Stores	9,709,510		9,709,510	6,928,045	2,781,465	71%
Other Vote Heads				8,433,757		
Expenditure For Income Generating Activity						
Insurance Costs						
Other Expenses On Investments						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						
Totals	18,301,510		18,301,510	26,823,415	(8,521,905)	147%

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes to the Financial Statements

1. Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Text books	0	0
Exercise books	0	0
Laboratory equipments and apparatus	0	0
Teaching/learning materials	1,974,812	744,940
chalks	0	0
Internal exams	0	0
Reference books	0	0
Total	1,974,812	744,940

2. Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Electricity and water	0	0
Local transport / travelling	0	0
Repairs maintenance and Improvements	3,356,500	2,142,000
Personal Emoluments	0	0
Administration costs	0	0
Activity	0	0
Medical and Insurance	0	0
Other voteheads	5,174,076	2,524,723
Total	8,530,576	4,666,723

3. Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Boarding Equipment and Stores	13,241,085	4,381,105
Repairs and maintenance	556,525	275,350
Other voteheads	2,619,415	1,085,850
Activity	0	6,700
Losses	118,860	12,170
Administration costs	0	0
KCSE	0	0
Total	16,535,885	5,761,175

Notes to the Financial Statements (Continued)

4. Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Tender	11,000	0
Income from Bus Hire	0	0
Rent income	0	0
Income from farming activities	0	0
Disposal	350.00	0
Interest income	0	0
Fee for hire of ground and equipment	0	0
Income from grants and donations*	0	0
Dividends income	0	0
Total	11,350	0

5. Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Text books	0	0
Exercise books	0	0
Laboratory equipment and apparatus	0	0
Teaching/learning materials	2,154,046	550,752
chalks	0	0
Internal exams	0	0
Reference books	0	0
Bank charges	2,982	1,242
Total	2,157,028	551,994

Notes to the Financial Statements (Continued)

6. Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Electricity and water	0	0
Local transport / travelling	0	0
Repairs maintenance and Improvements	782,220.00	0
Personal Emoluments	0	0
Administration costs	0	0
Activity	272,300	234,000
Medical and Insurance	0	0
Infrastructure - RMI	1,108,505	1,767,294
Other vote heads	5,513,298	2,430,292
Bank Charges	3,346	1,002
Total	7,679,669	4,432,588

7. Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Boarding Equipment and Stores	6,928,045	2,831,327
Repairs and maintenance	1,538,776	848,350
Electricity and water	0	0
Local transport / travelling	0	0
Activity	86,140	0
Administration costs	0	0
Personnel emoluments	0	0
Posho mill	0	0
Ground and Bus Hire	0	0
Rent	0	0
Other voteheads	8,433,757	2,391,927
Bank Charges	0	0
KCSE	0	0
TOTAL	16,986,718	6,071,604

Notes to the Financial Statements (Continued)

8. Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1102822779	20,948	203,163
Operations Account	1102820822	23,326	12,102
School Fund Account	1111429669	0	164,965
Infrastructural Account	1257318950	1,617,171	207,002
Total		1,661,445	587,232

9. Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0	0
Operation Account	964	0
School Fund account	0	224,718
Infrastructure account	8,210	29,230
Total	9,174	253,948

10. Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit	0	0
Equity Stock	0	0
Other Investments	0	0
Total	0	0

Notes to the Financial Statements (Continued)

11. Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	3,829,146	2,910,089
Other Non-Fees Receivables	0	0
Salary Advances	0	0
Imprest	0	0
Total	3,829,146	2,910,089

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	962,080	374,085
Fees Arrears For The Previous Year	331,062	1,207,494
Fees Arrears For Prior Periods (Over 2 Yrs)	2,536,004	1,328,510
Total	3,829,146	2,910,089

12. Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,161,348	46,570
Prepaid Fees	404,510	0
Retention Monies	0	0
Total	1,565,858	46,570

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	1,161,348	46,570
Trade Creditors for The Previous Year	0	0
Trade Creditors for Prior Periods (Over Two Years)	0	0
Total	1,161,348	46,570

Notes to the Financial Statements (Continued)

13. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	587,232	69,583
Cash Balances	253,948	660
Short Term Investments	0	0
Receivables	(2,910,089)	3,517,804
Payables	46,570	0
Total	3,704,699	3,588,047

Other important disclosure notes

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

14. Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15. Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		-	-

16. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
Balance at end of the year	0.00	0.00

Other important disclosure notes

17. Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory	0.00	0.00
Stock/ inventory at beginning of the year	0.00	0.00
Stock/ inventory purchased during the year	0.00	0.00
Stock/ inventory issued during the year	0.00	0.00
Balance at end of the year	0.00	0.00

18. 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)

Sign and Date
Principal



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Annex 1 - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. DPL Festive				293,871		
5. Winnie Grocers				60,400		
6. Miangeni butchery				31,000		
7. Mourine Mussa				4,110		
8. East Kenya Suppliers				248,600		
Bank Over Draft				523,367		
Prepayments				404,510		
Sub-Total				1,565,858		
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total				1,565,858		

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1						
Land 2						
Buildings And Structures						
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets						
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						
Total						