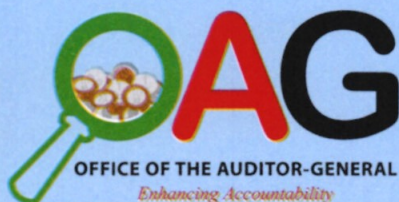


REPUBLIC OF KENYA



REPORT

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 30 JUN 2026

DAY.

Tuesday

**OR
BY:**

*The Deputy
Majority Whip*

**CLERK-AT
THE-TABLE:**

Gerardo Cheset

THE AUDITOR-GENERAL

ON

**PARLIAMENT
OF KENYA
LIBRARY**

KARIMA BOYS HIGH SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD ENDED
30 JUNE, 2021**

NYERI COUNTY



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

24 APR 2026

RECEIVED

**KARIMA BOYS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

**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 Nyeri County, Nyeri South Sub-County

The school was registered in 14/02/1960 under registration number PU/S/3/9971/13 and is currently categorized as an Extra County (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 1,092 number of students as at 30th June 2021. It has 5 streams and 55 teachers of which 8 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Tony Wahome Gichu	Chairman	4/03/2019
2	John Kamau Kungu	Secretary – Principal	24/05/2021
3	Dancun Waweru Macharia	IBE	4/03/2019
4	Daniel Mwaura Nyokabi	Member –Rep. CEB	4/03/2019
5	Samuel Muturi Nderitu	Member Rep. Teachers	4/03/2019
6	Fr. James Ndirangu Mwai	3 Members – Sponsor	4/03/2019
7	Faith Karimi Njeru		4/03/2019
8	Priscilla Nyokabi Kanyua		4/03/2019
9	Samuel Gakiria King'ori		4/03/2019
10	Purity Wangui Ndung'u	Member – Community	4/03/2019
11	Wahome Kibira		4/03/2019
12	Margaret Wairimu Kibe		4/03/2019
13	Patricia Njambi Gachungi		4/03/2019
14	Simon Muguku Gichigi	Member Special Needs	4/03/2019
15	Peter Munene Mwaura	Rep Students	4/03/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The functions of the School Board of Management include:

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the school
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the school.
- Determine cases of students' 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 paragraph 21 and 23 of the Basic Education Act, 2013.

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(c) Committees of the Board

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Mr. Gichu Wahome 2. Mr. Patrick Wanjohi 3. Mr. Daniel Mwaura 4. Ms. Purity Ndung'u 5. Ms. Margaret Kibe 6. Rev. Fr. James Ndirangu 7. Mr. Kung'u J.K. 8. Mr.S.W. Kimu 9. Mr. Muriithi P. N.	BOM Chairman PA Chairman BOM V/ Chairman BOM member BOM member BOM member/ Sponsor Principal D/ Principal (Admin) D/ Principal Acad.	3
2.	Audit committee			
3.	Finance, procurement and general purposes Committee	1. Mr. Simon Gichigi 2. Mr. Daniel Mwaura 3. Mr. Patrick Wanjohi 4. Ms. Margaret Kibe 5. Ms. Patricia Gichigi	BOM Member BOM Member PA Chairman BOM Member BOM Member BOM Member	2
4.	Academic Committee	1. Ms. Emily Kigochi 2. Mr. Patrick Wanjohi 3. Mr. Kung'u J.K. 4. Mr. Kimu S.W. 5. Mr. Muriithi P.N. 6. Mr. Wachira P.M.	PA Member PA Chairman BOM Member D/ Principal Admin. D/ Principal Acad. Dean of Studies	2
5	Development Committee	1. Mr. Gichu Wahome 2. Mr. Patrick Wanjohi 3. Mr. Daniel Mwaura 4. Ms. Faith Njeru 5. Mr. Kibira Wahome 6. Mr. Kung'u J.K. 7. Mr. S.W. Kimu 8. Mr. Muriithi P.N. 9. SCDE 10. MOW	BOM Chairman PA Chairman BOM V/Chairman BOM Member BOM Member Principal D/Principal Admin. D/ Principal Acad.	2
6	Discipline Ethics and Integrity Committee	1. Mr. Kung'u J.K. 2. Mr. S.W. Kimu 3. Mr. Muriithi P.N. 4. Mr. Gichu Wahome 5. Mr. Daniel Mwaura 6. Mr. Patrick Wanjohi 7. Mr. Purity Ndung'u 8. Mr. Duncan Macharia 9. Mr. James King'ori	Principal D/ Principal Admin D/Principal Acad. BOM Chairman PA Chairman BOM V/ Chairman BOM Member BOM Member BOM Member	3
7	Adhoc Committee (if any during the year)			

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2021

(e)Independent Auditors

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

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements For the year ended 30th June 2021

2. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

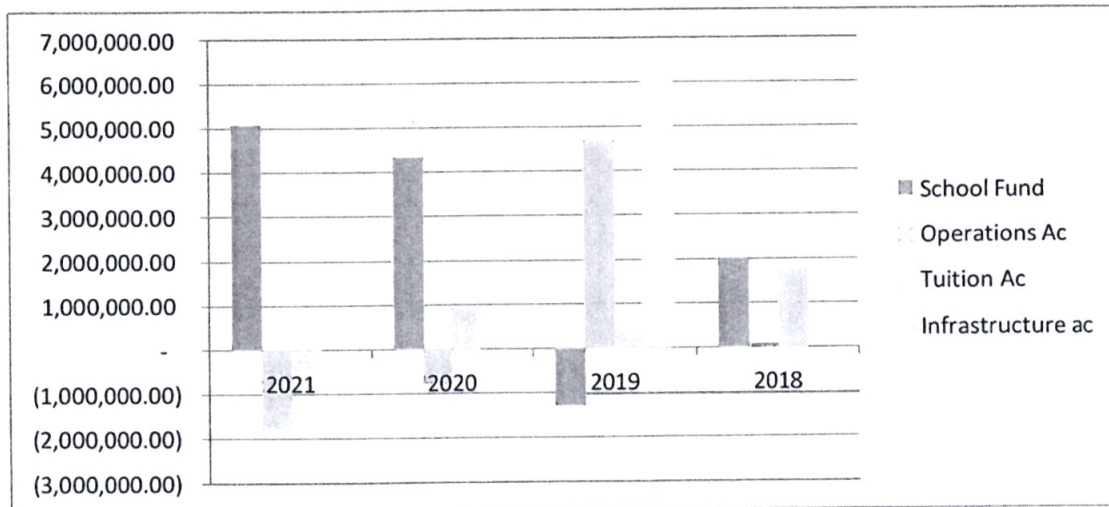
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last four years period between 1st January 2018 to 30th June 2021 which covers a period of 12 months and is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2021 Kshs.	2020 Kshs.	2019 Kshs.	2018 Kshs.
1	School Fund Account	5,083,542.00	4,328,353.00	-1,294,751.16	2,018,395.20
2	Operations Account	(1,776,929.00)	(762,868.00)	4,701,006.50	76,405.00
3	Tuition Account	(427,810.00)	906,454.00	443,316.90	1,742,953.00
4	Infrastructure Account				
	TOTAL	2,878,803.00	4,471,933.00	3,849,572.40	3,837,753.20

Trend Over the Last Three Years

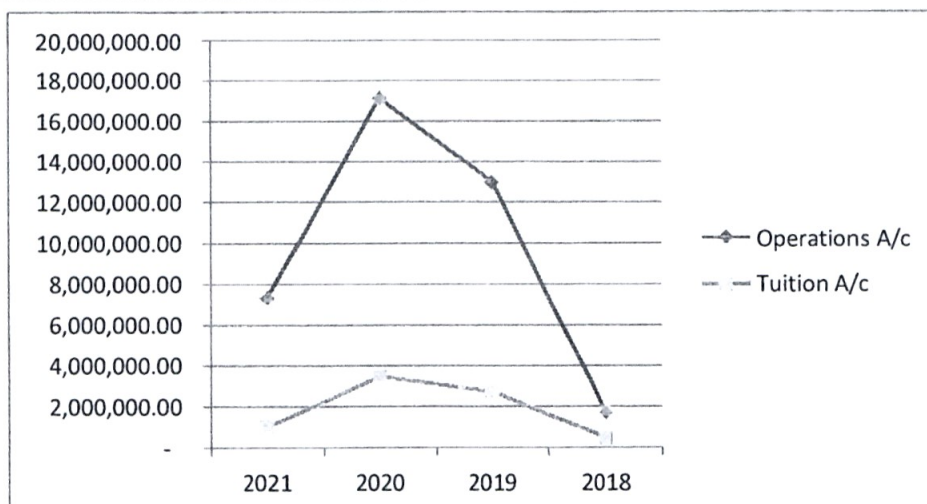
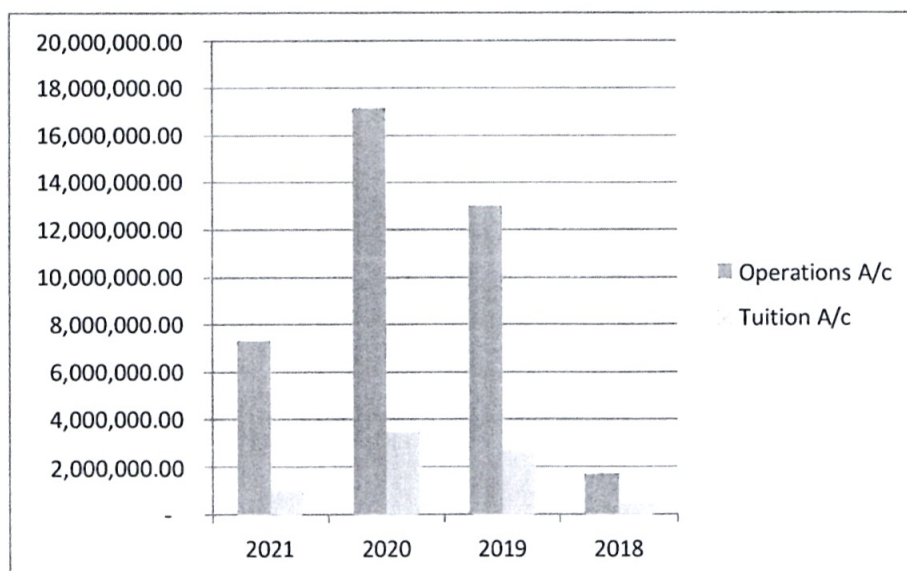


**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2021**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	7,319,119.00	17,146,140.00	13,016,529.00	1,691,468.00
2	Tuition Account	1,023,241.00	3,468,285.00	2,742,807.10	463,000.00
	Total	8,342,360.00	20,614,425.00	15,759,336.40	2,154,468.00
	Increase/Decrease	(12,272,065.00)	4,855,089.00	13,604,868.00	9,486,422.68
	No of Students	1,050	1,020	970	920
	Ratio of Capitation per student	1:11320.59	1:15235.60	1:22244	1:21534.91

Trend Over the Last Three Years

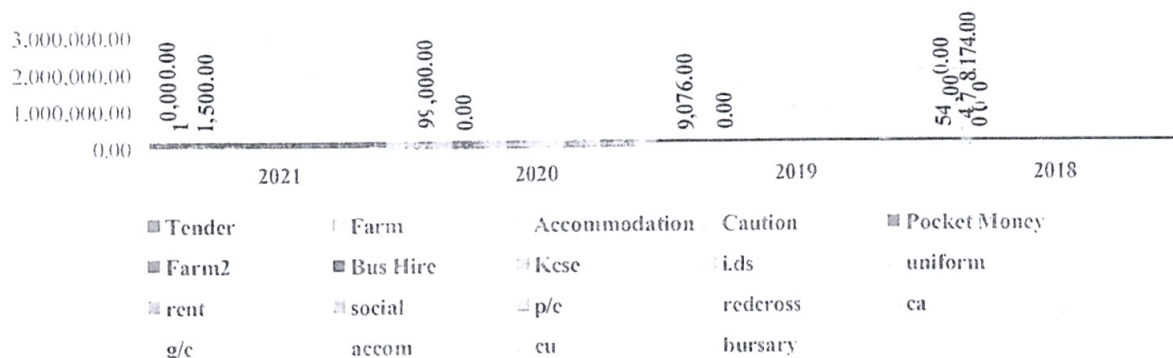


**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

OVERVIEW OF NET GROWTH OF OTHER INCOME(S) (Note 21)					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Caution	1,500.00			
2	Pocket Money	21,500.00			
3	Farm	3,200.00		244,893.00	204,989.00
4	Bus Hire	31,000.00	10,000.00		
	Kcse Examination	13,750.00	164,125.00		
	Students IDS	3,800.00	57,976.00	49,720.00	33,760.00
	Uniform		1,140,546.00		
	Rent	113,700.00	67,200.00		
	Tender	10,000.00	99,000.00	9,076.00	54,000.00
	Social welfare	60,000.00	155,500.00		
	Personal Effects				
	Red cross	4,260.00			
	C.A	6,200.00			
	Guidance	8,820.00			
	Accommodation			1,198,563.00	478,174.00
	CU	1,025.00	147,075.00		
	Bursary	2,241,882.00	1,895,393.00		
	Total	2,520,637.00	3,736,815.00	1,502,252.00	770,923.00
	Increase/Decrease	(1,216,178.00)	2,234,563.00	731,409.00	(741,947.00)

Trend Over the Last Three Years

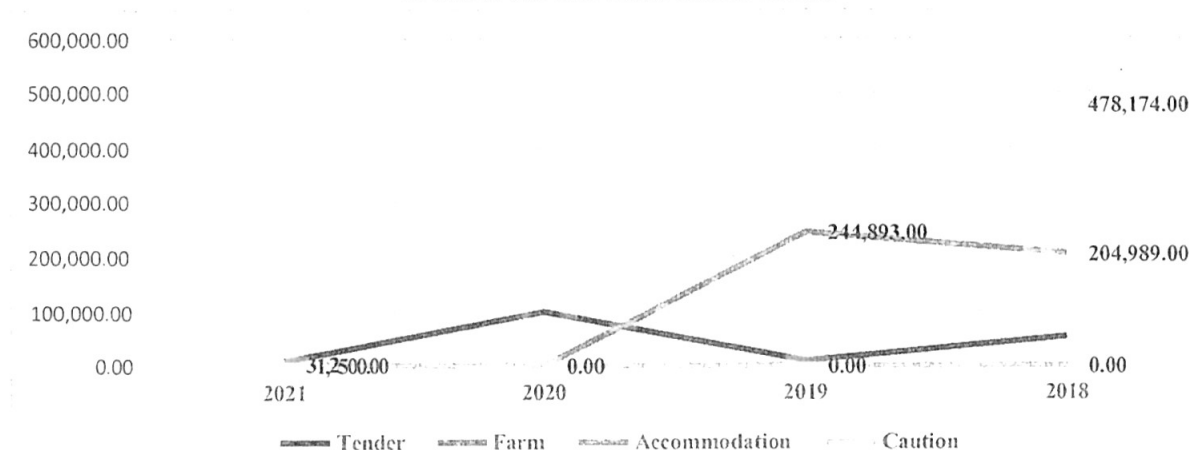


**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

Trend Over the Last Three Years



The other income generating activities for the financial year 2021 was Kshs, 2,520,637.00 as compared to Kshs. 3,736,815.00 in the financial year 2020 which represent an decrease of Kshs. (1,216,178.00)

Both financial years 2020 and 2021 were affected by the Covid-19 pandemic which hinders the accommodation of students from other schools whenever they have educational trips.

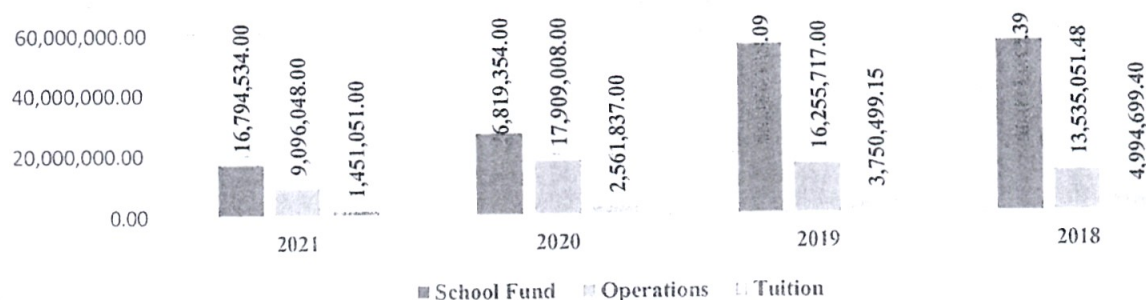
**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2021

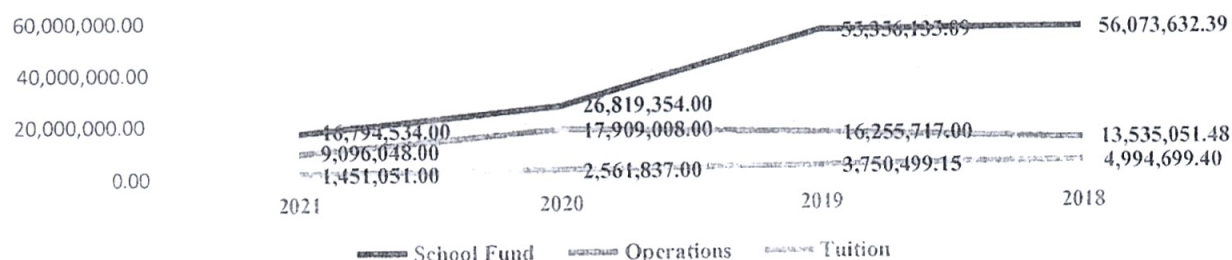
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	16,794,534.00	26,819,354.00	55,356,135.00	56,073,632.39
2	Operations Account	9,096,048.00	17,909,008.00	16,255,717.00	13,535,051.48
3	Tuition Account	1,451,051.00	2,561,837.00	3,750,499.00	4,994,699.40
	Total	27,341,633.00	47,290,199.00	75,362,351.24	74,603,383.27

Trend Over the Last Three Years



Trend Over the Last Three Years



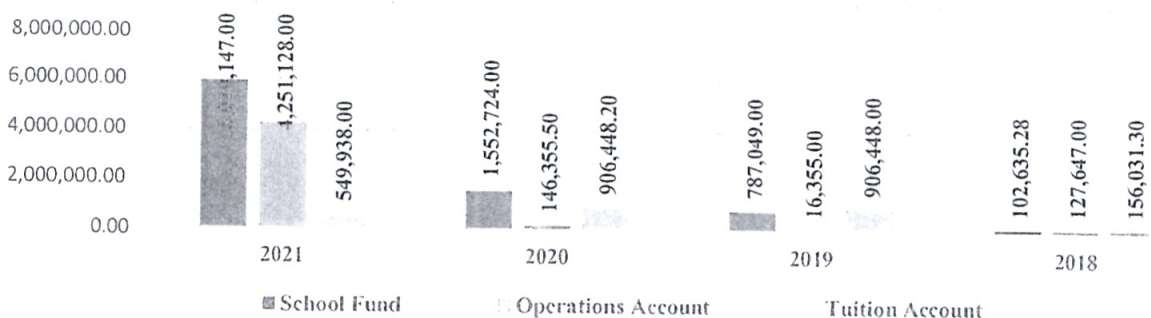
In financial year 2021 shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2021

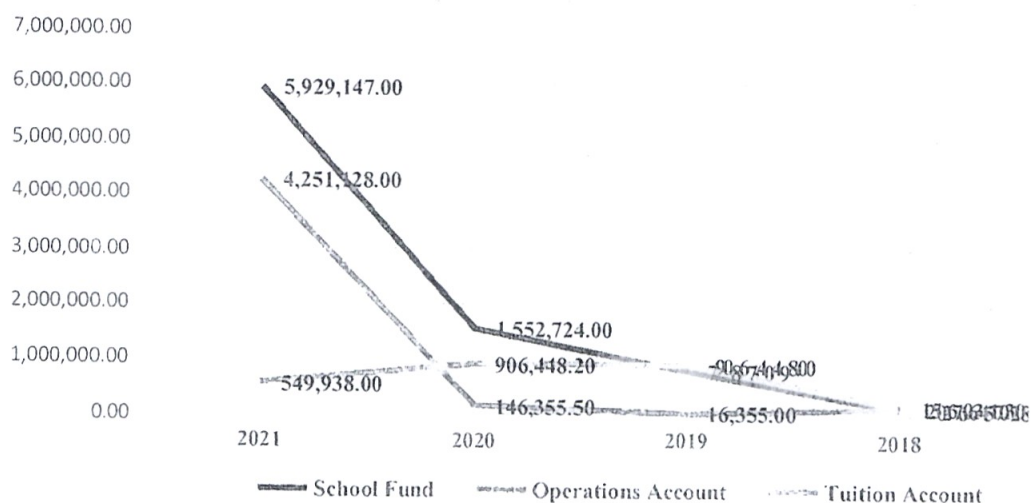
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS		KSHS	KSHS
1	School Fund Account	5,929,147.00	7,056,496.00	787,049.73	102,635.28
2	Operations Account	3,900,575.00	146,356.00	16,355.50	127,647.00
3	Tuition Account	549,938.00	906,488.00	906,448.20	156,031.30
	Total	10,730,214.00	8,109,340.00	1,709,853.00	386,313.58

Trend Over the Last Three Years



Trend Over the Last Three Years



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

b) Teacher Student ratio:

Between the month of January 2021 and June 2021, the status of the teaching staff is as follows:

There are 50 teachers posted by the Teachers Service Commission and 6 recruited by the Board of Management. We are grateful that 6 teachers have been posted to school. There was one who retired in January 2021. Although the teacher student ratio lies at 1: 22. We have a shortage of 6 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

c) Mean score in the year 2020, 2019 and 2018 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2020	215	7.409 3	133	61.86	8.2	5/13 subjects recorded positive improvement. While the school Mean Grade dropped by 0.3785 from previous year.
2019	199	7.356 8	128	64.32	8.2	10/13 subjects recorded positive improvement while the school mean grade improved by 0.781 from previous year
2018	199	6.575 8	101	51.01	8.2	The school mean grade improved by 0.0525 while the transition rate dropped by 2.46%

d) Number of Candidates in the year 2018, 2019, 2020 and 2022 KCSE:

2020	2019	2018
215	199	199

e) Capacity of the school:

No. of students	Dormitories	Dining hall	Laboratories	Toilets	Classes
1,092	10	1	4	52	20

f) Development projects carried out by the school

Project	Year	Status	Amount	Fund source
Nyokabi Dorm	2019-2020	Completed	8,105,737.00	Maintenance & Improvement
Kenyatta Dorm	2020	Completed	7,845,799.00	Maintenance & Improvement


.....
James Muriithi Gachungi
For Chairman
Board of Management


.....
Peter N. Kabui
Secretary,
Board of Management
/Snr Principal


.....
Alice Wanjiru Gicheru
Bursar

Date: 18/3/2026

Date: 18/3/2026

Date: 18/3/2026

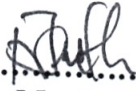
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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 that the Board of Management of a public institution of basic education keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.


.....
James Muriithi Gachungi
For Chairman
Board of Management


.....
Peter N. Kabui
Secretary,
Board of Management
/Snr Principal


.....
Alice Wanjiru Gicheru
Bursar

Date: 18/3/2026

Date: 18/3/2026

Date: 18/3/2026

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KARIMA BOYS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021- NYERI 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 Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying IPSAS financial statements of Karima Boys High School set out on pages 1 to 17, which comprise the statement of financial assets and financial liabilities as at 30 June, 2021, the statement of receipts and payments, statement of cash

flows and statement of budgeted versus actual amounts for the period 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the IPSAS financial statements do not present fairly, in all material respects, the financial position of Karima Boys High School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.11,080,767 as disclosed in Note 8, Note 9 and Note 10 to the financial statements. Included in the balance are eight (8) bank accounts with account balances Kshs.10,730,214. However, the bank balances were not supported by cash books, bank reconciliation statements and board of survey report.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.11,080,767 could not be confirmed.

2. Unsupported Receipts

The statement of receipts and payments reflects school fund income- parents' contributions and other receipts amounts of Kshs.19,357,440 and Kshs.2,520,637 as disclosed in Note 3 and Note 4 respectively to the financial statements. However, Management did not provide the supporting documents for audit as it was explained that the documents got destroyed during students strike.

In the circumstances, the regularity, accuracy and completeness of school fund parents' contributions and other receipts amounts of Kshs.19,357,440 and Kshs.2,520,637 could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflects total payments amount of Kshs.27,341,634 as disclosed in Note 5, Note 6 and Note 7 to the financial statements. However, payment vouchers and supporting documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments were not provided for audit. Management explained that the documents were destroyed during students strike.

In the circumstances, the regularity, accuracy and completeness of the total payments of Kshs.27,341,634 could not be confirmed.

4. Unsupported Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.14,544,831 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, the receivables balance was not supported with schedules, invoices and students account statements.

In the circumstances, accuracy, completeness and the existence of accounts receivable balance of Kshs.14,544,831 could not be confirmed.

5. Misstated Fund Balance Brought Forward

The statement of financial assets and financial liabilities reflect Kshs.17,738,844 in respect of fund balance brought. However, the corresponding Note 13 to the financial statements reflect Kshs.20,945,811 resulting in unreconciled variance of Kshs.3,206,967.

In the circumstances, the accuracy of the fund balance brought forward could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Karima Boys High 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.96,353,071 and Kshs.30,220,437 respectively, resulting in an under-funding of Kshs.66,132,634 or 69% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters

described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unaudited Comparative Balances

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

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xix which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statements 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 and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my Basis for Adverse Opinion, I confirm that the Other Information is materially inconsistent with the financial statements.

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, because of the significance of the matters discussed in the Basis for Adverse

Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The cover page of the financial statements presented for audit indicated that the report is annual report for the year ended 30 June 2021. However, audit review revealed that the financial statements were presented for a period of six months ending 30 June 2021. This was contrary to paragraphs 5.3 of the Guideline on the Implementation of International Public Sector Accounting Standards (IPSAS) for Public Secondary Schools in Kenya, dated 20 August 2021, which recommend that the reporting period presented be for an eighteen (18) month period;
- ii. In the Key School Information and Management section in page v, several subsections were incorrectly referenced;

In the circumstances, Management did not comply with the PSASB guidelines and reporting template.

2. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 26 February, 2026 instead of the statutory deadline of 30 September 2021/2022/2023/2024 (or 31 August, 2025 for 2024/2025 financial year). 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, 2021.

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

3. Long Outstanding Accounts Payable

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payable balance of Kshs.5,007,951. However, included in the balance are trade payables of Kshs.666,529 which had been outstanding for more one (1) year which could lead to risk of loss of public funds through litigations, interests and penalties. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function

The School Management had not constituted an internal audit unit as required by Section 73 of the Public Finance Management Act, 2012 which states that, "(1) every national government entity shall ensure that it complies with this Act and (a) has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board".

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

2. Long Outstanding Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.14,544,831 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance is accounts receivable balance of Kshs.11,831,975 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 receivable balance.

In the circumstances, the existence of effective mechanisms for debt management 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 Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash) 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.

The Board of Management 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

07 May, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	Kshs Jan - Jun 2021	Kshs Jan - Dec 2020
RECEIPTS		Kshs	Kshs
Capitation grants for tuition	1	1,023,241.00	3,468,285.00
Capitation grants for operations	2	7,319,119.00	17,146,140.00
School Fund Income- Parents' Contributions	3	19,357,440.00	27,410,892.00
School Fund Income- Other receipts	4	2,520,637.00	3,736,815.00
Proceeds from borrowings			
TOTAL RECEIPTS		30,220,437.00	51,762,132.00
PAYMENTS			
Payments for Tuition	5	1,451,051.00	2,561,831.00
Payments for operations	6	9,096,048.00	17,909,008.00
Boarding and school fund payments	7	16,794,535.00	26,819,354.00
TOTAL PAYMENTS		27,341,634.00	49,290,199.00
SURPLUS/DEFICIT		2,878,803.00	4,471,933.00

The school financial statements were approved on _____ 2026 and signed by:


James Muriithi Gachungi
For Chairman
Board of Management


Peter N. Kabui
Secretary,
Board of Management
/Snr Principal


Alice Wanjiru Gicheru
Bursar

Date: 18/3/2026

Date: 18/3/2026

Date: 18/3/2026

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

	Note	Jan -June 2021 Kshs	Jan-Dec 2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	10,730,214.00	8,109,340.00
Cash Balances	9	270,061.00	12,124.00
Short term Investment	10	80,492.00	80,492.00
Total Cash and cash equivalent		11,080,767.00	8,201,956.00
Account's receivables	11	14,544,831.00	12,643,120.00
TOTAL FINANCIAL ASSETS		25,625,598.00	20,845,076.00
FINANCIAL LIABILITIES			
Accounts Payables	12	(5,007,951.00)	(3,106,232.00)
NET FINANCIAL ASSETS	13	20,617,647.00	17,738,844.00
REPRESENTED BY			
Accumulated Fund b/fwd		17,738,844.00	13,266,911.00
Surplus/Deficit for the year		2,878,803.00	4,471,933.00
NET FINANCIAL POSSITION		20,617,647.00	17,738,844.00

The School's financial statements were approved on _____ 2026 and signed by:

.....
James Muriithi Gachungi
 For Chairman
 Board of Management

.....
Peter N. Kabui
 Secretary,
 Board of Management
 /Snr Principal

.....
Alice Wanjiru Gicheru
 Bursar

Date: 18/3/2026

Date: 18/3/2026

Date: 18/3/2026

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

		Jan – June 2021	Jan – Dec 2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,023,241.00	3,468,285.00
Capitation grants for operations	2	7,319,119.00	17,146,140.00
School fund income- Parents contributions/ fees	3	19,357,440.00	27,410,892.00
School fund income- other receipts	4	2,520,637.00	3,736,815.00
Total receipts		30,220,437.00	51,762,132.00
Payments			
Payments for Tuition	5	1,451,051.00	2,561,837.00
Payments for operations	6	9,096,048.00	17,909,008.00
Boarding and school fund payments	7	16,794,535.00	26,819,354.00
Total payments		27,341,633.00	47,290,199.00
Net cash flow from operating activities		2,878,803.00	4,471,933.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,878,803.00	4,471,933.00
Cash and cash equivalent at BEGINNING of the year		8,201,964.00	3,649,531.00
Cash and cash equivalent at END of the year		11,080,767.00	8,201,964.00

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

The School's financial statements were approved on _____ 2026 and signed by:


James Muriithi Gachungi
For Chairman
Board of Management


Peter N. Kabui
Secretary,
Board of Management
/Snr Principal


Alice Wanjiru Gicheru
Bursar

Date: 18/3/2026

Date: 18/3/2026

Date: 18/3/2026

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	2,400,000.00		2,400,000.00		1,376,759.00	
Exercise books	49,984.00		49,984.00		49,984.00	
Laboratory equipment	1,197,887.00		1,197,887.00		1,197,887.00	
Internal exams	688,488.00		688,488.00		688,488.00	
Teaching / learning materials	341,647.00		341,647.00		341,647.00	
Chalks	190,983.00		190,983.00		190,983.00	
Exams and assessment						
Teachers guides						
Total	4,868,989.00	-	4,868,989.00	1,023,241.00	3,845,748.00	21%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	6,635,500.00		6,635,500.00		6,635,500.00	
Repairs and maintenance	5,766,100.00		5,766,100.00		5,766,100.00	
Local transport / travelling	1,882,550.00		1,882,550.00		1,882,550.00	
Electricity and water	749,800.00		749,800.00		749,800.00	
Medical	2,306,900.00		2,306,900.00		2,306,900.00	
Administration costs	1,569,750.00		1,569,750.00		1,569,750.00	

KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the Year ended 30" June 2021

Activity	1,729,600.00		1,729,600.00		1,729,600.00	
Gratuity					-	
Total	20,640,200.00		20,640,200.00	7,319,119.00	13,321,081.00	35%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	11,770,250.00		11,770,250.00		11,770,250.00	
Repairs and maintenance	8,857,300.00		8,857,300.00		8,857,300.00	
Local transport / travelling	3,394,800.00		3,394,800.00		3,394,800.00	
Electricity and water	5,681,000.00		5,681,000.00		5,681,000.00	
Medical					-	
Administration costs	4,886,350.00		4,886,350.00		4,886,350.00	
Activity	1,911,300.00		1,911,300.00		1,911,300.00	
SMASSE						
Fee on Boarding Equipment and Stores	28,955,032.00		28,955,032.00		28,955,032.00	
Total	65,456,032.00	-	65,456,032.00	19,357,440.00	46,098,592.00	30%
OTHER INCOME						
Rent income					-	
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	5,387,850.00		5,387,850.00	2,520,637.00	93,832,434.00	47%
TOTAL INCOME	96,353,071.00	-	96,353,071.00	30,220,437.00	66,132,634.00	31%

KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	1,449,984.00		1,449,984.00		1,449,984.00	
Exercise books	1,197,887.00		1,197,887.00		1,197,887.00	
Laboratory equipment	1,688,488.00		1,688,488.00		1,688,488.00	
Internal exams	341,647.00		341,647.00		341,647.00	
Teaching / learning materials	190,983.00		190,983.00		190,983.00	
Chalks					-	
Exams and assessment					-	
Teachers guides					-	
Administration costs					-	
Bank Charges						
TOTAL	4,868,989.00		4,868,989.00	1,451,051.00	3,417,938.00	30%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	6,635,500.00		6,635,500.00		6,635,500.00	
Repairs, maintenance & improvements	5,766,100.00		5,766,100.00		5,766,100.00	
Local transport / travelling	1,882,550.00		1,882,550.00		1,882,550.00	
Electricity, water and conservancy	749,800.00		749,800.00		749,800.00	
Medical	2,306,900.00		2,306,900.00		2,306,900.00	
Administration costs						

KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

	1,569,750.00		1,569,750.00		1,569,750.00	
Activity Expenses	1,729,600.00		1,729,600.00		1,729,600.00	
Gratuity					-	
Total	20,640,200.00	-	20,640,200.00	9,096,048.00	11,544,152.00	44%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	8,857,300.00		8,857,300.00		8,857,300.00	
Repairs, maintenance and improvements	3,394,800.00		3,394,800.00		3,394,800.00	
Local transport / travelling	5,681,000.00		5,681,000.00		5,681,000.00	
Electricity, water and conservancy					-	
Medical Expenses	4,886,350.00		4,886,350.00		4,886,350.00	
Administration costs	1,911,300.00		1,911,300.00		1,911,300.00	
Activity					-	
Gratuity					-	
Lunch programme	28,955,032.00		28,955,032.00		28,955,032.00	
Boarding Equipment and Stores	11,770,250.00		11,770,250.00		11,770,250.00	
Expenditure for Income Generating Activity					-	
Insurance costs					-	
Total	65,387,850.00		65,387,850.00	16,794,535.00	48,593,315.00	26%
TOTALS	90,897,039.00	-	90,897,039.00	27,341,634.00	63,555,405.00	30%

Year ended 30th June 2021

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2021

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 2021.

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Textbooks and reference materials	0	190,044.47
Exercise books	0	668,765.00
Laboratory equipment	0	307,302.61
Internal exams	0	417,975.83
Teaching / learning materials	1,023,241.25	222,848.00
Chalks	0	5,000.00
Exams and assessment	0	1,656,349.00
Teachers guides	0	
Total	1,023,241.00	3,468,285.20

2 CAPITATION GRANT FOR OPERATIONS

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Personnel emoluments	0	4,901,462.40
Repairs and maintenance	3,226,500.00	10,225,500.00
Local transport / travelling	0	542,529.20
Electricity and water	0	542,529.20
Other Vote heads	4,092,619.10	
Administration costs	0	542,529.20
Activity	0	391,600.00
Total	7,319,119.00	17,146,140.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Personnel emoluments	751,558.00	1,766,369.00
Repairs and maintenance	2,188,160.00	1,106,203.00
Local transport / travelling	360,739.00	400,269.00
Electricity and water	1,120,121.00	2,634,865.00
Boarding, Equipment & Stores	11,150,116.00	20,356,495.00
Administration costs	1,339,350.00	1,083,948.00
Activity	74,255.00	62,743.00
Refundable fees	2,899.00	
Curriculum support	4000.00	
Development	1935.00	
Prepayments	1,758,165.00	
Uniform	76858.00	
Arrears	529,284.00	

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2021

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Total	19,357,440.00	27,410,892.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Cautious	1,500.00	
Pocket Money	21,500.00	
Farm	3,200.00	
Bus Hire	31,000.00	10,000.00
Examination KCSE	13,750.00	164,125.00
Student ID	3,800.00	57,976.00
Uniform		1,140,546.00
Rent	113,700.00	67,200.00
Tender	10,000.00	99,000.00
Social Welfare	60,000.00	
Personal effects		155,500.00
Red cross	4,260.00	
C.A	6,200.00	
GNC	8,820.00	
Journalism		
C.U	1,025.00	147,075.00
Bursary	2,241,882.00	1,895,393.00
Total	2,520,637.00	3,736,815.00

This includes Students pocket money paid together with fees, milk sold during holiday, bus hiring, KSCE registration for repeaters, students IDS, rent collection, Tender sales, students welfare collections, Bursary donated and clubs collections.

5 PAYMENTS FOR TUITION

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		747,060.00
Laboratory equipment	263,550.00	509,665.00
Internal exams		448,900.00
Teaching / learning materials	1,161,101.00	779,982.00
Chalks		

**KARIMA BOYS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements For the year ended 30th June 2021

Exams and assessment		
Teachers guides		
Administration Costs		34,200.00
Bank Charges		
Main account	26,400.00	42,030.00
Total	1,451,051.00	2,561,837.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Personnel emoluments	2,112,688.00	5,754,237.00
Service Gratuity		
Administration Cost	379,411.00	596,030.00
Repairs and maintenance & improvements		9,386,294.00
Local transport / travelling	233,520.00	1,215,397.00
Electricity and water	970,830.00	428,390
Medical		
Activity Expenses		528,660.00
SMASSE		
Insurance Cost		
Bank Charges		
Infrastructure fund	5,016,938.00	
Tuition A/C		
Statutory Deductions	382,661.00	
Acquisition of Assets		
TOTAL	9,096,048.00	17,909,008.00

7 BOARDING AND SCHOOL FUND PAYMENTS

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Boarding, Equipment & Stores	9,289,324.00	18,746,004.00
Service Gratuity		
Repairs and maintenance & Improvements	229,490.00	753,085.00
Local transport / travelling	215,350.00	596,298.00
Electricity and water	513,934.00	1,313,390.00
Medical Expenses		
Administration costs	2,326,228.00	1,605,207.00
Lunch Programme		
Activity	54,700.00	1,048,599.00
Bank Charges		
Personal emoluments	1,367,644.00	1,718,891.00

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Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores		
Expenses on KCSE preparation	118,600.00	42,100.00
Social Welfare	148,000.00	
Uniform for repeaters	130,400.00	867,150.00
clubs	42,672.00	43,920.00
Tender	28,000.00	84,710.00
School Farm	35,810.00	
Prepayment	25,900.00	
Arrears	26,600.00	
Bursary	2,241,882.00	
Total	16,794,535.00	26,819,354.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	Jan to June 2021	Jan – Dec 2020
		Kshs	Kshs
Co-operative Bank	1148509767600	3,513,624.00	3,494,252.00
KCB	1101527838	722,090.01	1,956,669.00
Equity	80294008210	1,141,193.35	292,645.35
KCB	1101563133	2,387,863.00	146,355.50
ABSA Bank Ltd	531018680	223,632.10	585,133.10
KCB	1101533749	549,938.45	906,488.20
KCB	1233556339	1,863,265.00	
KCB	1103222740	328,607.85	727,798.85
Total		10,730,214.76	8,109,342.00

9 CASH IN HAND

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Tuition Account		
Operation Account		
School Fund account	270,061.28	12,124.00
Total	270,061.28	12,124.00

KARIMA BOYS' HIGH SCHOOL
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10 SHORT TERM INVESTMENTS

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Equity ESA	24,185.00	24,185.00
Equity CDF	697.00	697.00
Taifa	55,610.60	55,610.60
Total	80,492.60	80,492.95

**KARIMA BOYS' HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Fees arrears	14,544,831.40	12,643,120.40
Other non-fees receivables		
Salary advances		
Imprest		
Total	14,544,831.40	12,643,120.40

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

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Fees arrears for current year	1,045,880.00	1,109,187.00
Fees arrears for the previous year	1,241,348.00	1,500,788.00
Fees arrears for prior periods (over two years)	11,831,975.40	9,998,345.00
Rent and other debtors	425,628.00	34 ,800.00
Total	14,544,831.40	12,643,120.40

12 ACCOUNTS PAYABLE

2020-2021	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,281,939.00	2,345,301.00
Prepaid fees	1,726,012.00	760,931.00
Retention monies		
Total	5,007,951.00	3,106,232.00

[Included an ageing of the creditor's and arrears below]

Description	Jan to June 2021	Jan – Dec 2020
	Kshs	Kshs
Trade creditors for current year	2,615,410.00	2,345,301.00
Trade creditors for the previous year	666,529.00	
Trade creditors for prior periods (over two years)		
Total	3,281,939.00	2,345,301.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	Jan to June 2021	Jan -Dec 2020	Jan-Dec 2019
	Kshs	Kshs	Kshs
Bank balances	10,730,213.76	8,109,340.00	3,636,659.00
Cash balances	270,061.28	12,124.28	12,872.00
Short Term Investments	408,656.00	80,492.00	71,652.00
Receivables	14,544,831.40	12,651,960.40	12,193,863.00
Payables	(5,007,951.00)	(3,106,232.00)	(2,656,983.00)
Total	20,945,811.00	17,739,286.00	13,258,063.00

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 Biological assets

Description	Numbers	2020-2021	Jan – Dec 2020
		Kshs	Kshs
Cattle	5	280,000.00	280,000.00
Goats			
Trees	389@3,000	1,167,000.00	1,167,000.00
Coffee or tea plantation			
Poultry			
Total		1,447,000.00	1,447,000.00

15 Borrowings

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

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Other important disclosure notes

16 Stock/ Inventory

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

17 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)

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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 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30 th June 2021
Land 1						
Land 2						
Buildings and structures			162,000,000.00			
Motor vehicles			5,700,000.00			
Office equipment, furniture and fittings			33,682,500.00			
ICT Equipment, and Other ICT Assets			3,584,000.00			
Tools and apparatus						
Generator			1,500,000.00			
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total			206,466,500.00			

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Annex 1 – Analysis of Pending Accounts Payable

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

S/ No.	Supplier of Goods or Services	Original Amount	Date contracted from	Amount paid to date	Outstanding Balance as at 30/06/2021	Comment
		Kshs.	Kshs.	Kshs.	Kshs.	
		a	b	c	d=a-c	
1	Country Side Cons. Logistics				54,935.00	
2	Daniel Kiama				75,529.00	
3	Silas Ndirangu				25,000.00	
4	Kenblest Processors Ltd.				570,000.00	
5	Nettag Solutions				355,100.00	
6	Kihonge Enterprises				188,585.00	
7	Michael K. Gatheo				195,680.00	
8	Eleaon Merchants				133,000.00	
9	Heeh Tuo Septics				134,560.00	
10	Bethel One Septics				120,000.00	
11	Mary Wambui Njake				144,600.00	
12	Stephen Gichuki				145,000.00	
13	Zynelle Kenya Ltd.				132,000.00	
14	John Macharia Kihumba				170,000.00	
15	Jokings Traders				122,500.00	
16	James Wachira Theuri				61,500.00	
17	Hilda Muthoni				18,780.00	
18	Othaya Central Supplies				359,950.00	
19	Julius Makara				50,220.00	
20	Joseph Muribi				55,700.00	
21	Joseph Muribi				103,000.00	
22	John Mwangi Nyanja				66,300.00	
	TOTAL				3,281,939.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

S/ No	Asset Class	Date Purchased	Historical Cost b/f	Historical Cost c/f
1	Land	Balance b/f 01/01/2021		
2	Buildings and Structure	Balance b/f 01/01/2021		
3	Motor vehicles	Balance b/f 01/01/2021		
4	Office Equipment, furniture and fittings	Balance b/f 01/01/2021		
5	ICT equipment and Other ICT Assets	Balance b/f 01/01/2021		Valuation on going
6	Tools and Apparatus	Balance b/f 01/01/2021		
7	Textbooks	Balance b/f 01/01/2021		
8	Other Machinery and Equipment	Balance b/f 01/01/2021		
9	Intangible assets - software	Balance b/f 01/01/2021		
	Total			