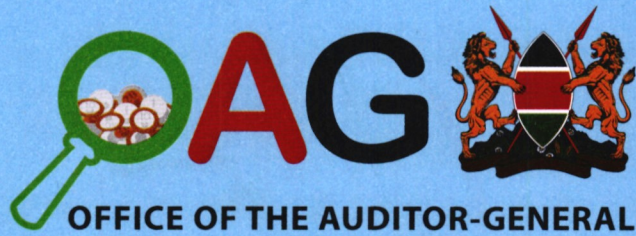



REPUBLIC OF KENYA



Enhancing Accountability

 REPORT NATIONAL ASSEMBLY PAPPPS I AID	
DATE: 28 NOV 2023	DAY: TUESDAY
TABLED BY: OF	Hon Owen Bayo, MP Deputy Majority Leader
CLERK-AT THE TABLE:	Benson Inzofu

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

KISAYANI SECONDARY SCHOOL

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

MAKUENI COUNTY



**KISAYANI SECONDARY SCHOOL
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, Kibwezi Sub-County

The school was registered in 30/11/ /2017 under registration number 17S30000137 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 720 number of students as at 30th June 2022. It has **14 streams and 34 teachers** of which 3 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	Martin A. Mutua	Chairman	01.07.2019
2	Justus Kimanthi	Secretary - Principal	01.07.2019
3	John Kyaluma	Member	01.07.2019
4	Peninah Kilaki	Member	01.07.2019
5	Rita Musyoka	Member	01.07.2019
6	Alice Nangila Ndeto	Member	01.07.2019
7	Justus Muoki	Member	01.07.2019
8	Cleophas M. Musau	Member – Rep CEB	01.07.2019
9	Jackson Mutua Mwilu	Member Rep Teachers	01.07.2019
10	Brisson Muia	Member – Sponsor	01.07.2019
11	Annastacia K. Singi	Member – Sponsor	01.07.2019
12	Alfred Maleve Syengo	Member – Sponsor	01.07.2019
13	Simon Nthuli Mbaluka	Member – Community	01.07.2019
14	Agnes Musembi	Member Special Needs	01.07.2019
15	Everlyne Faith Mutheu	Rep Students	01.07.2019
16	Bensley Mwanja Mathuku	Rep special interest groups	01.07.2019

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 Committee	Martin mutua	chairperson	2/2
		Justus Kimanthi	secretary	2/2
		John kyaluma	member	2/2
		Rita musyoka	member	2/2
2	Audit Committee	Mwalu Mwandiku	Chairperson	0
		Brisson Muia	Secretary	0
		John Kyaluma	Member	0
		Robert Kamuya	Member	0
		Simon Nthuli	Member	0
3	Finance, procurement and general purposes Committee	Martin mutua	chairperson	0
		Justus Kimanthi	Secretary	0
		Cleophas musau	Member	0
		Alice musau	Member	0
4	Academic Committee	Martin mutua	chairperson	0
		Jackson mwilu	secretary	0
		John kyaluma	Member	0
		Justus Kimanthi	Member	0
		Brisson Muia	Member	0
5	Development Committee	Martin Mutua	Chairperson	0

		Justus Kimanthi	Secretary	0
		John Kyaluma	Member	0
		Rita Musyoka	Member	0
6	Discipline and welfare Committee	Martin Mutua	chairperson	0
		Justus Kimanthi	secretary	0
		Jackson Mwilu	member	0
		Rita Musyoka	member	0

(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/ID NO
1	Principal	Justus Kimanthi	347989
2	Deputy Principal	Argelline Kyengo	298800
3	School Bursar	Mary Ngina	27944347

(e) Schools contacts

Post Office Box: 147-90137
 Telephone: 0724916505
 E-mail: kisayaniboys@gmail.com
 Website: -
 Facebook:
 Twitter:

(f) School Bankers

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

1. Name of Bank: KCB
 Branch: KIBWEZI
 Account Number: 1102775835

2. Name of Bank: KCB
Branch: KIBWEZI
Account Number: 1102776149
3. Name of Bank: KCB
Branch: KIBWEZI
Account Number: 1102770833
4. Name of the bank: Equity Bank
Branch: Kibwezi
Account Number: 1730281283580
5. Name of Bank : KCB
Branch: Kibwezi
Account Number: 1124844058
Account Name: Kisayani secondary school-CDF a/c
6. MPESA Pay Bill No. 522123 attached to 1102775835 bank account

(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:**1. Surplus/ deficit for the year and a comparison of the same for the last three year**

Year	2022	2021	2020	2019
Operation a/c	-	-	(210,398)	714,045
Tuition a/c	-	-	121,530	(593,317)
School fund a/c	-	-	2,541,143	2,369,322
Surplus/Deficit	(1,066,388)	668,421	2,452,275	2,490,051

2. Capitation grants from the Ministry of Education for the last three years

Year	2022	2021	2020	2019
Operation a/c	14,844,545	5,824,715	8,305,375	10,458,565
Tuition a/c	3,116,571	948,290	1,264,246	2,209,746
Total	17,961,116	6,773,005	9,569,621	12,668,311

3. Ratio of capitation grant per student over the last three years

Year	2022	2021	2020	2019
Operation a/c	1:20,617	1:8,566	1:12,214	1:13,945
Tuition a/c	1:4,329	1:1,395	1:1,859	1:2,946

4. A three-year overview of growth of other income(s) earned by the school.

Year	2022	2021	2020	2019
Operation a/c	14,844,545	5,824,715	8,383,274	10,458,566
Tuition a/c	3,116,571	948,290	1,264,246	2,209,747
School Fund a/c	29,712,546	8,168,946	11,155,889	16,459,659
Total	47,673,662	14,941,951	20,803,409	29,127,972

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

Year	2022	2021	2020	2019
Operation a/c	18,175,774	5,250,140	8,593,672	9,744,525
Tuition a/c	3,474,062	1,320,973	1,142,716	2,803,064
School Fund a/c	27,090,214	7,702,616	8,614,746	14,092,337
Total	48,740,050	14,273,529	18,351,134	26,639,926

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

Creditors

Year	2022	2021	2020	2019
Operation a/c	4,043,335	1,065,535	885,605	713,675
Tuition a/c	965,300	601,367	236,140	1,158,540
School Fund a/c	2,837,844	1,987,547	1,343,525	2,831,006
Total	7,846,479	3,654,449	2,465,270	4,703,221

Debtors

Year	2022	2021	2020	2019
Operation a/c	-	-	-	-
Tuition a/c	-	-	-	-
School Fund a/c	5,019,954	1,044,640	1,396,885	1,417,689
Total	5,019,954	1,044,640	1,396,885	1,417,689

7. Movement of bank balances over the last three years

Year	2022	2021	2020	2019
Operation a/c	1,055	363,206	54,166	219,235
Tuition a/c	6,998	556	8,012	114,992
School Fund a/c	33,013	453,397	334,555	183,672
Infrastructure a/c	8,240			
Total	49,307	817,159	396,734.58	517,899

8. Movement of cash balances over the last three years

Year	2022	2021	2020	2019

Operation a/c	219	137	1987	6
Tuition a/c	0	0	0	0
School Fund a/c	108	22,776	95	0
Total	327	22,913	2,082	6

b) **Teacher Student ratio:**

Year	2022	2021	2020	2019
No. Of teachers	35	34	33	37
No. Of students	720	680	680	750
Ratio	1:22	1:20	1:21	1:20
No. Of teachers recruited within the year (TSC/BOM)	1	2	2	4
No. Of teachers retired/transferred	-	1	1	-

c) **Mean score in the 2022 KCSE over the last three years**

YEAR	2022	2021	2020	2019
No of Students	199	147	136	125
Mean Score	3.746	4.715	5.985	5,112
Transition to University	14	29	38	33

d) **Number of Candidates in the 2022 KCSE:**

Year	2022	2021	2020	2019
KCSE Candidates	199	147	136	125

d) **Capacity of the school:**

Facility	Number	No. Of students
Dormitories	5	460
Dining Hall	1	720

Toilets	38	720
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Summary Report of the Performance of the School (Continued)

e) Development projects carried out by the school:

S/N	Project	Source of fund	Cost	Date of completion	Status
1	Dormitory & Abollution block	MOE	1,924,000	20.5.2022	Complete
2	Drainage system and slab for washing areas	Fees	475,000	2.2.2022	Complete
3	Purchase of 50 sets chairs and lockers	MOE	325,000	10.8.2022	Complete
4	Intallation of new boiler and expansion of kitchen	MOE	575,000	30.4.2022	Complete
5	Purchase of 6 plastic water tanks	MOE	411,000	28.11.2021	Complete
		Total	3,710,000		

Justus Kimanathi

Justus Kimanathi

School Principal



III. Statement Of School Management Responsibility

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

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

The Board of Management of Kisayani 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: Martin Mutua

Designation: Chairman, School Board of Management

Date: 4.7.2023

Signature:

Name: Justus Kimanthi

Designation: School Principal & Secretary to Board of Management

Date: 4.7.2023

Signature:

Name: Mary Ngina

Designation: Bursar/ Finance Officer

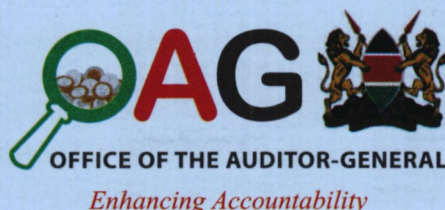
Date: 4.7.2023

Signature:



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KISAYANI 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 the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kisayani Secondary School – Makueni County set out on pages 14 to 30, which comprise of the statement of 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 verses 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 the Kisayani Secondary School – Makueni County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Accounts payables Balance

The statement of financial assets and financial liabilities and disclosed in Note 10 of the financial statements reflects accounts payables balance of Kshs.6,005,699. However, Annex 1 to the financial statements on pending accounts payables reflects a balance of Kshs.8,183,618 resulting to an unreconciled and an unexplained variance of Kshs.2,177,919.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.6,005,699 could not be confirmed.

2. Unsupported School Fund Income

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects school fund income- parent's contributions of Kshs.29,712,546. However, included in the amount is Kshs.10,155,901 which the Management did not provide supporting documentation.

In the circumstances, the accuracy and completeness of school fund income- parent's contributions of amount of Kshs.10,155,901 could not be confirmed.

3. Inaccuracies in the Financial Statements

Statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects capitation grants for operations of Kshs.14,844,545. However, the receipts for capitation grant for operations received in the School's operations bank account amounted to Kshs.10,964,611 resulting in an unexplained variance of Kshs.3,881,934.

In the circumstances, the accuracy and completeness of the capitation grants for operations amount of Kshs.14,844,545 could not be confirmed.

4. Unsupported Expenditure on Operations and School Fund Payments

The statement of receipts and payments reflects operations and school fund payments of Kshs.45,266,389 as disclosed in Note 5 and 6 to the financial statements. However, included in the amount is Kshs.8,444,410 which management did not provide supporting documentation including requisitions, delivery notes, invoices and acknowledgement receipts.

In the circumstances, the accuracy and completeness of the total payments amount of Kshs.8,444,410 could not be confirmed.

5. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects payments for operation amount of Kshs.18,176,174. Included in the amount is transfer to co-curricular funds of Kshs.1,053,489 to Kenya Secondary School Heads Association (KESSHA), a private entity that is not subject to Public Finance Management Act, 2012.

In the circumstances, the propriety and regularity of the expenditure of Kshs.1,053,489 could not be confirmed.

6. Long outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 9 to the financial statements reflects accounts receivables balance of Kshs.14,069,832. The amount is made up of among others, an amount of Kshs.8,505,238 which has been outstanding for more than two (2) years and whose recoverability is doubtful.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.8,505,238 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisayani 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.

Key Audit Matters

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

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, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Audit Committee

During the period under review, the school did not an operational Audit Committee of the Board and an internal audit department for purposes of reviewing and evaluating budgetary performance, financial management, transparency and accountability mechanisms processes in the school towards providing independent assurance that the risk management governance and internal control processes are operating effectively.

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

2. Failure to Maintain a Fixed Assets Register

Review of records revealed that the Management did not maintain a fixed asset register of the buildings, motor vehicles, office equipment, furniture and fittings and other assets. This was contrary to Regulation 143 (1) of Public Finance Management (National Government) Regulations, 2015 which prescribes that 'the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws'. Further, Annex 2 to the financial statements reflects two

unvalued parcels of land identified as land 1 and land 2 respectively. However, Management did not provide respective title deeds for audit.

In the circumstances, the effectiveness of controls in fixed assets management could not be confirmed.

3. Lack of Risk Management Policy and a Disaster Recovery Plan

Review of the documents and records provided for audit review revealed that the Management had not established a Risk Management Policy. This was contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Government) Regulations, 2015 which states that 'the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal controls that builds robust business operations.

In the circumstances, Management may not able to identify risks and develop mitigating strategies.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 October, 2023

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	3,116,571	948,290
Capitation grants for operations	2	14,844,545	5,824,715
School fund income- parents' contributions	3	29,712,546	8,168,946
Total Receipts		47,673,662	14,941,951
Payments			
Payments for tuition	4	3,474,062	1,320,973
Payments for operations	5	18,176,174	5,250,140
Boarding and school fund payments	6	27,090,215	7,702,416
Total Payments		48,740,451	14,273,529
Surplus/Deficit		(1,066,789)	668,422

The school financial statements were approved on 04.07. 2023 and signed by:


Name: Martin Mutua

Chair BOM
 Signature:




Date: 4.7.2023

Name: Justus Kimanthy
 School Principal/ Secretary to
 BOM

Signature: 

Date: 4.7.2023

Name: Mary Ngina

Bursar/ Finance Officer
 Signature: 

Date: 4.7.2023



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

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	7	49,307	817,160
Cash balances	8	327	22,913
Total cash and cash equivalent		49,634	840,073
Account's receivables	9	14,069,832	9,817,010
Total financial assets		14,119,466	10,657,083
Financial liabilities			
Accounts payables	10	6,005,699	1,476,530
Net financial assets		8,113,767	9,180,556
Represented by			
Accumulated fund b/fwd	11	9,180,556	8,512,135
Surplus/deficit for the year		(1,066,789)	668,421
Net financial position		8,113,767	9,180,556

The school's financial statements were approved on 07.07.2023 and signed by:

Name: Martin Mutua

Chair BOM
 Signature:




Date: 4.07.2023

Name: Justus Kimanthi
 School Principal/ Secretary to
 BOM

Signature: 

Date: 4.07.2023

Name: Mary Ngina

Bursar/ Finance Officer
 Signature: 

Date: 4.07.2023



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	1a	2,515,204	948,290
Capitation grants for operations	2a	14,059,220	5,824,715
School fund income- parents contributions/ fees	3a	24,378,139	7,984,643
Total receipts		40,952,563	14,737,648
Payments			
Payments for tuition	4a	2,508,762	955,746
Payments for operations	5a	11,178,049	5,517,525
Boarding and school fund payments	6a	24,346,191	7,823,120
Total payments		38,033,002	14,296,391
Net cash flow from operating activities		2,919,561	441,257
Cashflow from investing activities			
Proceeds from sale of assets			-
Acquisition of assets		(3,710,000)	-
Proceeds from investments		-	-
Purchase of investments		(-)	-
Net cash flows from investing activities		(790,439)	
Cashflow from financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(790,439)	441,257
Cash and cash equivalent at beginning of the year		840,073	398,816
Cash and cash equivalent at end of the year		49,634	840,073

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

Receipt/Expenses Item	Original Budget KShs	Adjustments KShs	Final Budget KShs	Actual on Comparable Basis KShs	Difference KShs	% of Utilization KShs
(1) Capitation Grant on Tuition	-	0	-	-	-	-
Teaching / Learning Materials	2,369,500	0	2,369,500	3,116,571.00	(747,071.00)	131%
(2) Capitation Grant on Operations & Infrastructure a/c	-	0	-	-	-	-
Others (PE,LT&T,EWC,ADM)	6,835,000	0	6,835,000	7,503,595	(668,595)	110%
Repairs And Maintenance	4,200,000	0	4,200,000	4,556,950	(356,950)	108%
Infrastructure grant-Dormitory	1,943,675	0	1,943,675	2,037,210	(93,535)	95%
Infrastructure grant-Drainage	300,000	0	300,000	335,790	(35,790)	112%
Infrastructure grant-Tanks	582,000	0	582,000	411,000	171,000	71%
(3) Fees Charged on Parents	-	0	-	-	-	-
Others (PE,LT&T,EWC,ADM)	6,234,000	0	6,234,000	7,067,532	(833,532)	113%
Repairs And Maintenance	668,000	0	668,000	2,114,549	(46,549)	107%
Activity	183,500	0	183,500	197,435	(13,935)	108%
Fee On Boarding Equipment and Stores	19,294,590	0	19,294,590	20,188,115	(893,525)	105%
Uniform				79,915		
Tender				65,000		
Total Income	42,610,265	0	42,610,265	47,673,662	(3,518,482)	112%
(1) Expenditure For Tuition	-	0	-	-	-	-
Teaching / Learning Materials	2,368,800	0	2,368,800	3,474,062	1,104,536	146%
(2) Expenditure For Operations	-	0	-	-	-	-
Others (PE,LT&T,EWC,ADM)	5,673,100	0	5,673,100	8,439,408	(2,765,908)	149%

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

Receipt/Expenses Item	Original Budget B KSLs	Adjustments A KSLs	Final Budget C=A+B KSLs	Actual on Comparable Basis d	Surplus or Deficit e	% of Utilization F=d/C KSLs
RMI	7,112,000	0	7,112,000	6,954,406	157,594	98%
Activity fee				7,000		
Infrastructure grant-Dormitory	1,943,675	0	1,943,675	2,157,050	(231,375)	111%
Infrastructure grant-Drainage	300,000	0	300,000	207,310	92,690	69%
Infrastructure grant-Tanks	582,000	0	582,000	411,000	171,000	71%
(3) Expenditure For School Fund	-	0	-	-	-	-
Others (PE,LT&T,EWC,ADM)	8,137,500	0	8,137,500	9,213,243	(1,075,744)	113%
Repairs, Maintenance and Improvements	870,456	0	870,456	1,182,070	(311,614)	136%
Activity	83,750	0	83,750	52,220	31,530	62%
Boarding Equipment and Stores	14,294,590	0	14,294,590	16,389,337	(2,094,746)	115%
				253,345		
Totals	34,253,871		34,253,871	48,740,451	(5,079,631)	123%

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
Teaching / Learning Materials	3,116,571	948,290
Total	3,116,571	948,290

1a. Capitation grant for tuition (cash flow adjustment)

Total as per 1 above	3,116,571
Less creditors	601,367
	2,515,204

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments		
Others (PE,EWC,LT&T, ADM Cost)	7,503,595	3,165,715
Repairs And Maintenance	4,556,950	2,659,000
Infrastructure grant- Dormitory	2,037,210	-
Infrastructure grant-Drainage	335,790	-
Infrastructure grant-Plastick Tanks	411,000	-
Total	14,844,545	5,824,715

2a. Capitation Grant for Operations

Cash flow adjustment

Total as per the 2 above	14,844,545
Less creditor	1,065,535
Advance	9,000
Union	2,400
Add : Union	2,400
NHIF	24,450
NSSF	23,750
Advance	9,000
Boarding a/c	230,000
Administration cost	2,000
	14,059,220

3 Parents Contribution/Fees – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Others (PE,EWC,LT&T, ADM Cost)	7,067,532	2,454,895
Boarding Equipments & Stores	20,188,115	5,094,008
Repairs and maintenance	2,114,549	617,153
Tender	65,000	-
Uniform	79,915	-
Activity	197,435	2,890
Total	29,712,546	8,168,946

**3a Parents Contribution/Fees – School Fund Account
 Cash flow adjustments**

Total as per 3 above	29,712,546
Less : Creditors list	1,987,435
Debtors list	5,019,954
Add: Bursary	568,820
Arrears	767,135
Prepaid fees	337,139
	24,378,139

4 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching / Learning Materials	3,473,336	1,320,367
Bank Charges	726	
Total	3,474,062	1,320,973

4a Payments for Tuition (Cash flow adjustments)

Total as per 4 above	3,474,062
Less creditors	965,000
	2,508,762

Notes To The Financial Statements (Continued)

5 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Others (PE,EWC,LT&T, ADM Cost)	8,439,408	3,056,970
Repairs And Maintenance & Improvements	6,954,406	2,193,170
Activity Expenses	7,000	-
Infrastructure grant- Dormitory	2,157,050	-
Infrastructure grant-Drainage	207,310	-
Infrastructure grant-Plastick Tanks	411,000	-
Total	18,176,174	5,250,140

5a. Payments For Operations

Cash flow adjustments

Total as per 5 above	18,176,174
Less: Creditors	4,043,335
NSSF	8,560
NHIF	24,450
Add: NHIF	48,900
NSSF	31,920
Boarding a/c	230,000
Acquisition of assets	3,235,000
Payment of operation	11,178,049

Notes to The Financial Statements (Continued)

6 Boarding and School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipments and Stores	16,389,336	5,196,744
Repairs And Maintenance & Improvements	1,182,070	246,200
Others (PE,EWC,LT&T, ADM Cost)	9,213,243	2,010,793
Activity	52,220	48,680
Uniform	253,345	200,000
Total	27,090,215	7,702,416

6a. Boarding and School Fund Payments

Cash flow adjustment

Total as per 6 above	27,090,215
Less: Creditors list	2,837,844
Advance	73,000
NSSF	43,350
NHIF	71,172
Add: Bursary	568,820
Advance	73,000
NHIF	43,350
NSSF	71,173
Acquisition of asset	475,000
Payments of boarding	24,346,191

Notes To The Financial Statements (Continued)

7 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1102770833	6,998	556
Operations Account	1102776149	1,055	363,206
School Fund Account/Boarding	1102775835	33,014	453,398
Infrastructural Account	1730281283580	8,240	-
Total		49,307	817,160

8 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	219	137
School Fund account	108	22,776
Total	327	22,913

Notes To The Financial Statements (Continued)

9 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	14,069,832	9,817,013
Total	14,069,832	9,817,013

[ageing of the fees / non fees arrears]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	5,019,954	1,044,640
Fees Arrears For The Previous Year	544,640	1,147,085
Fees Arrears For Prior Periods (Over Two Years)	8,505,238	7,625,288
Total	14,069,832	9,817,013

10 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	5,668,560	1,476,530
Prepaid Fees	337,139	-
Total	6,005,699	1,476,530

[ageing of the creditor's arrears]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	8,183,618	3,654,449
Trade Creditors for The Previous Year	(2,177,919)	(2,177,919)
Total	6,005,699	1,476,530

Notes To The Financial Statements (Continued)

11 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	49,307	817,160
Cash Balances	327	22,910
Receivables	14,069,832	9,817,013
Payables	(6,005,699)	(1,476,530)
Total	8,113,767	9,180,556

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.

12 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Trees	300	600,000	500,000
Total	-	600,000	500,000

Other important disclosure notes

13 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	7,038,705	6,050,600
Stock/ inventory purchased during the year	12,430,200	5,413,250
Stock/ inventory issued during the year	(12,354,525)	(4,425,145)
Balance at end of the year	7,114,380	7,038,705

Kisayani secondary School
 Reports and Financial Statements For the year ended 30th June 2022

14 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)	Time taken (In a time when the issue to be resolved)

Sign and Date
 Principal

Binau B



Kisavani secondary School
Reports and Financial Statements For the year ended 30th June 2022

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
Construction Of Buildings						
1. Nгаа hardware retailers	273,460	1.7.2021	214,710	58,750	58,750	
Sub-Total	273,460		214,710	58,750	58,750	
Supply Of Goods						
2. Chulu General store	857,550	1.7.2021	346,090	511,460	511,460	
3. Muramarai farm & dairy products	272,475	1.7.2021	100,000	172,475	172,475	
4. Ghabena enterprises	254,300	1.2.2022	100,000	154,300	154,300	
5. Jovic general & livestock	318,910	1.7.2021	150,000	168,910	168,910	
6. DPL festive	278,534	1.7.2021	0	278,534	278,534	
7. Vicimin supplies	101,300	1.7.2021	50,000	51,300	51,300	
8. Jikaze General supplies	1,163,510	06.10.2021	200,000	963,510	963,510	
9. Western cereals	60,000	1.7.2021	0	60,000	60,000	
10. Kisavani Elites supplies	97,200	1.7.2021	0	97,200	97,200	
11. Bonsiv enterprises	322,050	1.7.2021	0	322,050	322,050	
12. Kaman lab supplies	511,460	1.7.2021	0	511,460	511,460	
13. Beracah bookpoint	251,090	1.7.2021	100,000	151,090	151,090	
14. Bookflyer precise publisher	89,850	1.7.2021	0	89,850	89,850	

Kisayami secondary School
Reports and Financial Statements For the year ended 30th June 2022

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
15. Jann steel fabricators	2,524,200	1.7.2021	400,000	2,124,200	2,124,200	
16. Fidelite Technosoft	658,775	1.7.2021	200,000	517,275	517,275	
17. Kinyambu uniforms	142,525	1.7.2021	0	142,525	142,525	
18. Fina chemicals	138,600	3.2.2022	0	138,600	138,600	
19. Access merka limited	74,300	26.2.2022	0	74,300	74,300	
Sub-Total	8,116,629	1.7.2021	1,646,090	6,529,039	6,529,039	
Supply Of Services						
20. Maiuni Mechanical works	335,130	4.8.2021	0	335,130	335,130	
21. Joydonteck office solutions	40,500	31.5.2022	0	40,500	40,500	
22. Electroling enterprises	128,995	1.7.2021	0	128,995	128,995	
23. Maisha filling station	659,360	1.7.2021	300,000	359,360	359,360	
24. Kisayami Posho mill & hullers	58,105	1.7.2021	0	58,105	58,105	
25. Spinging services	7,500	1.7.2021	0	7,500	7,500	
26. University of nairobi	130,400	1.7.2021	0	130,400	130,400	
27. Rimwakimoh services	498,700	1.7.2021	300,000	198,700	198,700	
28. Prepaid fees				337,139	337,139	
Sub-Total	1,858,690	1.7.2021	600,000	1,595,829	1,595,829	
Grand Total	10,248,779		2,460,800	8,183,618	8,183,618	

Kisayani secondary School
Reports and Financial Statements For the year ended 30th June 2022

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost of (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost of (Kshs) 30 th June 2022
Land 1		Kibwezi	5,200,000			5,200,000
Buildings And Structures			21,500,000	1,500,000	-	23,000,000
Motor Vehicles			5,800,000	-		5,800,000
Office Equipment, Furniture And Fittings			5,000,000	-	-	5,000,000
ICT Equipment, And Other ICT Assets			2,090,000	500,000	-	2,590,000
Tools And Apparatus			4,775,000	-	-	4,775,000
Intangible Assets- Soft Ware			300,000	180,000	-	480,000
Total			44,665,000	2,180,000		46,845,000