

REPUBLIC OF KENYA

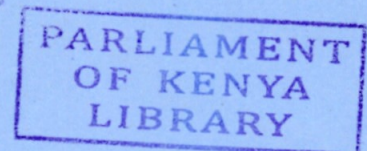


REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 JUN 2026	DAY: Thursday
TABLED BY: Deputy Majority Whip (Hon. Thomas Waga)	
CLERK-AT THE TABLE:	Halima Ahmed

THE AUDITOR-GENERAL

ON



AIC NZELUNI GIRLS' SECONDARY SCHOOL

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

KITUI COUNTY



PRINCIPAL
A.I.C NZELUNI GIRLS SEC. SCHOOL
P. O. Box 130, MWINGI



IA2 Revised 30th June 2021.



A.I.C NZELUNI GIRLS' 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)

(Indicate actual name of the school)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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PUBLIC SECONDARY SCHOOLS - (Indicate actual name of the School)
Reports and Financial Statements
For the year ended 30th June 2021

I. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kitui County, Migwani Sub-County

The school was registered in 1978 under registration number GP/A/1432/2000 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had 585 number of students as at 30th June 2021. It has 3 streams and 28 teachers of which 7 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	MR SAMMY MBAO	Chairman	
2	MS LUCY M. MWENDA	Secretary - Principal	
3	MRS SOPHIE KAVINDU	Member	
4	MR JOHN MATHWA	Member	
5	MR GIDEON SIMBU	Member	
6	MS HELLEN KOKI	Member	
7	MS ANGELINE MUTHUI	Member	
8	MR PATRICK NDOO	Member – Rep CEB	
9	MICHEAL IIKTI KIINGWA	Member Rep Teachers	
10	NATHAN MUTINDA	3 Members – Sponsor	
11	WILLIAM KATINGI	Member - Community	
12	MR EVANS NGULI	MemberSpecial Needs	
13	ELIZA LAY LONGO	Rep Students	

(Indicate actual name of the school)

PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements

For the year ended **30th June 2021**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Sammy mbao Lucy m. Mwenda John mathwa Gideon simbu	Member Member Member member	
2	Audit Committee	Sammy mbao Sophie kavindu John mathwa Gideon simbu	member member member member	X out of XX
3	Finance, procurement and general purposes Committee	Sammy mbao Sophie kavindu Gideon simbu Bernard kalekye Evans nguli	Bom chairperson D/Chairperson Member Member member	
4	Academic Committee	Jacob k. Ndavi John mathwa David kilonzi Angeline muthui Hellen koki	member PTA Chairperson Member Member member	
5	Development Committee			
6	Discipline and welfare Committee	Micheal kiingwa Patrick ndoo John mathwa Sophie kavindu	member member member member	

		Gideon simbu	member	
7	Adhoc Committee (if any during the year)			

(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	LUCY M. MWENDA	219460
2	Deputy Principal	MRS MUSYOKA E.K	389296
3	School Bursar	MR JAPHETH M. MALUKI	B.O.M

(Indicate actual name of the school)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 130-904000
Telephone: 0715469959
E-mail:
Website: XXXXXXXX
Facebook:
Twitter:

(f) School Bankers

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

1. Name of Bank: EQUITY
Branch: MWINGI
Account Number: 0590 291758 518 (SCHOOL FUND ACCOUNT)
2. Name of Bank: EQUITY
Branch: MWINGI
Account Number: 0590 291 380 963 (TUITION ACCOUNT)
3. MPESA Pay Bill No. 758518 attached to Equity bank account
4. Name of Bank: EQUITY
Branch: MWINGI
Account Number: 0590 294 925 884 (INFRASTRUCTURE ACCOUNT)
5. Name of Bank: KCB
Branch: MWINGI
Account Number: 1107765757 (OPERATIONS ACCOUNT)

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*
2021-1,349,263.60 2020-(1,599,331.00) 2019-(635,125.35)
 - *Capitation grants from the Ministry of Education for the last three years*
2021-4,731,027.65 2020-8,322,791.00 2019-10,854,811.15
 - *Ratio of capitation grant per student over the last three years*
1.10631.52 1.14251.35 1.18555.23
 - *A three-year overview of growth of other income(s) earned by the school.*
2021-16,895,631.65 2020-26,609,760.00 2019-33,020,783.15
 - *A three-year overview of growth in expenditure of the school*
2021-15,824,786.05 2020-27,649,692.00 2019-33,049,253.20
 - *Movement of debtors and creditors of the school over the last three years*
Debtors 2021-13,160,822.00 2020-12,365,312.00 2019-
Creditors 2021-4,933,982.00 2020- 7,279,231.00 2019-
- *Movement of cash and bank balances over the last three years*
2021-948,265.55 2020-2,739,760.75 2019- 2,512,553.75
- Graphical presentation, ratio
s, tables, and pie charts should be used to show/ indicate trends.*

b) Teacher Student ratio:

Ratio-1.20

c) Mean score in the 2021 KCSE:

2020-5.368 2019-6.1048 2018-5.170

d) Number of Candidates in the 2021 KCSE:

2020- 125 2019-105 2018-135.

e) Capacity of the school: 585 students

- i) Dormitories-4 ii) dinning hall-1 iii) laboratories -2 iv) toilets -92
- v) bathrooms-72

(Indicate actual name of the school)

PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2021

f) Development projects carried out by the school.

YEAR	RMI	TOTAL	PROJECT	SOURCE OF FUNDS
2021	2,180,000.00	2,180,000.00	NOT YET STARTED	MOE

Sign

School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board 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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *(Name of 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).

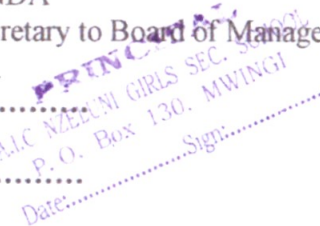
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 20XX, and of the school's financial position as at that date.

Name: MR SAMMY MBAO
Designation: Chairman, School Board of Management

Sign: 

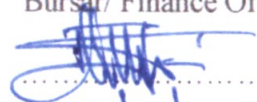
Date: 31/03/2026

Name: MS LUCY M. MWENDA
Designation: School Principal & Secretary to Board of Management

Sign:  

Date: 31/3/2026

Name: MR JAPHETH MALUKI
Designation: Bursar/ Finance Officer

Sign: 

Date: 31/3/2026

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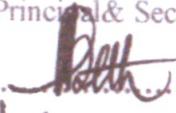
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Name: MR SAMMY MBAO
Designation: Chairman, School Board of Management

Sign: 

Date: 31/03/2026

Name: MS LUCY M. MWENDA
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 31/3/2026

PPINC
M.C. MACHAKI GIRLS SEC. SCHOOL
P.O. Box 120, Mwingi
Date:

Name: MR JAPHETH MALUKI
Designation: Bursar/ Finance Officer

Sign: 

Date: 31/3/2026

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 AIC NZELUNI GIRLS' SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021- KITUI 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 AIC Nzeluni Girls' Secondary School set out on pages 10 to 27 which comprise the statement of financial assets and

financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and 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, except for the effects 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 AIC Nzeluni Girls' Secondary 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 comply with Basic Education Act, 2013, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of budgeted versus actual amounts reflects total actual income of Kshs.17,174,049. However, the recomputed balance amounted to Kshs.16,895,639, resulting in an unexplained variance of Kshs.278,410. Further, the statement of receipts and payments reflects Boarding and School fund payments of Kshs.9,069,718. However, Note 7 to the financial statements indicates an amount of Kshs.9,062,146, resulting in an unexplained variance of Kshs.7,572. In addition, the statement of receipts and payments reflects total payment of Kshs.15,231,049, while the statement of budgeted versus actual amounts reflects total actual payments of Kshs.9,062,146, resulting in an unexplained variance of Kshs.6,168,903.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Cash and Cash Equivalents

2.1. Unsupported Bank Balances

The statement of financial assets and financial liabilities reflects bank balance of Kshs.1,025,408 as disclosed in Note 8 to the financial statements. The amount includes Kshs.1,754,524 and a negative balance of Kshs.830,501 in respect of infrastructure and operations accounts, respectively, whose cash books, bank statements and bank reconciliations were not provided for audit verifications. Further bank reconciliations for the period March to June 2021 for tuition and boarding accounts were not provided for audit verifications. Similarly, the cash book for the boarding account for the period January to June 2021 was not provided for audit.

2.2. Overdrawn Bank Account and Offsetting of Bank Balances

The statement of financial assets and financial liabilities reflects bank balance of Kshs.1,025,408 as disclosed in Note 8 to the financial statements. Included in the bank balance is operations bank account with an overdraft balance of Kshs.830,501, which has

been offset against positive bank balances of Kshs.1,855,909. However, the authority of The National Treasury or the Board of Management to overdraw the balances was not provided for audit, as required by Section 28(4) of the Public Finance Management Act, 2012 which states that, an Accounting Officer for a National Government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by The National Treasury or a Board of a National Government entity. Further, the offsetting of balances was contrary to Paragraph 48 of International Public Sector Accounting Standard (IPSAS) 1, which provides that assets and liabilities shall not be offset unless required or permitted by an IPSAS.

2.3. Unsupported Cash in Hand

The statement of financial assets and financial liabilities reflects a negative cash in hand of Kshs.77,142 as disclosed in Note 9 to the financial statements. However, the amount was not supported with a Board of Survey report. Further, the amount includes a negative balance of Kshs.107,087 in respect of the School fund account that was offset against a positive balance of Kshs.29,944.

In the circumstances, the accuracy, completeness, existence and fair presentation of the cash and cash equivalents balance of Kshs.948,265 could not be confirmed.

3. Unsupported Operations Expenditure

The statement of receipts and payments reflects payment for operations of Kshs.5,368,994 as disclosed in Note 6 to the financial statements. However, payment vouchers, invoices and goods received notes were not provided for audit review.

In the circumstances, the accuracy, completeness, existence and fair presentation of the operations expenditure could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.4,933,982 as disclosed in Note 11 to the financial statements. However, Local Service Order/Local Purchase Order, invoices and goods received notes were not provided for audit review.

In the circumstances, the accuracy, completeness, existence and fair presentation of the accounts payables could not be confirmed.

5. Long Outstanding Student Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.13,754,559 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.8,607,001, which has been outstanding for more than two (2) years. However, there was no policy in place for the impairment of long-outstanding fees, casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.13,754,559 could not be confirmed.

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

Emphasis of Matter

Unaudited Opening Balances

I draw your attention to the fact that prior to the 2020/2021 financial year, Schools were not preparing financial statements for audit pursuant to Article 229(5) of the Constitution. The Article mandates the Auditor-General to audit and report on the accounts of any entity that is funded from public funds.

Although the financial statements presented for audit include comparative balances for the year ended 30 June, 2020, the 2020/2021 financial year is considered as the first year of audit for Schools. Accordingly, audit procedures undertaken did not extend to the verification of opening balances the prior-year comparative information.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on pages 2 to 8, which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The financial statements' balances presented were not rounded to the nearest whole number. Further, the table of contents indicates that the statement of cash flows is on page 24. However, page 24 contains information relating to inventory/stocks. In addition, several pages do not have appropriate headers, hence affecting the consistency of the financial statements.

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

2. Late Submission of Financial Statements for Audit

The financial statements for the year under review were submitted for audit on 11 June 2025. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021, which required that the School's financial statements should be submitted by 30 September, 2021, in compliance with Section 81 of the Public Finance Management Act, 2012, on preparation of the financial statements.

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

3. Underfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounting to Kshs.760,450 and Kshs.4,248,988, respectively, as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, National Education Management Information System (NEMIS) reported a total number of five hundred and eighty-four (584) students, while the enrolment records provided by the School indicated five hundred and ninety-one (591) students, resulting in an unexplained variance of seven (7) students. As a result of the variance, the School was underfunded by an amount of Kshs.26,198.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

4. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations, and grants totaling Kshs.5,009,438. Comparison of data from National Education Management Information System (NEMIS) with records from the School register revealed that during the financial year 2021, NEMIS reflected five hundred and eighty-four students (584) while records from the School's enrolment register had five hundred and ninety-one (591) students, resulting in an underfunding of the School by an amount of Kshs.26,198 This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June 2021, which requires all learners to be registered in NEMIS and the Principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

5. Failure to Prepare School Improvement Plan

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

In the circumstances, Management was in breach of the Ministry of Education Manual.

6. Lack of 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. As a result, the School's procurement activities were undertaken by individuals lacking the requisite qualifications.

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

7. Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.17,174,050 and Kshs.15,231,049, in respect of total receipts and payments, respectively. However, during the year, Management did not prepare an Annual Procurement Plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

8. Failure to Pay Outstanding Accounts Payables as a First Charge

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.4,933,982 as disclosed in Note 11 to the financial statements. However, included in the balance are trade payables of Kshs.1,900,818, which had been outstanding for more than two (2) years, and pose a risk of loss of public funds through litigation, interest, and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which states that service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

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

The statement of receipts and payments reflects operation payments amount of Kshs.5,368,994 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.204,815 transferred to the 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 the 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, the value for money transferred to KESSHA amounting to Kshs.204,815 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Audit Committee

During the year under review, the School had not constituted an audit committee as required by Regulation 166(2) of the Public Finance Management (National Government),

2015, which states that each year the Audit Committee shall carry out an annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report. Further, Section 61(2)(d) of the Basic Education Act 14 of 2013, which requires the Board of Management to establish the Audit Committee among other Board committees.

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

2. Inadequate Safeguarding and Management of Textbooks

Review of the School textbook management system revealed the following anomalies:

- i. A total of two hundred and fourteen (214) textbooks that were lost between the years 2018 and 2024 had not been recovered by the School;
- ii. The School did not have a dedicated librarian. Instead, the lab technician, who is responsible for other duties, was in charge of managing the library. This dual responsibility is likely to hinder effective library management;
- iii. The School does not have a formal system for managing textbooks. As a result, it was difficult to confirm the total number of textbooks in the School's custody; and,
- iv. The students also took an excessively long time to return borrowed books, with some taking more than one year.

In the circumstances, the existence of effective mechanisms for managing textbook control could not be confirmed.

3. Lack of School Instructional Material Committee

The School has not established a School Instructional Materials Selection Committee, which is contrary to Part E of the General Information of the Orange Book Published in 2017. The absence of an active SIMSC may lead to inadequate instructional materials, lack of transparency in the selection process, and ineffective planning for teaching and learning resources.

In the circumstances, the existence of effective mechanisms for the management of instructional materials could not be confirmed.

4. Weaknesses in the Board of Management

During the year under review, no evidence was provided for meetings held by the Board sub-committees. Further, the Board of Management did not have a representative member of people with special needs. In addition, evidence on the qualifications of board members during the year was not provided for audit verification. It was therefore not possible to confirm if the board members met the minimum qualifications required by the law.

In the circumstances, the effectiveness of the governance mechanisms at the School could not be confirmed.

5. Deficiencies in the School's Accounting System

Review carried out on the School Information Management System (SIMS), revealed significant weaknesses that affect the accuracy and reliability of its financial reporting.

Although SIMS is designed to generate general ledgers, trial balances, asset records, adjustments, segregation of duties, and system-assisted backups, these functionalities were not adequately utilized, resulting in incomplete and unsupported financial statements. Further, the general ledgers provided did not have essential details such as narrations, payee information, and budget codes, limiting audit trail and accountability.

In the circumstances, Management did not benefit from the operational effectiveness intended from the software.

6. Lack of an Approved Strategic Plan

During the year under review, the School did not have a Strategic Plan defining its long-term vision, mission, and core values, to prioritize and achieve an actionable roadmap. This was contrary to Regulation 32(5) of Public Finance (National Government) Regulations, 2015, which requires all budget proposals to be supported by the National Government entity's strategic plan.

In the circumstances, the existence of an effective mechanism for implementing the School's strategic objectives could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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

6 May, 2026

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

DESCRIPTION OF VOTE HEAD	Note	2021-2021 Kshs	2020-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	760,449.50	1,010,800.00
Capitation grants for operations	2	4,248,988.15	7,311,991.00
School Fund Income- Parents' Contributions	3	11,151,439.00	18,281,562.00
School Fund Income- Other receipts	4	1,013,173.00	11,000.00
Proceeds from borrowings		0.00	0.00
TOTAL RECEIPTS		1,7174,049.65	26,615,343.00
PAYMENTS			
Payments for Tuition	5	792,336.85	993,335.00
Payments for operations	6	5,368,994.00	6,566,159.00
Boarding and school fund payments	7	9,069,718.20	20,984,198.00
TOTAL PAYMENTS		1,5231,049.05	28,543,692.00
SURPLUS/DEFICIT		1,943,000.60	(1,928,349.00)

The school financial statements were approved on _____ 2021 and signed by:

Sign: 

Name: Sammy Mbatia

Chair BOM

Date:

Sign: 

Name: BETH MUKU

School Principal/
Secretary to BOM

Date: 31/3/2026

A.J.C NZELUNI GIRLS SEC. SCHOOL
P. O. Box 130, MWINGI

Date: 31/3/2026

Sign: 

Name: 31/3/2026
SARAHETA MOWU

Bursar/
Finance Officer

Date:

(Indicate actual name of the school)
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 20XX

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,025,407.85	2,613,184.25
Cash Balances	9	(77,142.50)	278,081.50
Short term Investment	10	0.00	0.00
Total Cash and cash equivalent		948,265.35	2,891,265.75
Account's receivables	10	13,754,559.00	12,365,312.00
TOTAL FINANCIAL ASSETS		14,702,824.35	15,256,577.75
FINANCIAL LIABILITIES			
Accounts Payables	11	(4,933,982.00)	(7,430,736.00)
NET FINANCIAL ASSETS		9,768,842.35	7,825,841.75
REPRESENTED BY			
Accumulated Fund b/fwd	12	7,825,841.75	9,754,190.75
Surplus/Deficit for the year		1,943,000.60	(1,928,349.00)
NET FINANCIAL POSSITION		9,768,842.35	7,825,841.75

The School's financial statements were approved on _____ 2022 and signed by:

Name: Sammy Mbaao
Chairman, BoM

Sign: 

Date: 31/03/2026

Name: Ms Lucy Mwenda
School Principal/Secretary to BoM

Sign: 

PRINCIPAL
Date: 31/3/2026
 P. O. Box 130, MWINGI

Name: Japheth M. Maluki
Bursar Finance

Sign: 

Date: 31/3/2026

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

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	760,449.50	1,010,800.00
Capitation grants for operations	2	4,248,988.15	7,311,991.00
School fund income- Parents contributions/ fees	3	11,151,439.00	18,281,562.00
School fund income- other receipts	4	1,013,173.00	11,000.00
Total receipts		17,174,049.65	26,615,343.00
Payments			
Payments for Tuition		792,336.85	993,335.00
Payments for operations		5,368,994.00	6,566,159.00
Boarding and school fund payments		9,069,718.20	20,984,198.00
Total payments		15,231,049.05	28,543,692.00
Net cash flow from operating activities		1,943,000.60	(1,928,349.00)
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		1,943,000.60	(1,928,349.00)
Cash and cash equivalent at BEGINNING of the year		2,891,265.95	962,916.95
Cash and cash equivalent at END of the year		948,265.35	2,891,265.95

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.

(Indicate actual name of the school)

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 20XX

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials						
Exercise books	207,839.50	0	207,839.50	207,839.50	207,839.50	100%
Laboratory equipment						
Internal exams						
Teaching / learning materials	351,130.00	0	351,130.00	351,130.00		
Tuition	201,480.00	0	201,480.00	201,480.00	351,130.00	100%
Exams and assessment					201,480.00	100%
Teachers guides						
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	876,000.00	0	876,000.00	876,000.00	876,000.00	100%
Repairs and maintenance	2,044,000.00	0	2,044,000.00	2,044,000.00	2,044,000.00	100%
Local transport / travelling	292,000.00	0	292,000.00	292,000.00	292,000.00	100%
Electricity and water	448,249.20	0	448,249.20	448,249.20	448,249.20	100%
Medical	310,328.95	0	310,328.95	310,328.95	310,328.95	100%
Administration costs						
Activity						
Gratuity						

Receipt/expenses Item	Original Budget a K shs	Adjustments b K shs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d K shs	% of Utilization f=d/c % K shs
SMASSE						
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,030,750.00	0	1,030,750.00	942,120.00	256,052.00	75.16%
Repairs and maintenance	798,000.00	0	798,000.00	628,385.00	222,550.00	72.12%
Local transport / travelling	216,125.00	0	216,125.00	22,870.00	193,255.00	10.59%
Electricity and water	1,629,250.00	0	1,629,250.00	1,422,717.00	425,676.00	73.88%
Medical						
Administration costs	615,125.00	0	615,125.00	564,770.00	145,156.00	76.41%
Activity	49,875.00	0	49,875.00	3,000.00	46,875.00	6.02%
SMASSE						
Fee on Boarding Equipment and Stores	9,105,513.00	0	9,105,513.00	7,567,577.00	2,463,307.00	72.95%
OTHER INCOME						
Rent income				10,000		
Rd cheques				27,400		
Tender income				23,000		
Fees refunds				123,949		
Income from Bus Hire		0		21,000		
Caution money				5,500		
bursary				705,884		
Salary advance				15,000		
Rent arrears				17,000		
nssf				44,640		
nhif				15,000		
kudheitha				4,800		
TOTAL INCOME	18,175,665.65	0	18,175,665.65	17,174,049.65		

(Indicate actual name of the school)
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Receipt/expenses Item	Original Budget a K shs	Adjustments b K shs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d K shs	% of Utilization f=d/c % K shs
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	207,839.50	0	207,839.50	0	207,839.50	#DIV/0!
Laboratory equipment						
Internal exams						
Teaching / learning materials	351,130.00	0	351,130.00	558,341.00	(207,211.00)	159.02%
Tuition	201,480.00	0	201,480.00	231,880.00	(30,400.00)	115.09%
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges				2,115.85	(2,115.85)	#DIV/0!
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	876,000.00	0	876,000.00	3,102,660.00	(2,226,660.00)	354.19%
Repairs, maintenance & improvements	2,044,000.00	0	2,044,000.00	1,987,584.00	56,416.00	97.24%
Local transport / travelling	292,000.00	0	292,000.00	393,975.00	(101,975.00)	134.93%
Electricity, water and conservancy	448,249.20	0	448,249.20	291,730.00	156,519.20	65.05%
Medical				67,347.00	(67,347.00)	#DIV/0!
Administration costs	310,328.95	0	310,328.95	945,110.00	(634,781.05)	304.56%
Activity Expenses						
Gratuity						

Receipt/expenses Item	Original Budget a K.shs	Adjustments b K.shs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d K.shs	% of Utilization f=d/c % K.shs
(3) EXPENDITURE FOR SCHOOL FUND						
SMASSE						
Personnel emoluments	1,030,750.00	0	1,030,750.00	330,900.00	699,850.00	32.11%
Repairs, maintenance and improvements	798,000.00	0	798,000.00	154,680.00	783,640.00	1.80%
Local transport / travelling	216,125.00	0	216,125.00	429,870.00	(213,745.00)	198.90%
Electricity, water and conservancy	1,629,250.00	0	1,629,250.00	1,038,300.00	1,012,100.00	37.88%
Medical Expenses						
Administration costs	615,125.00	0	615,125.00	466,070.00	191,204.80	68.92%
Activity	49,875.00	0	49,875.00	0	49,875.00	#DIV/0!
Bus hire				16,650.00		
Lunch programme						
Boarding Equipment and Stores	9,105,513.00	0	9,105,513.00	5,881,072.00	4,056,145.80	57.56%
Nssf						
Nhif				22,320.00		
Kudheitha				7,500.00		
Bursary				2,400.00		
				701,884.00		
Caution money				10,500.00		
TOTALS	18,175,665.65		18,175,665.65	16,642,891.85		

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- xxxx
- Xxxx

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 20XX.

(Indicate actual name of the school)
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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	207,839.50	0.00
Laboratory equipment	0.00	0.00
Internal exams	0.00	0.00
Teaching / learning materials	351,130.00	1,010,800.00
tuition	201,480.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Total	760,449.50	1,010,800.00

2 CAPITATION GRANT FOR OPERATIONS

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments	876,000.00	3,162,975.00
Repairs and maintenance	2,044,000.00	2,956,616.00
Local transport / travelling	292,000.00	0.00
Electricity and water	448,249.20	345,680.00
Medical	0.00	109,400.00
Administration costs	310,328.95	518,520.00
Activity	0.00	218,800.00
Nssf	192,960.00	
Nhif	64,800.00	
Kudheihia	19,650.00	
Salary advance	1,000.00	
Total	4,248,988.15	7,311,991.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2021	2020-2020
	Kshs	Kshs
Fee on boarding equipment and stores	7,567,577.00	12,663,814.00
Personnel emoluments	942,120.00	1,335,664.00
Repairs and maintenance	628,385.00	923,840.00
Local transport / travelling	22,870.00	321,214.00
Electricity and water	1,422,712.00	2,147,186.00
Medical		
Administration costs	564,770.00	799,310.00
Activity	3,000.00	79,350.00

	2021-2021	2020-2020
	Kshs	Kshs
Total	11,151,434.00	18,28,1562.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2021	2020-2020
	Kshs	Kshs
Rent income	10,000.00	11,000.00
R/D cheque	27,400.00	
tender	23,000.00	
Income from Bus hire	21,000.00	
Fees refund	123,949.00	
Caution money	5,500.00	
Bursary fund	705,884.00	
Salary advance	15,000.00	
Rent arrears	17,000.00	
Nssf	44,640.00	
Nhif	15,000.00	
kudheiha	4,800.00	
Total	1,013,173.00	11,000.00

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

5 PAYMENTS FOR TUITION

	2021-2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials		0.00
Exercise books		993,335.00
Laboratory equipment		
Internal exams	231,880.00	
Teaching / learning materials		
tuition	558,341.00	
Exams and assessment	0.00	
Administration Costs		
Bank Charges	2,115.85	
Total	792,336.85	993,335.00

(Indicate actual name of the school)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments-Non teaching staff	1,042,510.00	911,760.00
-sub staff	1,545,650.00	1,666,552.00
- teaching staff	514,500.00	-
Service Gratuity		
Administration Cost	945,110.00	466,917.00
Repairs and maintenance & improvements	76,700.00	1,955,620.00
Local transport / travelling	393,975.00	496,235.00
Electricity and water	291,730.00	788,797.00
Medical/insuraance	67,437.00	-
Activity Expenses	65,760.00	280,278.00
SMASSE		
Infrastructure (computer lab)		
Bank Charges	2,862.00	
Ablution block	156,000.00	
Nssf	170,640.00	
Nhif	68,220.00	
Kudheihha	27,900.00	
TOTAL	5,368,994.00	6566,159.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments	330,900.00	590,180.00
Service Gratuity	-	-
Repairs and maintenance & Improvements	154,680.00	7,569,170.00
Local transport / travelling	429,870.00	703,455.00
Electricity and water	1,038,300.00	399,865.00
Medical Expenses		
activity		318,345.00
Administration costs	466,070.00	1,928,785.00
Hire of school bus	16,650.00	
Bank Charges		
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores	5,881,072.00	9,139,797.00
Nssf	22,320.00	
Nhif	7,500.00	
kudheihha	2,400.00	
bursary	701,884.00	
Caution money	10,500.00	
TOTAL	9,062,146.00	20,649,597.00

Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2021	2020-2020
		Kshs	Kshs
Tuition Account	0590291380963	3,956.60	35,843.95
Operations Account	1107765757	(830,501.60)	92,009.25
School Fund Account/Boarding	0590291758518	97,428.85	574,447.05
Savings Account			
Parent Association Development Account			
Income generating activities Account			
Infrastructural Account	0590294925884	1,754,524.00	1,910,884.00
Total		1,025,407.85	2,613,184.25

9 CASH IN HAND

Description	2021-2021	2020-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	29,944.30	71,079.00
School Fund account	(107,086.80)	207,002.20
Total	(77,142.50)	278,081.50

10 SHORT TERM INVESTMENTS

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

(Indicate actual name of the school)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021-2021	2020-2020
	Kshs	Kshs
Fees arrears	13,754,559.00	12,365,312.00
Other non-fees receivables	0.00	0.00
Salary advances	0.00	0.00
Imprest	0.00	0.00
Total	13,754,559.00	12,365,312.00

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

Description	2021-2021	2021-2020
	Kshs	Kshs
Fees arrears for current year	1,459,652.00	3,687,906.00
Fees arrears for the previous year	3,687,906.00	1,117,567.00
Fees arrears for prior periods (over two years)	8,607,001.00	7,559,839.00
Total	13,754,559.00	12,365,312.00

12 ACCOUNTS PAYABLE

Description	2021-2021	2020-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	4,933,982.00	7,430,736.00
Prepaid fees	-	185,275.00
Retention monies	-	752,133.00
Total	4,933,982.00	8,368,144.00

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

Description	2021-2021	2020-2020
	Kshs	Kshs
Trade creditors for current year	124,4120.00	5,529,918.00
Trade creditors for the previous year	1,789,044.00	1,900,818.00
Trade creditors for prior periods (over two years)	1,900,818.00	-
Total	4,933,982.00	7,430,736.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2021	2020-2020
	Kshs	Kshs
Bank balances	1,025,407.85	2,613,184.15
Cash balances	(77,142.50)	278,081.50
Short Term Investments		
Receivables	13,754,559.00	12,365,312.00
Payables	(4,933,982.00)	(7,430,736.00)
Total	9,768,842.35	7,825,841.65

Other important disclosure notes

17 Stock/ Inventory

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

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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



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Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2021-2021	2020-2020
	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

15 Biological assets

Description	Numbers	2021-2021	2020-2020
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee or tea plantation		0.00	0.00
Poultry		0.00	0.00
Total		0.00	0.00

16 Borrowings

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



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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. HALIDE CHEMICALS	157,500.00					
5. ZAYIN CO. LTD	536,500.00					
6. NAKURU RUBBER STAMP	42,150.00					
7. MUKAA GEN. MERCHANTS	48,720.00					
8. FESTUS MULI MUSYOKA	104,000.00					
Sub-Total	888,870.00					
Supply of services						
9. DAVENCY ELECTRICALS	156,550.00					
10. FIRE MARSHALS	107,100.00					
11. IKOO LTD	91,600.00					
Sub-Total	355,250.00					
Grand Total	1,244,120.00					

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20xx
Land 1	Donated in 1978	School compound				
Land 2	2012	Tyaa river	400,000.00	0.00	0.00	400,000.00
Buildings and structures	13classrooms 4dormitories 1Dining hall					
Motor vehicles	School bus 52 seater					
Office equipment, furniture and fittings	580 lockers 580 chairs OFFICE TABLE-119 OFFICE CHAIRS-70					
ICT Equipment, and Other ICT Assets	COMPUTERS-21 TABLE-2 CHAIRS-65 LAPTOPS-4 COMPUTER-1 PRINTERS-6					
Tools and apparatus	AXE-1 JEMBES-4 PANGAS-4					

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 20xx
	SLSHERS-7 RECKS-1 HACKSAW-1 WHEELBARROW-3 SPADE-3					
Textbooks	MATHS-F1-198 F2-240 F3-241 F4-230 ENGISH-F1-209 F2-209 F3-209 F4-209 KISWAHILI-F1-209 F2-209 F3-209 F4-209 CHEMISTRY-F1-209 F2-209 F3-209 F4-209 BIOLOGY-F1-209 F2-209 F3-209 F4-209 PHYSICS-F1-213 F2-209 F3-75					

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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 20xx
	F4-86					
	GEOGRAPHY- F1-198					
	F2-227					
	F3-72					
	F4-80					
	HISTORY-F1-205					
	F2-219					
	F3-116					
	F4-178					
	CRE-F1-187					
	F2-226					
	F3-206					
	F4-250					
	AGRICULTURE-F1-80					
	F2-56					
	F3-65					
	F4-76					
	BUSINESS-F1-160					
	F2-213					
	F3-93					
	F4-166					
	HOMESCIENCE-F1-80					
	F2-90					
	F3-26					
	F4-14					



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 20xx
	COMPUTER-F1-71 F2-33 F3-07 F4-04					
Other Machinery and Equipment	2 generators	At school				
	2 old	At school bore hole 1 at power house 1 at bus park				
Heritage and cultural assets						
Intangible assets- soft ware						
Total						

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

