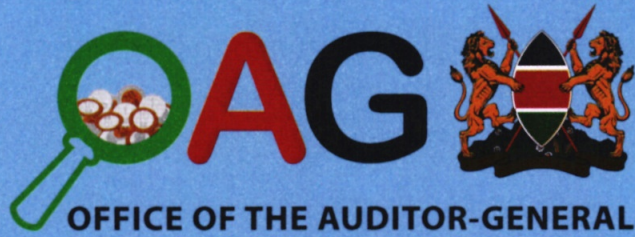

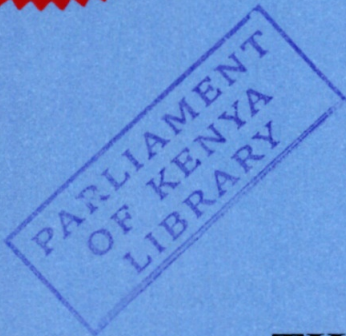


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY REPORT PAPERS LAID	
DATE: 20 NOV 2024	DAY: Wednesday
TABLED BY: OF	Hon. Naomi Wago, MP Deputy Majority Whip
CLERK-AT THE-TABLE:	Jene Ndiku



THE AUDITOR-GENERAL

ON

GACHIKA SECONDARY SCHOOL

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

NYERI COUNTY

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

31 JUL 2024

RECEIVED



**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is located in Nyeri County, Nyeri Central Sub-County, Kenya, and operates under the governance of the Basic Education Act, 2013. Registered in July 2007 under registration number GP/A/4768/07, the school is currently classified as a county public school owned and operated by the government. As of April 30, 2021, the school had 444 students, which excluded candidates from 2020 who had completed their KCSE exams. By June 30, 2021, the student count was 351.

The school operates with 2 streams and employs a total of 19 teachers, including 2 teachers appointed by the School Board of Management. The school serves both day scholars and boarders.

(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	JULIUS KIBUI MATU	Chairman	13/02/2022
2	MATHIAS KIGONDU	Secretary - Principal	13/02/2022
3	CHARLES MAINA	Member	13/02/2022
4	SIMON WARUI	Member	13/02/2022
5	LUCY NJUGUNA	Member	13/02/2022
6	PRISCA NYAMBURA	Member	13/02/2022
7	CHARLES KIMARI	Member	13/02/2022
8	DAVID WANJOHI	Member – Rep CEB	13/02/2022
9	IRENE K GITHINJI	Member Rep Teachers	13/02/2022
10	MARY MUTURI	Member - Sponsor	13/02/2022
11	ROBERT MUTHUNGU	Sponsor	13/02/2022
12	CHARLES NDIRANGU	Sponsor	13/02/2022
13	DR. REGINA MWANGI	Member - Community	13/02/2022
14	PAULINE GICHUKI	Member -Special Needs	13/02/2022
15	FELIX KAGUIRI	Rep Students	13/02/2022
16.	STEPHEN KIUGI	Member- P.A Chair	13/02/2022

**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2022**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the school
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the school.
- Determine cases of pupil's 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	JULIUS KIBUI MATHIAS KIGONDU DR REGINA MWANGI STEPHEN KIUGI MARY MUTURI	Chairman Secretary Member Member Member	2 out of 4
2	Audit Committee, Finance, procurement and general-purpose Committee	SIMON WARUI MATHIAS KIGONDU PRISCA MACHARIA CHARLES NDIRANGU	Chairman Secretary Member Member	1 out of 4
3	Development Committee	JULIUS KIBUI STEPHEN KIUGI MATHIAS KIGONDU DR REGINA MWANGI MARY MUTURI	Chairman Secretary Member Member Member	2 out of 4
4	Academic Committee	IRENE GITHINJI CHARLES NDIRANGU LUCY NJUGUNA PAULINE NYOKABI CHARLES KAMARI	Chairman Secretary Member Member Member	2 out of 4
5	Discipline and welfare Committee	IRENE GITHINJI LUCY NJUGUNA ROBERT MUTHUNGU CONSOLATA MURUGI	Chairman Secretary Member Member	1 out of 4

**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2022**

(d) School operation Management

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

Ref	Designation	Name	TSC Number
1	PRINCIPAL	MATHIAS KIMARIKIGONDU	352381
2	DEPUTY PRINCIPAL	SUSAN GATHONI MWANGI	270715
3	SCHOOL BURSAR	ALICE WANJIRU MWANGI	9553511

(e) Schools contacts

Post Office Box: 155-10102Kiganjo
Telephone: 0714363327
E-mail : gachikasec@yahoo.com

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(f) School Bankers

The school operated 7 number of bank accounts and 1 Pay bill number as follows:

- | | | |
|----|--------------------|---|
| 1. | Name of Bank: | KCB |
| | Branch: | NYERI |
| | Account Number: | 1101855517(School fund) |
| 2. | Name of Bank: | CO-OPERATIVE BANK |
| | Branch: | NYERI |
| | Account Number: | 01129991972800(school fund) |
| 3. | Name of Bank: | KCB |
| | Branch: | NYERI |
| | Account Number: | 1101863323(Tuition) |
| 4. | Name of Bank: | KCB |
| | Branch: | NYERI |
| | Account Number: | 1108774288(Operation) |
| 5. | Name of Bank: | KCB |
| | Branch: | NYERI |
| | Account Number: | 1260478890(infrastructure) |
| 6. | Name of Bank: | KCB |
| | Branch: | NYERI |
| | Account Number: | 1107574706(Savings) |
| 7. | Name of Bank: | Equity |
| | Branch: | NYERI |
| | Account Number: | 1150277703963(school fund) |
| 8. | MPESA Pay Bill No. | Business number: 522123
Account number: 40024K
Attached Bank account:1101855517 |

(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 (continued)

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

a) Financial performance:

This section reflects the actual financial performance trend over the four-year period from 1st January 2019 to 30th June 2022. It covers a period of 12 months, while 30th June 2021 covers a period of 6 months, and is summarized as follows:

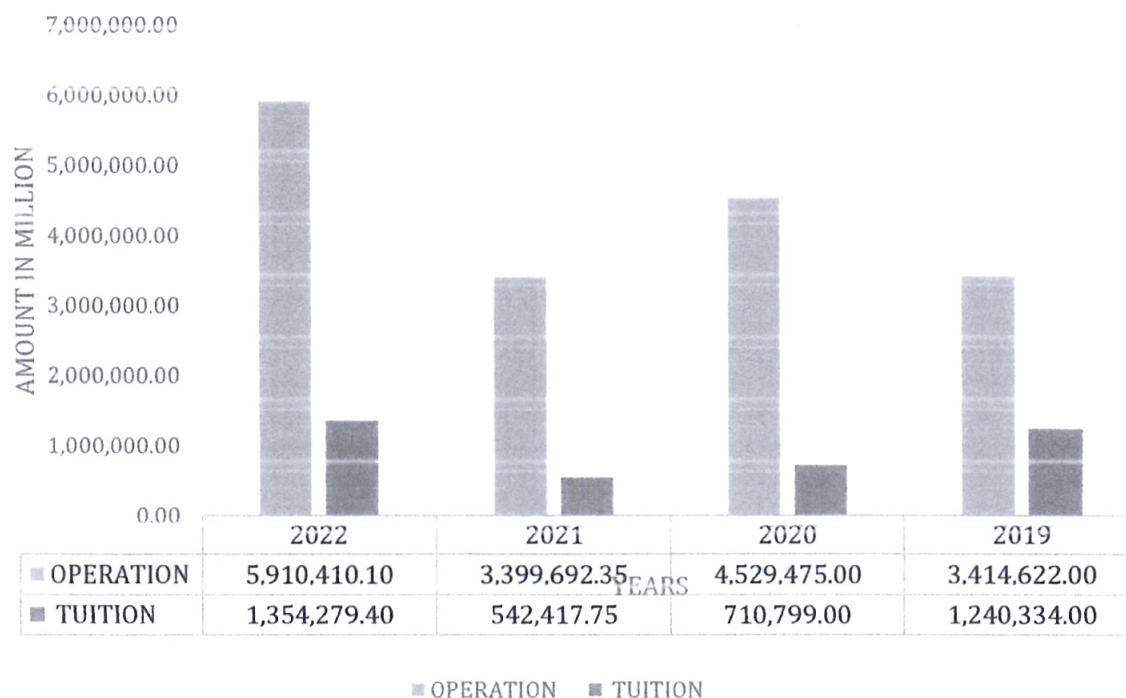
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST 4 YEARS

S/NO	ACCOUNTS	2022	2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
1	Operation account	5,910,410.10	3,399,692.35	4,529,475.00	3,414,622.00
2	Tuition account	1,354,279.40	542,417.75	710,799.00	1,240,334.00
	Total	7,264,689.50	3,942,110.10	5,240,274.00	7,116,409.00
	Increase /decrease	3,322,579.40	(1,298,163.90)	(1,876,135.00)	2,048,537.00
	No of student	362	408	399	380
	Ratio of Capitation per Student	1:9178.39	1:9,662.20	1:13,133.51	1:18,727.39

**GACHIKA SECONDARY SCHOOL
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For the year ended 30th June 2022**

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST 4 YEARS



The total capitation grant for the financial year 2020 was **Kshs 5,240,274.00**, compared to **Kshs 7,116,409.00** in the financial year 2019, representing a decrease of **Kshs 1,876,135.00**. This decrease resulted from not all students receiving capitation grants, the prolonged abrupt closure of the school due to COVID-19, and not all capitation grants being disbursed by the end of the financial year 2020.

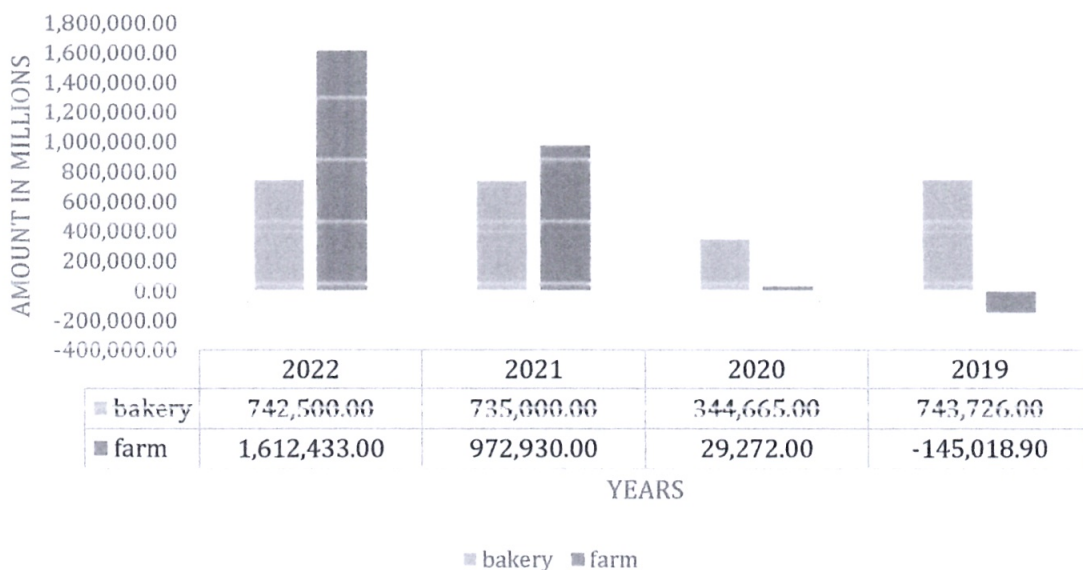
The capitation grant for the financial year 2021 was **Kshs 3,942,110.10**, compared to **Kshs 5,240,274.00** in the financial year 2020, representing a decrease of **Kshs 1,298,163.90**. The net decrease is mainly attributed to the disbursement of capitation for only Term Two 2020 and Term Three 2020. Additionally, the period covers 6 months.

The total capitation for the current financial year 2022 was **Kshs 7,264,689.50**, an increase of **Kshs 3,322,579.40** from the financial year ending 30th June 2021, which was **Kshs 3,942,110.10**. The net increase was due to the government disbursing full capitation for this financial year after increasing the number of terms from 2 to 4.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)
OVERVIEW OF NET GROWTH OF OTHER INCOME

OVERVIEW OF NET GROWTH OF OTHER INCOME(S)					
SNO	ACCOUNTS	2022	2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
1	Farm	1,612,433.00	972,930.00	29,272.00	(145,018.90)
2	Bakery	742,500.00	735,000.00	344,665.00	743,726.00
	Total	2,354,933.00	1,707,930.00	373,937.00	598,707.10
	Increase/Decrease	647,003.00	1,333,993.00	(224,770.10)	309,962.20

OVERVIEW OF NET GROWTH OF OTHER INCOME



The net growth of other income-generating activities for the financial year 2021 was **Kshs 1,707,930.00** as compared to **Kshs 373,937.00** in the financial year 2020, which represents an increase of **Kshs 1,333,993.00**.

The net growth of other income-generating activities for the financial year 2020 was **Kshs 373,937.00** as compared to **Kshs 598,707.10** in the financial year 2019, which represents a decrease of **Kshs 224,770.10**.

Both financial years 2021 and 2020 were affected by the COVID-19 pandemic. The net growth for income-generating activities in 2022 increased by **Kshs 647,003.00**.

This increase was due to the school expanding its farming activities, such as pig rearing, fish keeping, and dairy farming. The products were either sold locally or consumed within the school.

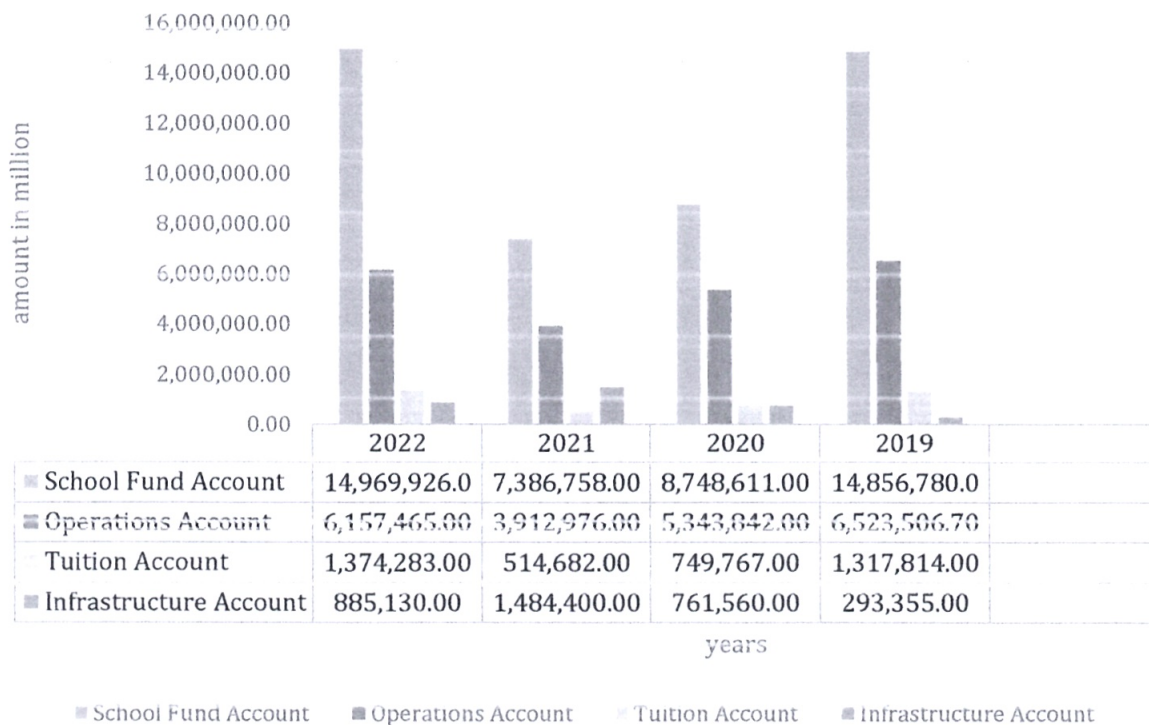
**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
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For the year ended 30th June 2022

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

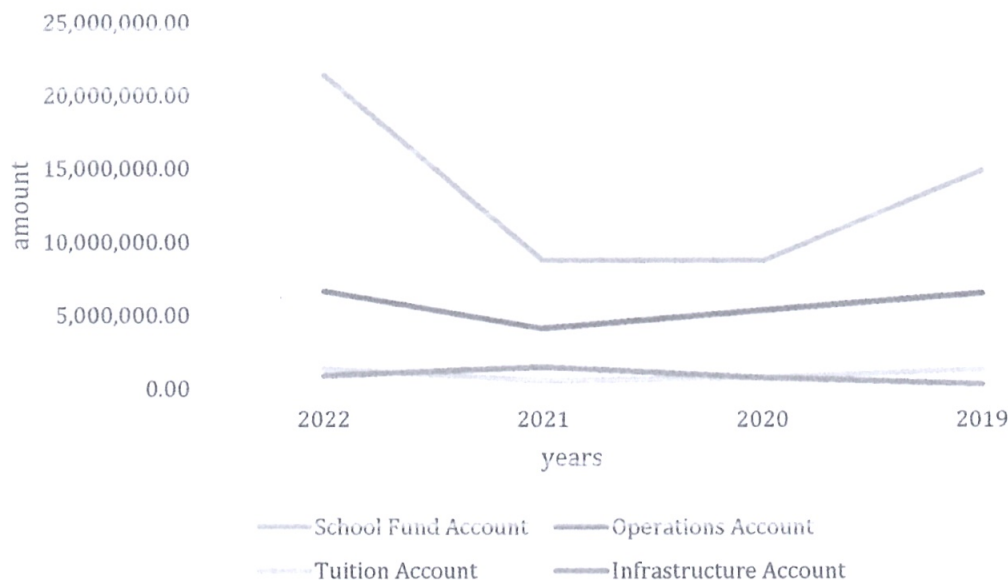
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2022	2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	14,969,926.00	7,386,758.00	8,748,611.00	14,856,780.00
2	Operations Account	6,157,465.00	3,912,976.00	5,343,842.00	6,523,506.70
3	Tuition Account	1,374,283.40	514,682.00	749,767.00	1,317,814.000
4	Infrastructure Account	885,130.00	1,484,400.00	761,560.00	293,355.00
	Total	23,386,804.40	13,298,816.00	15,603,780.00	22,991,455.70
	Increase/(Decrease)	10,087,988.40	(2,304,964.00)	(7,387,675.7)	4,137,860.61

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL



In the financial year 2021, there was a decrease in expenditure growth, which resulted from the financial year covering a period of 6 months. Despite the financial year 2020 covering a period of 12 months, a decrease occurred due to the prolonged abrupt closure of the school caused by COVID-19.

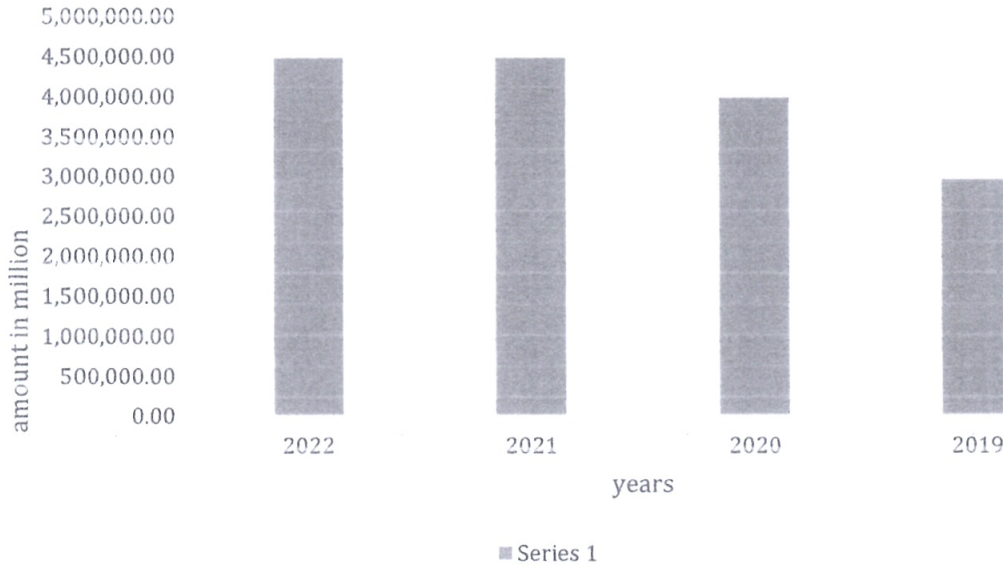
The increase in expenditure by **Kshs 10,087,988.40** in the current financial year 2022 is due to the increased number of terms to 4. Additionally, increased inflation in the country raised the prices of commodities, thereby increasing expenditure.

**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2022**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2022	2021	2020	2019
		KSH	KSHS	KSHS	KSHS
a	Debtors	4,739,496.00	4,471,163.00	3,973,352.00	2,948,780.00
	Total	4,739,496.00	4,471,163.00	3,973,352.00	2,948,780.00
	Increase/Decrease	268,333.00	497,811.00	1,024,572.00	772,706.00

MOVEMENT OF DEBTORS OF THE SCHOOL



The total debtors as of 30th June 2021 increased by 11.132% to **Kshs 4,471,163.00** compared to **Kshs 3,973,352.00** at the end of the financial year 2020. The main contributors to the increase in total debtors are the students having huge fee balances due to the impact of COVID-19.

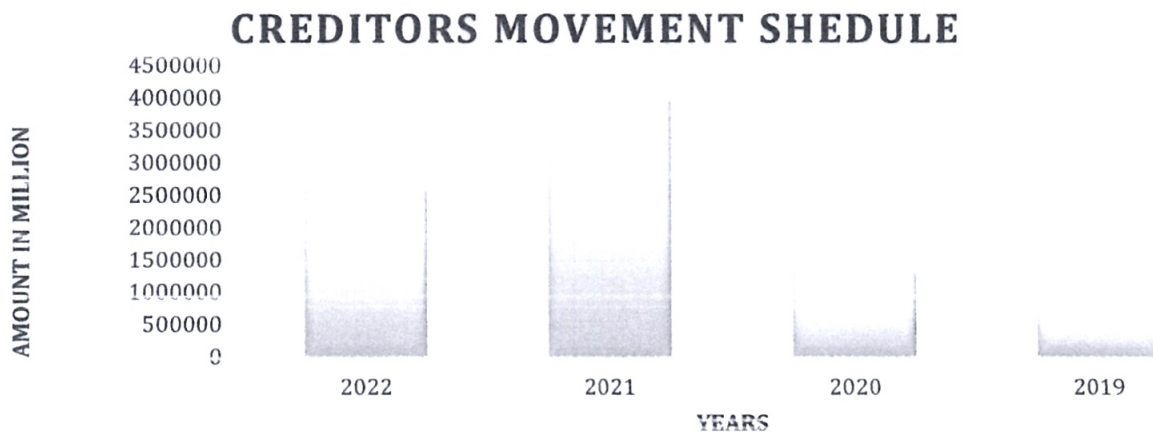
The total debtors increased by **Kshs 268,333.00** in the current financial year 2022. This represents a 6.00% increase, mainly attributed to the large fee balances.

The high cost of living has also affected the parents' disposable income, thus reducing the payment of school fees.

MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2022	2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
a	Creditors	2,574,950.00	3,967,331.80	1,309,715.00	890,915.00
	Total	2,574,950.00	3,967,331.80	1,309,715.00	890,915.00
	Increase/Decrease	(1,392,381.80)	2,657,616.80	418,800.00	890,915.00

The total creditors as of 30th June 2021 increased by **Ksh 2,657,616.80** compared to **Ksh 418,800.00** at the end of the financial year 2020. This increase was primarily due to trade payables and other obligations, including prepaid fees.

In the current financial year 2022, total creditors decreased by **Ksh 1,392,381.80**. This reduction reflects strict adherence to budgetary controls by management. Additionally, surplus funds generated from income-generating activities were utilized to settle outstanding creditor balances.



b) **Teacher Student ratio:**

Between January 2021 and June 2022, the teaching staff status is as follows: There are 16 teachers posted by the Teachers Service Commission (TSC) and 2 recruited by the Board of Management (BoM). The current teacher-student ratio stands at 1:23. However, there is a shortage of 2 teachers according to the Complementary Basic Education (CBE) requirements. This shortage arose from a transfer in 2020 for which no replacement was made. Additionally, the curriculum has been expanded to include computer studies and home science, increasing the shortage of teachers to 3.

c) **Mean score in the 2018- 2022 KCSE:**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	106	2.476	33	31.13	4.5	Negative deviation of 0.328
2020	93	2.804	23	24.73	4.5	Negative deviation of 0.412
2019	74	3.216	25	33.78	4.0	Negative deviation of 0.254
2018	71	3.47	16	22.35	3.5	

d) **Number of Candidates in the years 2018- 2022 KCSE:**

YEAR	2022	2021	2020	2019	2018
No of candidates	103	106	93	74	71
Increase/ decrease	(3)	13	19	3	

**GACHIKA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**

e) Development projects carried out by the school:

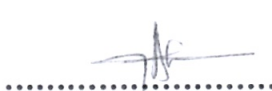
S/ No.	Project	Year	Status	Amount	Fund Source
1	Repairs of Boys domitory	2019-2020	Completed	293,355.00	Maintance& Improvement
2	Gents abulution and toilet	2020-2020	Completed	761,560.00	Maintance& Improvement
3	2 staff toilet, Gate house and boy's bathroom	2021-2022	Completed	1,484,400.00	Maintance& Improvement


.....

Julius Kibui Matu (Mr)
CHAIRMAN
Board of Management


.....

Mathias Kimari Kigundu (Mr)
SECRETARY/PRINCIPAL
Board of Management


.....

Alice Wanjiru Mwangi (Mrs)
BURSAR

Date: 26/7/2024

Date: 26/07/2024

Date: 26/7/2024



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 GACHIKA SECONDARY SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

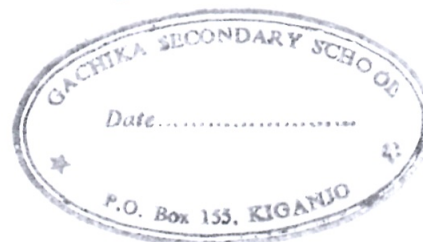
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name: JULIUS KIBUI MATU
Designation: Chairman, School Board of Management


Sign: 
Date: 26/07/2022

Name: MATHIAS KIMARI KIGONDU
Designation: School Principal & Secretary to Board of Management

Sign: 
Date: 26/07/2022

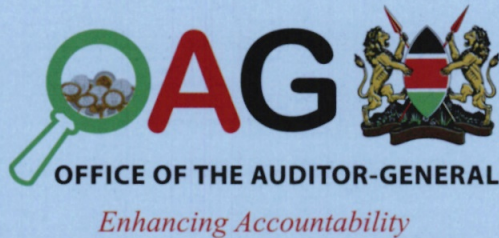


Name: ALICE WANJIRU MWANGI
Designation: Bursar/ Finance Officer

Sign: 
Date: 26/7/2022

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 GACHIKA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NYERI COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gachika Secondary School – Nyeri County set out on pages 17 to 33, which comprise of the statement financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and notes to the financial statements for the year then ended and a

Report of the Auditor-General on Gachika Secondary School for the year ended 30 June, 2022 - Nyeri County

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 Gachika Secondary School - Nyeri County as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.1,354,279 and Kshs.5,910,410, respectively totalling Kshs.7,264,689 as disclosed in Note 1 and Note 2 to the financial statements. Examination of documents provided for audit revealed that there were discrepancies between the data in the County Director of Education (CDE), National Education Management Information System (NEMIS) and School records relating to the amount of capitation received during the year. The NEMIS reported amount disbursed as Kshs.6,533,563 while the amount received in the School was Kshs.7,264,689 leading to unexplained variance of Kshs.731,126.

In the circumstances, the accuracy and completeness of capitation grants for tuition and capitation grants for operations amounting to Kshs.1,354,279 and Kshs.5,910,410, respectively, could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and Note 12 to the financial statements reflects accounts receivables balance of Kshs.4,739,496 in respect of fees arrears. However, included in the balance are receivables amounting to Kshs.2,859,162 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.2,859,162 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and Notes 9 and 10 to the financial statements reflects cash and cash equivalents balance of Kshs.834,039. However, the balance was not supported with bank reconciliation statements, certificate of bank balance confirmation and cash survey report.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.834,039 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.26,288,886 and Kshs.23,559,157 respectively, resulting to an under-funding of Kshs.2,729,729 or 10% of the budget. However, the School spent a balance of Kshs.21,827,068 against actual receipts of Kshs.23,559,157, resulting to an over-utilization of Kshs.1,732,089 or 8% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Failure to Prepare School Improvement Plan

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

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

2. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.27,710,680 and Kshs.27,367,030 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. Further, no procurement budget was provided for audit review. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

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

The financial statements for the year 2021/2022 were submitted on 15 February, 2023 to the Auditor-General and not on the statutory date of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter 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 Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.99,785,000 in respect of fixed assets which includes land with a balance of Kshs.36,000,000. However, land ownership document was not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which requires the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

The audit was conducted in accordance with ISSAIs 2315 and 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 control 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 control, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 September, 2024

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	JAN 2021- JUNE 2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition (MOE)	1	1,354,279.40	542,417.75
Capitation grants for operations	2a	5,910,410.10	3,399,692.35
Other receipt for operation	2b	44,282.00	748,190.00
School Fund Income- Parents' Contributions	3a	13,904,753.00	5,484,139.00
Other Incomes	3b	5,579,456.00	3,317,368.00
Infrastructure	4	917,500.00	1,477,500.00
Proceeds from borrowings			
TOTAL RECEIPTS		27,710,680.50	14,969,307.10
PAYMENTS			
Payments for Tuition	5	1,374,283.40	514,682.00
Payments for operations	6	6,157,465.00	3,912,376.00
Boarding and school fund payments	7a	14,969,926.00	7,386,758.00
Payment on income generating activities	7b	3,980,226.00	1,399,072
Payments for Infrastructure	8	885,130.00	1,484,400.00
TOTAL PAYMENTS		27,367,030.00	14,697,288.00
SURPLUS/DEFICIT		343,650.10	272,019.10

The school financial statements were approved on _____ 2022 and signed by:

.....


Julius Kibui Matu (Mr)

.....


Mathias Kimari Kigundu (Mr)

.....


Alice Wanjiru Mwangi (Mrs)

CHAIRMAN
Board of Management

SECRETARY/PRINCIPAL
Board of Management

BURSAR

Date: 26/07/2022

Date: 26/07/2022

Date: 26/7/2022



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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022 Kshs	JAN 2021- JUNE 2021 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	830,232.21	456,479.11
Cash Balances	10	3,806.80	33,909.80
Short term Investment	11		
Total Cash and cash equivalent		<u>834,039.01</u>	<u>490,388.91</u>
Account's receivables	12	4,739,496.00	4,471,163.00
TOTAL FINANCIAL ASSETS		5,573,535.01	4,961,551.91
FINANCIAL LIABILITIES			
Accounts Payables	13	(2,574,950.00)	(4,348,492.80)
NET FINANCIAL ASSETS		2,998,585.01	613,059.11
REPRESENTED BY			
Accumulated Fund b/fwd.	14	613,059.11	341,040.01
Surplus/Deficit for the year		343,650.10	272,019.10
Add increase in receivables		268,333.00	
Add decrease in payables		1,773,542.80	
NET FINANCIAL POSITION		2,998,585.01	613,059.11



Julius Kibui Matu (Mr)
CHAIRMAN
Board of Management



Mathias Kimari Kigundu (Mr)
SECRETARY/PRINCIPAL
Board of Management



Alice Wanjiru Mwangi (Mrs)
BURSAR
Board of Management

Date: 26/07/2022 Date: 26/07/2022 Date: 26/7/2022



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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021-2022	JAN 2021- JUNE 2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition (MOE)	1	1,354,279.40	542,417.75
Capitation grants for operations	2a	5,910,410.10	3,399,692.35
Other receipt for operation	2b	44,282.00	748,190.00
School Fund Income- Parents' Contributions	3a	13,904,753.00	5,484,139.00
Other Incomes	3b	5,579,456.00	3,317,368.00
Infrastructure	4	917,500.00	1,477,500.00
Total receipts		27,710,680.50	14,969,307.10
Payments			
Payments for Tuition	5	1,374,283.40	514,682.00
Payments for operations	6	6,157,465.00	3,912,376.00
Boarding and school fund payments	7a	14,969,926.00	7,386,758.00
Payment on income generating activities	7b	3,980,226.00	1,399,072
Payments for Infrastructure	8	885,130.00	1,484,400.00
TOTAL PAYMENTS		27,367,030.00	14,697,288.00
Net cash flow from operating activities		343,650.10	272,019.10
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		343,650.10	272,019.10
Cash and cash equivalent at BEGINNING of the year		490,388.91	218,369.81
Cash and cash equivalent at END of the year		834,039.01	490,388.91

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.

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR
ENDED 30TH JUNE 2022**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	60,000.00		60,000.00	48,390.00	11,610.00	80.65
Laboratory equipment	570,000.00		570,000.00	550,615.00	19,385.00	96.59
Internal exams	230,000.00		230,000.00	200,650.00	29,350.00	87.23
Teaching / learning materials	284,040.00		284,040.00	245,780.00	38,260.00	86.53
Exercise books	225,000.00		225,000.00	200,450.00	22,450.00	89.08
Stationaries	110,000.00		110,000.00	108,394.40	1,605.60	98.54
TOTAL TUITION	1,699,040.00	-	1,699,040.00	1,354,279.40	124,760.60	91.56
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	1,927,000.00	-	1,927,000.00	1,919,196.10	7,804.00	99.59
Repairs and maintenance	2,050,000.00	-	2,050,000.00	2,034,500.00	15,500.00	99.24
Insurance/ Medical	820,000.00	-	820,000.00	81,800.00	738,200.00	9.97
Activity	84,375.00	-	84,375.00	0	84,375.00	0
Administration costs	635,910.00	-	635,910.00	433,334.00	202,576.00	68.14
L.T.T	655,180.00	-	655,180.00	833,334.00	(178,154.00)	127.19
EWC	635,910.00	-	635,910.00	652,528.00	(16,618.00)	102
Gratuity	96,350.00	-	96,350.00	-	96,350.00	0
TOTALS OPERATION	6,904,725.00		6,904,725.00	5,954,692.10	950,033.00	86.24

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(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,312,875.00	-	1,312,875.00	1,626,007.00	313,132.00	123.85
Repairs and maintenance	450,000.00	-	450,000.00	634,361.00	184,361.00	140.96
Electricity and water	433,248.00	-	433,248.00	536,583.00	103,555.00	123.85
LTT	446,375.00	-	446,375.00	536,583.00	90,208.00	123.85
Administration costs	433,248.00	-	433,248.00	552,841.00	119,593.00	124.72
Activity	84,375.00	-	84,375.00	85,534.00	1,159.00	104.93
SMASSE	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	12,145,000.00	-	12,145,000.00	9,930,844.00	623,238.00	81.79
TOTAL	15,305,121.00		15,305,121.00	13,902,753.00	1,435,246.00	90.84
OTHER INCOME						
Income from farming activities	1,800,000.00		1,800,000.00	1,612,433.00	187,567.00	89.57
Income from Bakery	800,000.00		800,000.00	735,000.00	65,000.00	91.88
TOTAL OTHER INCOME	2,600,000.00		2,600,000.00	2,347,433.00	252,567.00	90.29
TOTAL INCOME	26,288,886.00		26,288,886.00	23,559,157.40	2,762,606.60	89.62
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	1,177,500.00		1,177,500.00	311,215.00	866,285.00	26.43
Laboratory equipment	547,650.00		547,650.00	517,316.00	30,334.00	94.46
Teaching / learning materials	325,730.00		325,730.00	282,115.00	43,615.00	86.61
Whiteboard and Marker pen	159,800.00		159,800.00	53,257.40	106,542.60	33.33
Exams and assessment						
Teachers guides	98,800.00		98,800.00	0	98,800.00	0
Administration costs						
Bank Charges						
	1,761,830.00		1,761,830.00	1,163,903.40	1,145,576.00	66.06
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	3,746,760.00		3,746,760.00	2,021,067.00	1,725,693.00	53.94
Repairs, maintenance & improvements	915,000.00		915,000.00	330,410.00	585,590.00	36.11

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Local transport / travelling	800,000.00		800,000.00	336,800.00	463,200.00	42.10
Electricity, water and conservancy	1,080,000.00		1,080,000.00	615,180.00	464,820.00	56.96
Medical and insurance	607,500.00		607,500.00	200,518.00	406,982.00	33.01
Administration costs	825,000.00		825,000.00	687,500.00	137,500.00	83.33
Activity Expenses	525,000.00		525,000.00	0	525,000.00	0
SMASSE						
	8,499,260.00		8,499,260.00	4,191,475.00	4,307,785.00	49.32
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,746,760.00		3,746,760.00	2,115,947.00	1,630,813.00	56.47
Repairs, maintenance and improvements	915,000.00		915,000.00	1,806,875.00	(891,875.00)	197.47
Local transport / travelling	800,000.00		800,000.00	1,131,625.00	(331,625.00)	141.45
Electricity, water and conservancy	1080,000.00		1080,000.00	501,830.00	578,170.00	46.46
Medical Expenses						
Administration costs	825,000.00		825,000.00	1,233,192.00	(408,192.00)	149.47
Activity						
Boarding Equipment and Stores	10,446,300.00		10,446,300.00	8,113,736.00	2,332,564.00	77.67
TOTAL EXPENDITURE	16,733,060.00		16,733,060.00	14,903,205.00	577,291.00	89.06
Expenditure for Income Generating Activity						
Farm	1,500,000.00		1,500,000.00	1,355,410.00	44,590.00	96.82
Bakery	400,000.00		400,000.00	213,075.00	186,925.00	53.27
	1,900,000.00		1,900,000.00	1,568,485.00	231,515.00	82.55
TOTAL EXPENDITURE	28,894,150.00		28,894,150.00	21,827,068.40	6,262,167.00	73.94

Total income we received less capitation from the government for tuition and operation and less income from parents than what we expected thus why we have an under-utilized budget

Total expenditure for the financial year was underutilized due to receiving insufficient funding across all accounts. Consequently, the school allocated and spent less than the budgeted amounts for various expenses

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 2021

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Textbooks and reference materials	48,390.00	
Stationaries	108,394.40	95,875.00
Exercise books	200,450.00	150,360.00
Laboratory equipment	550,615.00	175,830.00
Internal exams	200,650.00	
Teaching / learning materials	245,780.00	120,352.75
Total	1,354,279.40	542,417.75

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Personnel emoluments	1,874,914.10	867,096.35
Repairs and maintenance	2,034,500.00	1,665,500.00
Local transport / travelling	766,335.00	289,032.00
Electricity and water	500,335.00	289,032.00
Medical	81,800.00	-
Administration costs	652,526.00	289,032.00
Activity		-
Total capitation from government	5,910,410.10	3,999,692.00
2 b other receipt for Operation		
Miscellaneous income	44,282.00	81,190.00
Infrastructure		60,000.00
School fund		607,000.00
Total	5,954,692.10	748,190.00

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3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Personnel emoluments	1,626,007.00	-
Repairs and maintenance	634,361.00	181,386.00
Medical	2,000.00	4,050.00
Activity	85,534.00	11,195.00
B.E. S	9,930,844.00	4,453,162.00
administration	406,502.00	
Local traveling and transport	731,703.00	
E.W.C	487,802.00	
Other vote heads		834,346.00
TOTAL	13,904,753.00	5,484,139.00
3.b Other receipt through School fund		
Interview	3,000.00	2,500.00
Fees debtor	1,292,582.00	1,114,190.00
Exam	63,888.00	5,700.00
New admission	46,983.00	49,400.00
C.C.T.V Camera	7,500.00	2,500.00
Special Diet	58,923.00	
Damages	1,698,647.00	35,148.00
Operation		20,000.00
Advance	8,500.00	
Books	4,500.00	
Tender	40,000.00	
Infrastructure		379,000.00
Farm Ac	1,612,433.00	972,930.00
Bakery	742,500.00	735,000.00
TOTAL	5,579,456.00	3,317,368.00

4 CAPITATION GRANT FOR INFRASTRUCTURE

	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
M.I. F	917,500.00	1,456,500.00
School fund		21,000.00
Total	917,500.00	1,477,500.00

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PAYMENTS FOR TUITION

	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Textbooks and reference materials	53,257.40	33,130.00
Laboratory equipment	517,335.00	177,637.00
Internal exams		77,750.00
Teaching / learning materials	282,096.00	67,000.00
Stationaries	89,515.00	-
Exercise books	221,700.00	
Creditors	209,035.00	158,805.00
Bank Charges	1,345.00	360.00
Total	1,374,283.40	514,862.00

6 PAYMENTS FOR OPERATIONS

	2021-2022	JAN 2021- JUNE 2021
	KSHS	KSHS
Personnel emoluments	2,021,067.00	483,736.00
Administration Cost	687,500.00	144,500.00
Repairs and maintenance & improvements	330,410.00	82,600.00
Local transport / travelling	336,800.00	27,000.00
Electricity and water	615,180.00	84,800.00
Medical		24,500.00
Activity Expenses	167,900.00	-
Infrastructure	917,500.00	1,456,500.00
Insurance Cost	200,518.00	123,270.00
School Fund		420,000.00
Creditors	880,590.00	1,065,470.00
TOTAL	6,157,465.00	3,912,376.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	JAN 2021- JUNE 2021
	KSHS	KSHS
Personnel emoluments	2,115,947.00	1,046,196.00
Repairs and maintenance & Improvements	1,806,875.00	490,991.00
Local transport / travelling	1,131,625.00	584,530.00
Electricity and water	501,830.00	189,790.00
Medical Expenses	64,721.00	6,215.00
Administration costs	1,233,192.00	335,634.00
Activity	2,000.00	48,750.00
Fee on Boarding Equipment and Stores	8,113,736.00	4,684,652.00
b. Total expenses for boarding and school fund	14,969,926.00	7,386,758.00
Expenses On Income Generating Activities**		
Bakery	213,075.00	79,252.00
farm	1,355,410.00	276,180.00
Creditors	1,263,670.00	836,640.00
Exam	63,900.00	
Operation A/c		207,000.00
Advance	10,000.00	
Damages	1,038,140.00	
Books	5,031.00	
Tender	31,000.00	
TOTAL	3,980,226.00	1,399,072.00

8 PAYMENT FOR INFRASTRUCTURE

	2021-2022	JAN 2021- JUNE 2021
	KSHS	KSHS
M.I. F	738,630.00	184,370.00
Boys Toilets		51,600.00
Bathroom and Gate house		560,970.00
Creditors	146,500.00	226,500.00
Operation a/c		60,000.00
School fund		400,000.00
Bank charges		960.00
Total	885,130.00	1,484,400.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	JAN 2021- JUNE 2021
		Kshs	Kshs
Tuition Account K.C. B	1101863323	16,065.65	36,069.65
Operations Account K.C. B	1108774288	39,001.95	215,414.85
School Fund Account/Boarding K.C. B	1101855517	335,135.41	75,959.41
School Fund Account/Boarding cooperative	1129991972800	303,621.00	0
School Fund Account/ EQUITY BANK	1150277703963	101,542.00	126,359.00
Savings Account K.C. B	1107574706	2,311.20	2,311.20
Infrastructural Account K.C. B	1260478890	32,555.00	185.00
Total		830,232.21	456,479.11

10 CASH IN HAND

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Tuition Account		-
Operation Account	1,383.80	27,743.80
School Fund account	2,423.00	6,166.00
Total	3,806.80	33,909.80

11 SHORT TERM INVESTMENTS

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 ACCOUNTS RECEIVABLE

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Fees arrears	4,737,996.00	4,471,163.00
Other non-fees receivables		-
Salary advances	1,500.00	-
Imprest		-
Total	4,739,496.00	4,471,163.00

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

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Fees arrears for current year	1,559,415.00	1,612,001.00
Fees arrears for the previous year	319,419.00	378,656.00
Fees arrears for prior periods (over two years)	2,859,162.00	2,480,506.00
Total	4,737,996.00	4,471,163.00

13 ACCOUNTS PAYABLE

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,477,135.00	3,967,331.80
Prepaid fees	103,815.00	381,161.00
Retention monies		-
Total	2,574,950.00	4,348,492.80

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

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Trade creditors for current year	2,243,635.00	2,657,616.80
Trade creditors for the previous year	50,000.00	418,800.00
Trade creditors for prior periods (over two years)	177,500.00	890,915.00
Total	2,471,135.00	3,967,331.80

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Bank balances	456,479.11	217,204.01
Cash balances	33,909.80	1,165.80
Short Term Investments		-
Receivables	4,471,163.00	4,471,163.00
Payables	((4,348,492.80))	(4,348,492.80)
Total	613,059.11	341,040.01

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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.

15 Non-current Liabilities Summary

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
Bank loan(s)		-
Outstanding Leases		-
Hire purchase		-
Gratuity and leave provision		-
Total		-

16 Biological assets

Description	Numbers	2021-2022	JAN 2021- JUNE 2021
		Kshs	Kshs
Cattle	4	280,000.00	
Goats	5	30,000.00	
Trees	100	200,000.00	
calves	3	45,000.00	
Total		555,000.00	

NB. VARIATION BASED ON ESTIMATE.

17 Borrowings

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		0
Repayments of during the year		0
Balance at end of the year		

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Other important disclosure notes

18 Stock/ Inventory

Description	2021-2022	JAN 2021- JUNE 2021
	Kshs	Kshs
b) Borrowings		
Stock/ inventory at beginning of the year	854,695.00	
Stock/ inventory purchased during the year	4,477,040.00	
Stock/ inventory issued during the year	(4,925,862.00)	
Balance at end of the year	405,873.00	

NB. VARIATION BASED ON ESTIMATE.

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1			36,000,000.00	0	0	36,000,000.00
Buildings and structures			42,090,000.00	0	0	42,090,000.00
Office equipment, furniture and fittings			2,227,000.00	0	0	2,227,000.00
ICT Equipment, and Other ICT Assets			4,575,000.00	0	0	4,575,000.00
Laboratory Tools and apparatus			7,535,000.00	0	0	7,535,000.00
Textbooks			M.O.E	0	0	M.OE
Other Machinery and Equipment			2,206,000.00	0	0	2,206,000.00
Kitchen assets			4,802,000.00	0	0	4,802,000.00
Intangible assets- soft ware			350,000.00	0	0	350,000.00
Total			99,785,000.00			99,785,000.00

NB. VARIATION BASED ON ESTIMATES

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