

REPUBLIC OF KENYA



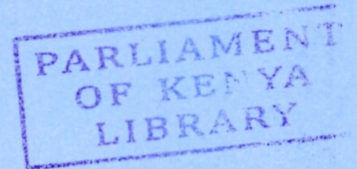
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	DAY: WEDNESDAY
TABLED BY:	HON. DWEN BAYA, M.P.
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU

REPORT

OF

THE AUDITOR-GENERAL

ON



KAAGA BOYS SECONDARY SCHOOL

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

MERU COUNTY

Revised 30th June 2021



KAAGA BOYS SECONDARY 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)**

**KAAGA BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
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**KAAGA BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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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 Meru County, Imenti North Sub-County.

The school was registered in 29/3/2017 under registration number 12S30000835 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a purely boys boarding school and had 1054 number of students as at 30th June 2021. It has 5 streams and 69 teachers of which 5 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	Silas Murithi Kinoti	BOM Chairman	27/3/2019
2	Stephen M. Wainaina	BOM Secretary - Principal	27/3/2019
3	Ignatius Muchoma	PA chairman / Member	27/3/2019
4	Janet Kimathi	Member	27/3/2019
5	John Kaburu	Member	27/3/2019
6	George Gitari	Member	27/3/2019
7	Ashford Kimathi	Member	27/3/2019
8	Manasses Kariuki	Member	27/3/2019
9	Dr. Erastus Mwenda Kirima	Member – Rep CEB	27/3/2019
10	George Muriira	Member Rep Teachers	27/3/2019
11	Silas Kinoti	Members - Sponsor	27/3/2019
12	Phineas Kiunga	Members - Sponsor	27/3/2019
13	Ms Fridah Ikiara	Members - Sponsor	27/3/2019
14	Mrs Janet Kimathi	Member - Community	27/3/2019
15	George Muraa	Member - Community	27/3/2019
16	Joshua Kiumbe	Member - Community	27/3/2019
17	Eva Nkirote Murithi	Member - Community	27/3/2019
18	John Kaburu	Member - Community	27/3/2019
19	Margaret Kajuju	Member Special Needs	27/3/2019
20	Nicholas Karani	Rep Students	27/3/2019

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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	Janet Kimathi Silas Kinoti Phineas Kiunga George Muraa Ignatius Muchoma Stephen Wainaina Mputhia G	Member Chairman Member Member PA Chairman/Member Principal/Secretary Ag. D/Principal	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
2	Audit Committee	Janet Kimathi Silas Kinoti Phineas Kiunga George Muraa Ignatius Muchoma Stephen Wainaina Mputhia G	Member Chairman Member Member PA Chairman/Member Principal/Secretary Ag. D/Principal	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	Eng Ashford Kimathi Stephen Wainaina Mputhia Geoffrey Ignatius Muchomba Joshua Kiumbe	Chairman Principal/Secretary Ag. D/Principal PA Chairman/Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Dr. Erastus Mwenda Stephen Wainaina Eng. Ashford Kimathi Manases Kariuki Maryjoy Kaimuri	Chairman Principal/Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

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5	Development Committee	Eng. Ashford Kimathi Stephen Wainaina Geoffrey Mputhia Joshua Kiumbe Dr. Eustace Mwenda	Chairman Principal/Secretary Ag. D/Principal Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
6	Discipline and welfare Committee	Ignatius Muchomba Stephen Wainaina Geoffrey Mputhia	PA Chairman/Member Principal/Secretary Ag. D/Principal	2 out of 2 2 out of 2 2 out of 2
7	Other Ad hoc committees (if any during the year)			
	(i) Tender Opening committee	Mputhia Geoffrey Francis Njue Zachary Kiambi Kinyua Mbaya Festus Kithinji	Chairman Vice Chairman Bursar Teacher Teacher	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
	(ii) Tender Evaluation committee	Mputhia Geoffrey Francis Njue Zachary Kiambi Hosea Kathunkumi	Chairman Vice Chairman Bursar Stores	1 out of 1 1 out of 1 1 out of 1 1 out of 1
	(iii) Tender Award committees	Mputhia Geoffrey Francis Njue Zachary Kiambi Sarah Mutea Cecilia Kiara Paul Mutabari Peter Igweta	Chairman Vice Chairman Bursar HOD Curriculum HOD Humanities HOD Technical HOD Boarding	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

(d) School operation Management

For the financial year ended 30th June 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Stephen M Wainaina	347878
2	Deputy Principal	Francis Murage Njue	387824
3	School Bursar	Zachary Kiambi	ID NO.13553596

(e) Schools contacts

Post Office Box: 278-60200 MERU
Telephone: 0742-608-479
E-mail: kaagaboysch@yahoo.com
Website: www.kaagaboys.sc.ke
Facebook: N/A
Twitter: N/A

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(f) School Bankers

The School operated 6 bank accounts in the following banks accounts and one MPESA paybill.

1. Name of Bank: Co-operative Bank
 Branch: Makutano Branch Meru - School Fund Account
 Account Number: 01129075188400
2. Name of Bank: Co-operative Bank
 Branch: Makutano Branch Meru - Tuition Account
 Account Number: 01139075188400
3. Name of Bank: Co-operative Bank
 Branch: Makutano Branch Meru - Operations Account
 Account Number: 01139075188401
4. Name of Bank: Co-operative Bank
 Branch: Makutano Branch Meru - Savings Account
 Account Number: 01100075188400
5. Name of Bank: Co-operative Bank
 Branch: Makutano Branch Meru - CDF Account
 Account Number: 01139075188402
6. Name of Bank: Co-operative Bank
 Branch: Makutano Branch Meru - Infrastructure Account
 Account Number: 01139075188403
7. MPESA Pay Bill No. 853228 attached to School Fund bank account at Co-operative Bank

(g) Independent Auditors

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

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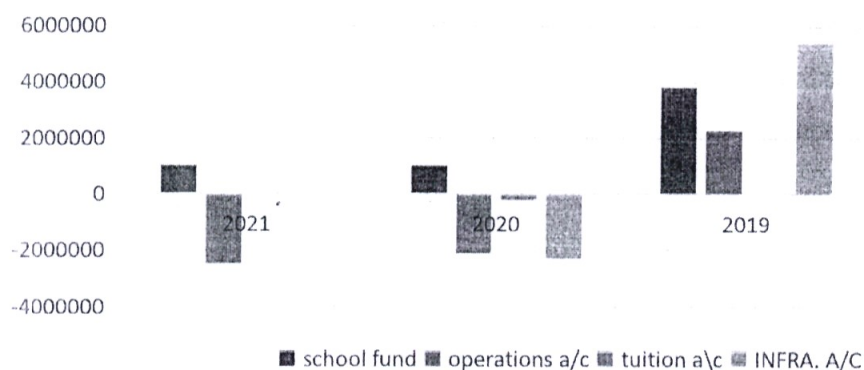
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

(I) Surplus/Deficit for the year and a comparison of the same for the last 3 years

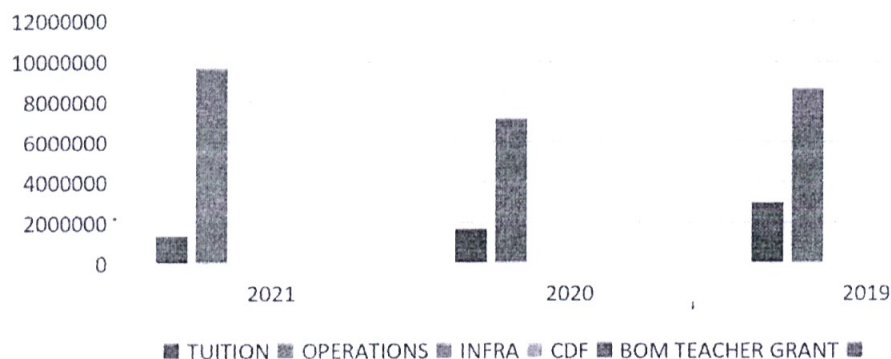
COMPARISON OF SURPLUS/DEFICIT



YEAR	SCHOOL FUND	OPERATIONS ACCOUNT	TUITION ACCOUNT	INFRASTRUCTURE ACCOUNT	TOTALS
2021	1,011,279.00	(2,475,062.00)	19,237.00		(1,444,546.00)
2020	1,004,946	(2,120,164)	(215,175)	(2,292,712)	(3,623,105.00)
2019	3,823,792	2,282,151	409,032	5,432,670	11,540,208.00

II) Capitation grants from the ministry for the last three years

CAPITATION GRANTS



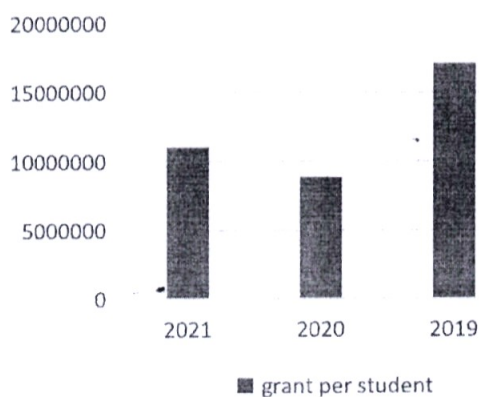
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YEAR	TUITION	OPERATION	INFRA.	CDF	BOM TEACHER GRANT
2021	1,375,371.00	9,679,050.00	0.00	0.00	0.00
2020	1,700,800.00	7,160,675.00	0.00	0.00	0.00
2019	2,989,861.00	8,678,597.00	0.00	0.00	0.00

III) RATIO OF CAPITATION GRANT PER STUDENT OVER THE LAST THREE YEARS

YEAR	CAPITATION GRANTS	NO. OF STUDENTS	RATIO OF CAPITATION PER STUDENT
2021	11,054,421.00	1054	1:10488
2020	8,861,475.00	1000	1:8861
2019	17,128,458.00	810	1:21466

grant per student

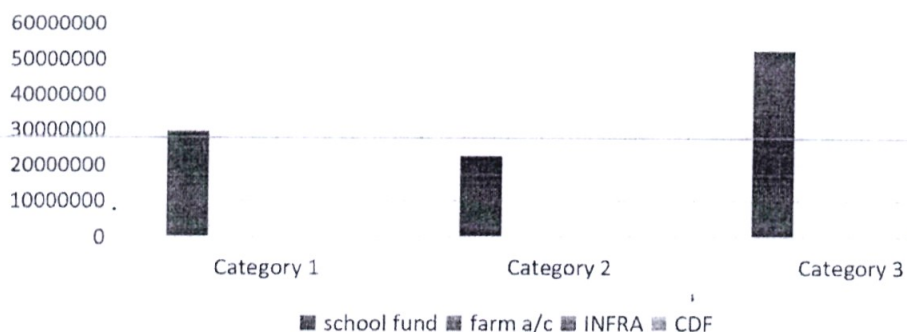


IV) A THREE YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL

YEAR	SCHOOL FUND	FARM A/C	INFRASTRUCTURE	CDF ACCOUNT
2021	29,744,827.00	0.00	0.00	0.00
2020	22,673,767.00	0.00	0.00	0.00
2019	45,719,455.00	0.00	0.00	1,000,000.00

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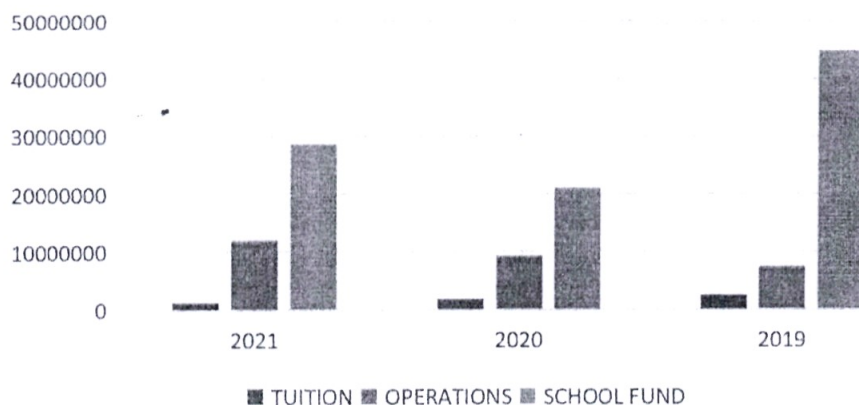
THREE YEAR OVERVIEW OF INCOME



V.) A THREE YEAR OVERVIEW OF GROWTH OF EXPENDITURE OF THE SCHOOL

YEAR	TUITION	OPERATIONS	SCHOOLFUND	TOTALS
2021	1,356,134.00	12,154,112.00	28,733,548.00	42,243,794.00
2020	1,915,975.00	9,280,839.00	21,041,960.00	32,238,774.00
2019	2,580,829.00	7,423,776.00	44,792,894.00	54,797,499.00

THREE YEAR OVERVIEW OF EXP



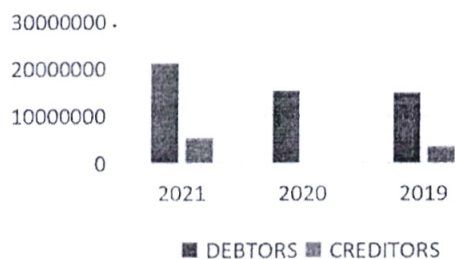
VI. MOVEMENT OF DEBTORS AND CREDITORS FOR THE LAST THREE YEARS

YEAR	DEBTORS	CREDITORS
2021	21,177,695.00	5,456,669.00

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2020	15,317,455.00	201,305.00
2019	13,120,138.00	331,323.00

**MOVEMENT OF DEBTORS
& CREDITORS**



VII) MOVEMENT OF CASH AND BANK BALANCES FOR THE LAST 3 YEARS

YEAR	CASH	BANK
2021	68,974.00	7,755,176.00
2020	8,776.00	9,864,706.00
2019	2,350.00	12,901,544.00

MOVEMENT OF CASH & BANK BALANCE



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b) Teacher Student ratio:

- Teacher to student ratio 1:15
- Teachers recruited 7 and posted to the school within the year 7.
- Number of teachers that were transferred 3 retired 2 during the period.
- Teachers employed by TSC 64 and BOM 5
- Teachers per subject in order to indicate shortage 1:31/ allocation of resources.

Subject	Number of teachers per subject	Shortage
Mathematics	9	2
English	6	2
Kiswahili	4	2
Chemistry	9	1
Biology	8	
Physics	2	1
Geography	10	
History	10	1
Christian Religious Ed.	4	1
Business Studies	3	
Agriculture	3	
Computer		1
French	1	

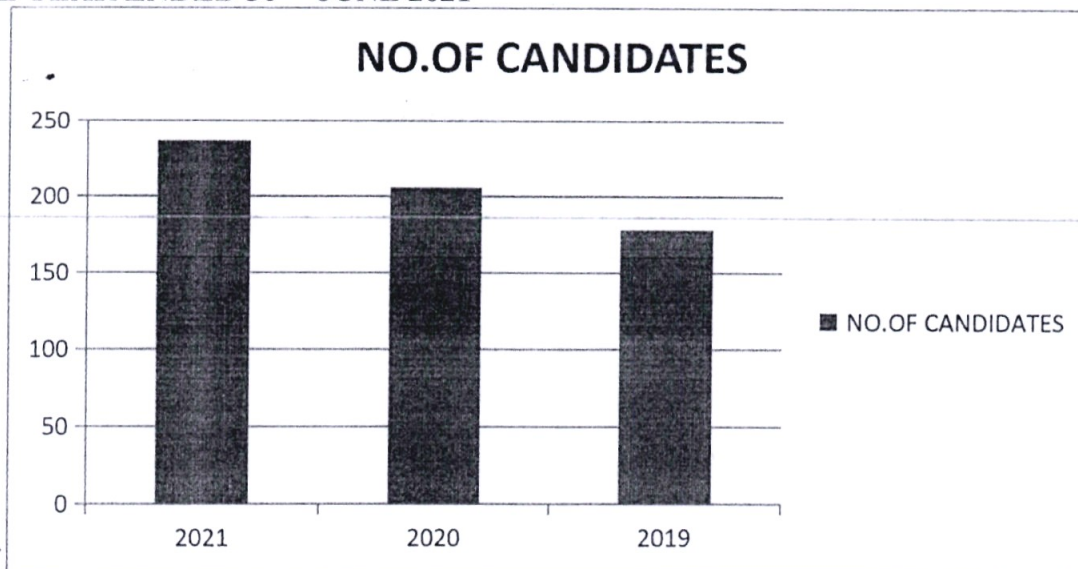
(C) Mean score in the 2018-2020 KCSE

Year	Number of Students	Mean Score	Target	No. of students who transitioned to institution of higher learning	Deviation
2018	181	5.4751	8.0	49	-1.0419
2019	178	6.9157	8.0	102	+1.0843
2020	206	7.47573	8.0	146	+0.56003

(D) NO. OF CANDIDATES WHO SAT FOR KCSE OVER THE LAST 3 YEARS

Year	Number of candidates
2018	181
2019	178
2020	206

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(e) Capacity of the school

Number of students in the school = 1054

FACILITY	NO AVAILABLE	REQUIRED	SHORTAGE
Classrooms	21	25	4
Laboratory	3	6	3
Dining Hall	1	2	1
Dormitories	8	10	2
Toilets	63	85	22

f) Development projects carried out by the school:

Project Name	Source of Fund	Status	Initial cost in Ksh.	Amount spent	Expected Completion Date
Storey Dormitory	CDF MOE PA Development	On going	25,974,140/-	24,587,816/-	31 st December 2022

 **KAAGA BOYS HIGH SCHOOL**
PRINCIPAL / SECRETARY B.O.M
Sign:..... Date:.....
15th April 2026

S. M. Wainaina

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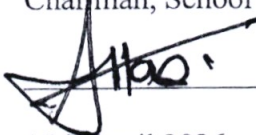
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

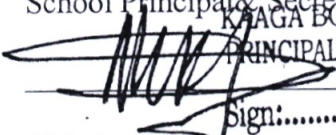
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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

The Board of Management of Kaaga Boys 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, 2021, and of the school's financial position as at that date.

Name: Silas Kinoti Murithi
Designation: Chairman, School Board of Management
KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M
Sign:  **Sign:**..... **Date:**.....
Date: 15th April 2026

Name: S. M. Wainaina
Designation: School Principal & Secretary to Board of Management
KAAGA BOYS HIGH SCHOOL
PRINCIPAL / SECRETARY B.O.M
Sign:  **Sign:**..... **Date:**.....
Date: 15th April 2026

Name: Zachary Kiambi
Designation: Bursar/ Finance Officer
Sign: _____
Date: 15th April 2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 KAAGA BOYS SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – MERU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kaaga Boys Secondary School set out on pages 14 to 38, which comprise of the statement of assets and liabilities as at

30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months period 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 Kaaga Boys Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the six (6) months period ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Bank Balances

The statement of financial assets and financial liabilities reflects a cash and cash equivalent balance of Kshs.7,824,150 which includes bank balances amounting to Kshs.7,755,176. However, the balance was not supported with bank reconciliation statements and certificates of bank balances. Further, the balance was not supported with a Board of Survey report as at 30 June, 2021.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.7,755,176 could not be confirmed.

2. Variance in the Operations Account

The statement of receipts and payments reflects operations grants amount of Kshs.9,679,050 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. However, the School records availed revealed that operations accounts received an amount of Kshs.12,981,984 resulting to a variance of Kshs.3,302,934 which was not explained.

In the circumstances, the accuracy of the operational grants of Kshs.9,679,050 could not be confirmed.

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

Emphasis of Matter

1. Material Uncertainty Related to Going Concern

The statement of receipts and payments reflects a deficit of Kshs.1,444,546 increasing the accumulated deficit as at 30 June, 2021 to a balance of Kshs.2,147,623 from Kshs.703,077 reported in the previous year. However, Management has not made a disclosure of this material uncertainty relating to the going concern.

In the circumstances, the School's ability to continue as a going concern and the ability to pay debts as and when they fall due could not be confirmed.

2. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.23,360,111 and Kshs.29,744,817 respectively, resulting in an overfunding of Kshs.6,384,706 or 27% of the budget. However, the School spent an amount of Kshs.28,824,548 against actual receipts amounting to Kshs.29,744,817 resulting in an under-utilization of Kshs.920,269 or 3% of actual receipts.

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

My Opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unaudited Opening Balances

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances as at 1 July, 2020 were based on unaudited figures. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

Other Information

The Management are responsible for the Other Information set out on page (iii) to (xiv) which comprises of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The Public Sector Accounting Standards Board Guidelines on Implementation of International Public Sector Accounting Standards by Secondary Schools in Kenya of 20 August, 2021, requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing the financial statements for longer period is due to the adoption of IPSAS for schools and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only six months for financial year 2020/2021 with no comparative balances.

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to Government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did comply with the Public Sector Accounting Standard Board reporting template.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.28,733,548 which as disclosed in Note 7 to the financial statements includes an amount of Kshs.200,000 that was transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.200,000 could not be confirmed.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.9,679,050 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.4,607,500 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, nothing was transferred to infrastructure account. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the law

4. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.21,177,695 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance is accounts receivables balance of Kshs.15,079,528 which had been outstanding for more than 1 year. However, there was no ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

This was contrary to Regulation 83(1) and (2)(g) of the Public Finance Management (National Government) Regulations, 2015 which states that the National Government entity shall be responsible for establishing sound cash management systems, procedures and processes, to ensure efficient and effective banking and cash management practices. Guiding principles for cash management; and for purposes of this regulation, sound cash management includes - pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the Government are collected and banked promptly.

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

5. Failure to Establish a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications such as licenses from the Kenya Institute of Supplies Management.

In the circumstances, Management was in breach of procurement regulations.

6. Failure to Register as a Withholding Tax Agent

It was noted that the School had not been registered as a withholding tax agent with the Kenya Revenue Authority despite making payments to suppliers and service providers during the year under review.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI 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

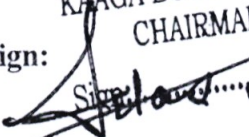
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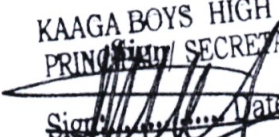
**KAAGA BOYS SECONDARY SCHOOL
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOUCHER HEAD	No.	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,375,371.00	1,700,800.00
Capitation grants for operations	2	9,679,050.00	7,160,675.00
School Fund Income- Parents' Contributions	3	9,124,021.00	6,358,277.00
School Fund Income- Other receipts	4	20,620,806.00	16,315,490.00
TOTAL RECEIPTS		40,799,248.00	31,535,242.00
PAYMENTS			
Payments for Tuition	5	1,356,134.00	1,915,975.00
Payments for operations	6	12,154,112.00	9,280,839.00
Boarding and school fund payments	7	28,733,548.00	21,041,505.00
TOTAL PAYMENTS		42,243,794.00	32,238,319.00
SURPLUS/DEFICIT		(1,444,546.00)	(703,077.00)

The school financial statements were approved on 15th April 2026 and signed by:

KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M
Sign:  Date:.....
Silas Kinoti Murithi
Chair BOM

KAAGA BOYS HIGH SCHOOL
PRINCIPAL/ SECRETARY B.O.M
Sign:  Date:.....
S. M. Wainaina
School Principal/
Secretary to BOM

Sign
Zachary Kiambi
Bursar/
Finance Officer

15th April 2026

15th April 2026

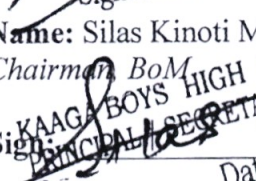
15th April 2026

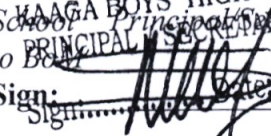
**KAAGA BOYS SECONDARY SCHOOL
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2021**

		2020-2021	2019-2020
		Rechts	Rechts
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	7,755,176.00	9,864,706.00
Cash Balances	9	68,974.00	8,776.00
Short term Investment	10	-	-
Total Cash and cash equivalent		7,824,150.00	9,873,482.00
Accounts receivables	11	21,177,695.00	15,317,455.00
TOTAL FINANCIAL ASSETS		29,001,845.00	25,190,937.00
FINANCIAL LIABILITIES			
Accounts Payables	12	5,456,669.00	201,305.00
NET FINANCIAL ASSETS		23,545,176.00	24,989,632.00
REPRESENTED BY			
Accumulated Fund b/fwd 1/1/2021	13	24,989,722.00	25,692,709.00
Surplus/Deficit for the year		(1,444,546.00)	(703,077.00)
NET FINANCIAL POSSITION		23,545,176.00	24,989,632.00

The School's financial statements were approved on 15th April 2026 and signed by:

KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M
Sign:  Date:.....
Name: Silas Kinoti M.
Chairman BoM
KAAGA BOYS HIGH SCHOOL
Sign:  Date:.....
Name: S. M. Wainini
Principal
Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
to B.O.M
Sign:  Date:.....
Name: Zachary Kiambi
Bursar/Finance
Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
Sign: _____ Date:.....
Name: Zachary Kiambi
Bursar/Finance
Date: 15th April 2026

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

		2020-2021	2019-2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	1,375,371.00	1,700,800.00
Capitation grants for operations	2	9,679,051.00	7,160,675.00
School fund income- Parents contributions/ fees	3	9,124,021.00	6,358,277.00
School fund income- other receipts	4	20,620,806.00	16,315,490.00
Total receipts		40,799,248.00	31,535,242.00
PAYMENTS			
Payments for Tuition	5	1,356,134.00	1,915,975.00
Payments for operations	6	12,154,112.00	9,280,839.00
Boarding and school fund payments	7	28,733,548.00	21,041,505.00
Total payments		42,243,794.00	32,238,319.00
Net cash flow from operating activities		-1,444,546.00	(703,077.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Asset- Boys dormitory		604,786.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash flows from Investing Activities		604,786.00	0.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash flow from financing activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,049,332.00)	(703,077.00)
Cash and cash equivalent at BEGINNING of the year		9,873,482.00	10,576,559.00
Cash and cash equivalent at END of the year		7,824,150.00	9,873,482.00

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

Receipt/expenses (Cm)	Original Budget a Kshs	Adjustments b Kshs	Final Budget c = a + b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e = c - d Kshs	% of Utilization f = d/c % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
School equipments and stores	2,486,400.00	0.00	2,486,400.00	1,375,371.00	1,131,266.00	55%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	3,862,697.00	0.00	3,862,697.00	2174178.00	2,368,801.00	56%
Local transport /travelling	1,931,339.00	0.00	1,931,339.00	1228233.00	1,624,657.00	64%
Electricity and water	2,414,174.00	0.00	2,414,174.00	1975055.00	1,996,892.00	82%
Administration costs	1,448,505.00	0.00	1,448,505.00	1154307.00	1,237,325.00	80%
R.M.I	3,147,275.00	0.00	3147275.00	3147275.00	0.00	100%
TOTAL	12,803,990.00	0.00	12,803,990.00	9,679,048.00	7,227,675.00	75.6%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,560,000.00	0.00	1,560,000.00	1674365.00	269,429.00	107%
Repairs and maintenance	1,400,000.00	0.00	1,400,000.00	1,170,961.00	(229,039)	84.0%
Local transport / travelling	390,000.00	0.00	390,000.00	306,340.00	83,660.00	79.0%
Electricity and water	2,363,200.00	0.00	2,363,200.00	2,086,190.00	404,959	88%
Administration costs	1,110,600.00	0.00	1,110,600.00	938,861.00	258,688.00	88%
Activity	478,800.00	0.00	478,800.00	176,567.00	302,233.00	37.0%
Fee on Boarding Equipment and Stores	12,498,000.00	0.00	12,498,000.00	19762022.00	(29,110.00)	158%
P.T.A DEVT,	2,770,737.00	0.00	2,770,737.00	2,770,737.00	0.00	100%
OTHER INCOME						
School farm	200,000.00		200,000.00	270,000.00	(70,000.00)	135.0%
UNIFORM	410,353.00	0.00	410,353.00	410,353.00	0.00	100%

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Receipts/expenses item	Original Budget a	Adjustments b	Final Budget c = a + b	Actual on Comparable Basis d	Budget Utilization Difference e = c - d	% of Utilization f = d/c %
	Kshs	Kshs			Kshs	Kshs
CU	102,751.00	0.00	102,751.00	102,751.00	0.00	100%
CLUBS	75,670.00	0.00	75,670.00	75,670.00	0.00	100%
TOTAL INCOME	23,360,111.00	0.00	23,360,111.00	29,744,817.00	990,820.00	127%
(1) EXPENDITURE FOR TUITION						
Textbooks	1,151,500.00	0.00	1,151,500.00	339,079.00	812,421.00	29%
Laboratory equipment and apparatus	279,800.00	0.00	279,800.00	271,227.00	8,573.00	97%
Teaching / learning materials	295,350.00	0.00	295,350.00	135,631.00	159,719.00	46%
Chalks	28,160.00	0.00	28,160.00	67,806.00	(39,646.00)	240%
Internal exams	315,000.00	0.00	315,000.00	203,447.00	111,553.00	64%
Reference books	215,000.00	0.00	215,000.00	339,079.00	(124,079.00)	157%
S,E,S	405,035.00	0.00	405,035.00	405,035.00	0.00	100%
TOTALS	2,689,845.00	0.00	2,689,845.00	1,761,304.00	928,541.00	65%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	3,238,920.00	0.00	3,238,920.00	1,980,670.00	1,258,250.00	61%
Administration cost	1,079,640.00	0.00	1,079,640.00	1,851,604.00	248,036.00	171%
Repairs, maintenance & improvements	1,079,640.00	0.00	1,079,640.00	409,730.00	669,910.00	38%
Local transport / travelling	1,619,460.00	0.00	1,619,460.00	71,962.00	1,547,498.00	4.4%
Electricity, water and conservancy	2,159,280.00	0.00	2,159,280.00	993,806.00	1,165,806.00	46%
Bom teachers	1,754,483.00	0.00	1,754,483.00	1,754,483.00	0.00	100%
Infrastructure	6,504,733.00	0.00	6,504,733.00	6,504,733.00	0.00	100%
Activity	54,600.00	0.00	54,600.00	54,600.00	0.00	100%
Insurance	81,656.00	0.00	81,656.00	81,656.00	0.00	100%
S.E.S	31,200.00	0.00	31,200.00	31,200.00	0.00	100%
TOTALS	17,603,612.00	0.00	17,603,612.00	13,734,444.00	4,889,500.00	78%
(3) EXPENDITURE FOR SCHOOL FUND						

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Receipts/expenses from	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
BES	11,458,140.00	0.00	11458140.00	17929089.00	(5,937,712.00)	152%
Repairs, maintenance and improvements	2,327,900.00	0.00	2,327,900.00	324200.00	2,070,750.00	14%
Local transport / travelling	1,485,200.00	0.00	1,485,200.00	41,430.00	1,443,770.00	3%
Activity	795,144.00	0.00	795,144.00	395777.00	545,144.00	50%
Administration costs	1,675,800.00	0.00	1,675,800.00	1609790.00	422,466.00	96%
Bank Charges	154,000.00	0.00	154,000.00	97,000.00	57,000.00	63%
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0.00
Personnel Emolument	2,610,925.00	0.00	2,610,925.00	2,610,925.00	0.00	100%
Uniform	2,080,550.00	0.00	2,080,550.00	2,080,550.00	0.00	100%
S.E.S	626,312.00	0.00	626,312.00	626,312.00	0.00	100%
P.T.A DEVT	2,619,026.00	0.00	2,619,026.00	2,619,026.00	0.00	100%
School farm	81,450.00	0.00	81,450.00	81,450.00	0.00	100%
E.W.C	384,749.00	0.00	384,749.00	384,749.00	0.00	100%
Donations	24,250.00	0.00	24,250.00	24,250.00	0.00	100%
TOTALS EXPENDITURE	26,323,446.00	0.00	26,323,446.00	28,824,548.00	(6,107,180.00)	109%

EXPLANATION OF VARIANCES EXCEEDING 100%

This was due to increased enrollment as result of 100% transition policy by government from primary to secondary .

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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.

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

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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

The comparative figures for the previous financial year have been amended 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.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
School equipments and stores	1,375,370.00	1,700,800.00
Total	1,375,370.00	1,700,800.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,174,179.00	4,233,046.00
Repairs and maintenance	3,147,275.00	240,163.00
Local transport / travelling	1,228,233.00	325,600.00
Electricity and water	1,975,056.00	1,245,850.00
BOM teachers	0.00	240,000.00
Administration costs	1,154,308.00	386,650.00
activity	0.00	489,366.00
Total	9,679,051.00	7,160,675.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,674,365.00	1,533,567.00
Repairs and maintenance	1,170,961.00	1,009,475.00
Local transport / travelling	306,340.00	344,765.00
Electricity and water	2,086,190.00	2,406,896.00
Medical	0.00	6,450.00
Administration costs	938,861.00	935,418.00
PTA/Development	2,770,737.00	0.00
Activity	176,567.00	52,383.00
miscellaneous	0.00	63,323.00
Internal examinations	0.00	6,000.00
Total	9,124,021.00	6,358,277.00

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4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	19,762,022.00	15,688,630.00
School farm	270,000.00	626,860.00
Uniform	410,353.00	0.00
YCS	10,930.00	0.00
CU	102,751.00	0.00
Misc.	61,450.00	0.00
SDA	1,000.00	0.00
Wildlife Club	300.00	0.00
CDC Camp	2,000.00	0.00
Total	20,620,806.00	16,315,490.00

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
School equipments and stores	1,355,774.00	1,914,380.00
Bank Charges	360.00	1,595.00
Total	1,356,134.00	1,915,975.00

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,980,670.00	4,729,164.00
BOM teachers	174,483.00	320,000.00
Insurance cost	81,656.00	0.00
School equipment and stores	31,200.00	0.00
Infrastructure	6,504,733.00	0.00
Administration Cost	1,851,604.00	489,802.00
Repairs and maintenance & improvements	409,730.00	239,220.00
Local transport / travelling	71,962.00	387,185.00
Electricity and water	993,474.00	2,530,822.00
Activity Expenses	54,600.00	584,646.00
TOTAL	12,154,112.00	9,280,839.00

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7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
BES	17,929,089.00	15,773,306.00
RMI	324,200.00	675,099.00
EWC	384,749.00	641,127.00
LT & T	41,430.00	229,800.00
Activity	395,777.00	343,000.00
Administration costs	1,609,790.00	733,383.00
Personnel emoluments	2,610,925.00	1,488,555.00
Uniform	2,080,550.00	0.00
Donations	17,000.00	17,700.00
YCS	6,000.00	0.00
SES	626,312.00	1,084,005.00
Medical	7,250.00	55,530.00
PTA/Development	2,619,026.00	0.00
School farm	81,450.00	0.00
TOTAL	28,733,548.00	21,041,505.00

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	01139075188400	45,134.15	25,898.00
Operations Account	01139075188401	502,528.85	654,567.00
School Fund Account/Boarding	01129075188400	997,591.93	11,142.00
Savings Account	01100075188400	4,286,408.18	5,032,118.00
Infrastructural Account	01139075188403	922,490.00	3,139,958.00
CDF Account	01139075188402	1,001,023.00	1,001,023.00
Total		7,755,176.00	9,864,706.00

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
OPERATIONS ACCOUNT		
Tuition Account		
Operation Account	68,878.00	1,878.00
School Fund account	96.00	6,898.00
Total	68,974.00	8,776.00

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10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Other investments- savings account	0.00	0.00
Total	0.00	0.00

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	21,174,695.00	15,314,455.00
Salary advances	3,000.00	3,000.00
Total	21,177,695.00	15,317,455.00

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	6,095,167.00	2,194,394.00
Fees arrears For The Previous year	2,194,394.00	892,634.00
Fees arrears for prior periods (over two years)	12,885,134.00	12,227,504.00
Total	21,174,695.00	15,314,532.00

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,448,455.00	0.00
Prepaid fees	2,008,214.00	201,305.00
Total	5,456,669.00	201,305.00

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	5,456,669.00	0.00
Trade creditors for the previous year	0.00	0.00
Trade creditors for prior periods (over two years)	0.00	0.00
Total	5,456,669.00	0.00

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13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	9,864,796.00	12,882,321.00
Cash balances	8,776.00	2350.00
Short Term Investments	0.00	0.00
Receivables	15,317,455.00	13,120,138.00
Payables	(201,305.00)	(331,332.00)
Total	24,989,722.00	25,674,477.00

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.

Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
Total	0.00	0.00

14 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Pigs		235,000.00	200,000.00
Trees		25,000.00	25,000.00
Coffee or tea plantation		0.00	0.00
Poultry		0.00	0.00
Total		260,000.00	225,000.00

15 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs

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a) Borrowings	0.00	0.00
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
Balance at end of the year	0.00	0.00

16 Stock/ Inventory

Description	2020-2021 KShs	2019-2020 KShs
Stock/ inventory at beginning of the year	-	
Stock/ inventory purchased during the year	2,093,530.00	
Stock/ inventory issued during the year	(2,093,530.00)	
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)
1	Late submission of financial statement to the auditor general	The management has committed timely submission of financial statements to the auditor general	Resolved	30 th September 2022
2	Omission of previous year balances in 2021 financial statements	The accounts office has put the previous year balances in 2021 financial statements	Resolved	December 2022
3	Accuracy of students enrolment data	The school management is updating the NEMIS student database	Resolved	On-Going
4	Failure to transfer infrastructure funds from Operations account to infrastructure account	All the expected infrastructure funds shall be transferred to infrastructure account once the school receives FDSE funds.	Resolved	On-going
5	Unsupported payments	The management shall ensure all the payments are all supported	Resolved	On-Going

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Ref No	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
6	Long outstanding students accounts receivables	The board shall ensure timely fees collection through parents engagement meetings with the parents	Resolved	On-Going

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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 2021	Outstanding Balance 2020	Comments
	a	b	c	d = a - c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Silverspread hardware	187,050.00	1/1/2021	100,000.00	87,050.00	0.00	To clear by 31/8/2021
2. Charles Mwirigi	138,040.00	1/1/2021	0.00	138,040.00	0.00	To clear by 31/8/2021
3. Geoffrey Ndirangu	69,965.00	1/1/2021	0.00	69,965.00	0.00	To clear by 31/8/2021
4. Douglas Murega	15,450.00	1/1/2021	0.00	15,450.00	0.00	To clear by 31/8/2021
5. Silverspread	67,500.00	1/1/2021	0.00	67,050.00	0.00	To clear by 31/8/2021
6. Meru Bigwa Ent.	145,777.40	1/1/2021	0.00	145,777.00	0.00	To clear by 31/8/2021
Sub-Total	623,782.40	-	100,000.00	523,332.00	0.00	
Supply of goods						
7. Resolution Ins.	81,656.00	1/1/2021	0.00	81,656.00	0.00	To clear by 31/7/2021
8. KPLC	185,000.00	1/1/2021	0.00	185,000.00	0.00	To clear by 31/7/2021
9. Joymark Agencies	1,234,200.00	1/1/2021	839,003.00	395,197.00	0.00	To clear by 31/7/2021
Sub-Total	1,500,856.00		839,003.00	661,853.00	0.00	
Supply of services						
10. Team tech office supplies	274,800.00	1/1/2021	0.00	274,800.00	0.00	To clear by 31/7/2021
11. Joflam enterprises	700,000.00	1/1/2021	200,000.00	500,000.00	0.00	To clear by 31/7/2021
12. Prime mattress	500,000.00	1/1/2021	0.00	500,000.00	0.00	To clear by 31/7/2021
11. Joymark Agencies	388,420.00	1/1/2021	0.00	388,420.00	0.00	To clear by 31/7/2021
12. Joymark Agencies	850,000.00	1/1/2021	250,000.00	600,000.00	0.00	To clear by 31/7/2021
Sub-Total	2,713,220.00		450,000.00	2,263,220.00	0.00	
Grand Total	4,837,858.40		1,389,003.00	3,448,455.00	0.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class		Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1		1914	Within school	25,000,000/-	0.00	0.00	25,000,000/-
Land 2		1914	Within school	10,000,000/-	0.00	0.00	10,000,000/-
Buildings and structures		1914-2021	Within school	50,000,000/-	8,000,000/-	0.00	58,000,000/-
Motor vehicles		1/1/2004	Bus Shed	1,500,000/-	0.00	0.00	1,500,000/-
Office equipment, furniture and fittings		1914-2021	Offices	26,585,000/-	0.00	0.00	26,585,000/-
ICT Equipment, and Other ICT Assets		2010-2021	Offices/Classes	917,000/-	0.00	0.00	917,000/-
Tools and apparatus (LABORATORY)		2000-2021	Laboratory	3,618,700/-	0.00	0.00	3,618,700/-
Textbooks (STORE)		2000-2021	store	221,000/-	0.00	0.00	221,000/-
Other Machinery and Equipment (power saw, water pump, generator)		2010-2021	Within school	1,540,000/--	0.00	0.00	1,540,000/-
Heritage and cultural assets		-	-	-	-	-	-
Intangible assets- software		2015	Ac office	200,000.00	0	0	200,000.00
Total				115,766,618/-	8,000,000/-	0	127,581,700/-