REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KARII KAMBURI SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

THARAKA-NITHI COUNTY

KARII KAMBURI SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

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

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I. Key School Information And Management

(a) Background information

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

The school was registered in 2010 under registration number 13500300828 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 184 students as at 30th June 2022. It has one (1) stream and ten (10) teachers of which two (2) 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	Joseph Mwaita	Chairman	30th July 2019
2	Mwenda David	Secretary - Principal	30th July 2019
3	Rev. John Kiragu	Member	30th July 2019
4	Paul Muthengj	Member	30th July 2019
5	Grace Muthoni	Member	30th July 2019
6	Japheth Mugambi	Member	30th July 2019
7	Celina Musembi	Member	30th July 2019
8	Mary Kajuki	Member	30th July 2019
9	Peter Nkari	Member	30th July 2019
10	Abraham Mwaita	Members – Rep CEB	30th July 2019
11	Hophin Mwandiki	Member Rep Teachers	30th July 2019
12	Jane Mwende	Member - Sponsor	30th July 2019
13	Lucy Muthoni	Member – Special Needs	30th July 2019
14	Doris Ngugi	Member Rep. Students	30th July 2019
15	Jeremy Mutegi	Member	30th July 2019
16	Faith Gatwiri	Member	30th July 2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Joseph Mutegi 2. Mwenda David 3. Grace Muthoni	Chairman Secretary Treasurer	
2	Audit Committee			
3	Finance,procurement and general purposes Committee	1. Grace Muthoni 2. Jeremy Mutegi 3. Joseph Mutegi 4. David Mwenda	Chairperson	
4	Academic Committee	1. Celina Musembi 2. Jotham Mwithi	Chairperson Teacher	
5	Development Committee	1. Jane Mwende 2. Mwenda David		
6	Discipline and welfare Committee	1. Paul Muthengii 2. Faith Gatwiri 3. Lawrence Magaju 4. David Mwenda	Chairman Member D/P	

(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	Mwenda David K	348607
2	Deputy Principal	Lawrence Magaju	351765
3	School Bursar	N/A	

(e) Schools contacts

Post Office Box: 147- 60215 Marimanti
Telephone: 0721- 597- 186
E-mail: kariikamburisecondary@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers
The school operated four (4) bank accounts in the following banks:

1. Name of Bank: Co-operative
   Branch: Chuka
   Account Number: 01139058215901 - Operations Account

2. Name of Bank: Co-operative
   Branch: Chuka
   Account Number: 01139058215900 - Tution Account

3. Name of Bank: Co-operative
   Branch: Chuka
   Account Number: 01139058215902 - Infrastructure Account

4. Name of Bank: Trans-Nation Sacco
   Branch: Marimanti
   Account Number: 6820900006401 – Lunch Account

(g) Independent Auditors
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. Summary Report Of Performance Of The School

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

a) **Financial performance**:

i. Surplus/ deficit for the year and a comparison of the same for the last three years

	2021/2022	2020/2021	2019/2020
Surplus	945,094.50	(265,023.50)	

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

Account	2021/2022	2020/2021	2019/2020
Tuition	482,678.00	167,954.50	
Operations	2,122,665.50	1,051,930.00	
Total	2,605,343.50	1,219,884.50	
Enrollment	184	134	
Ratio	14,159.47	9,103.61	

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

Account	2021/2022	2020/2021	2019/2020
Tuition	460,940.00	228,125.00	
Operations	1,756,490.00	899,980.00	
School Fund	1,146,411.00	850,503.00	
Infrastructure	416,820.00		
Total	3,780,661.00	1,978,608.00	

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

	2021/2022	2020/2021	2019/2020
Debtors	652,550.00	137,450.00	
Creditors	135,200.00	603,661.00	

v. Movement of cash and bank balances over the last three years

	2021/2022	2020/2021	2019/2020
Tuition	70,296.65	48,558.05	
Operations	431,828.05	565,652.55	
School Fund	114,772.77	124,333.77	
Infrastructure	83,180.00		
Total	700,077.47	738,544.37	

b) **Teacher Student ratio**:

Teachers	Students	Ratio
10	184	18.4

No	Name of the teacher	Subject combination	Employer	Remarks
1	Mwenda David Kiragu	Kisw/ Geo	TSC	
2	Lawrence Magaviu	Business/ Geo	TSC	
3	Nthiga Daniel Murimi	Geo/ Business	TSC	
4	Mutegi Jotham Mwathi	Maths/ Phy	TSC	
5	Mutegi Purity Mukami	Maths/ Chem	TSC	
6	Hophin Mwandiki kiganka	Eng/ Lit	TSC	
7	Dominic Mwathi Makunyi	CRE / Kisw	TSC	
8	Titus Gichunge Mukiira	Agri/ P.E	TSC	
9	Ikunga Alex Murithi	Bio/ Chem	B.O.M	
10	Kithuka Jane Kangai	Hist/ Kisw	B.O.M	

c) **Mean score in the 2019, 2020, 2021 KCSE**:

Year	Entry	Mean Score	Deviation	Transition to Higher Learni
2021	18	4.15	+0.98	
2020	17	3.47	+0.07	
2019	15	3.4	+0.8	

d) Number of Candidates in the 2019, 2020, 2021 KCSE:

	2021	2020	2(
No. of Students sitting for KCSE	18	17	15

e) **Capacity of the school:**

No. of Students	Dining hall	Laboratory	Classrooms	Toilets	Dormitor
184	0	1	4	10	0
Remarks	Required	Inadequate	Required	Shortage	Required

f) **Development projects carried out by the school:**

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Gate	RMI	Incomplete			
Classroom (CBC)	RMI				

28/4/26
....
School Principal

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX 14? MARIMANTI
Date:..............................

III. Statement Of School Management Responsibility

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

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

The Board of Management of Karii Kamburi Secondary Schoolaccepts 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: Jonathan Musyimi

Designation: Chairman, School Board of Management

Date: 28/4/2026

....

Name: David Mwenda Kirangu

Designation: School Principal& Secretary to Board of Management

Date: 28/4/26

PRINCIPAL
KARII KAMBURI SEC SCH
P. O. BOX 14

L.K

....

Name: Lydiah Kathure

Designation: Bursar/ Finance Officer

Date: 28/4/2026

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

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KARII KAMBURI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – THARAKA-NITHI 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 Karii Kamburi Secondary School set out on pages 1 to 13, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Payments

The statement of receipts and payments reflects payments for tuition and school fund payments amounts of Kshs.460,940 and Kshs.1,146,411 respectively as disclosed in Notes 5 and 7 to the financial statements. However, review of payment vouchers amounting to Kshs.534,705 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports and goods received notes.

In the circumstances, the accuracy and completeness of the tuition and infrastructure amount of Kshs.534,705 could not be confirmed

2. Unsupported Cash Withdrawals

The statement of receipts and payments for the year ended 30 June, 2022 reflects total operations expenditure amounting to Kshs.2,688,815. A review of the bank statement reflects cash withdrawals to a tune of Kshs.688,000 by the Principal. Further, the withdrawals not be supported with the relevant documentation in support of utilization. In addition,, there was no clear policy approved by the Board of Management on petty cash management.

In the circumstances, the accuracy and completeness of the operations amount of Kshs.688,000 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.700,077 in respect of the four (4) banks accounts that the School operates namely tuition account of Kshs.70,296, operations account of Kshs.431,828, School fund account boarding account of Kshs.114,772 and Infrastructure account of Kshs.83,180. However, the bank accounts were not supported by bank reconciliation statements and certificate of bank balances.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.700,077 could not be confirmed.

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

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 of my report, there are no other key audit matters to report in the year under review.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Late submission of Financial Statements for Audit

During the year under review, the School Management submitted the financial statements to the Auditor-General on 2 March, 2026 instead of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Non-compliance with the Public Sector Accounting Standards Board Reporting Framework

The annual report and financial statements prepared did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows,

i. The statement of budgeted versus actual amounts was prepared but without amounts for receipts and payments.

ii. The heading in the statement of receipts and payments is incorrectly titled as for the period to 30 June, 2022 instead for the year ended 30 June, 2022.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board Reporting Framework.

3. Lack of an Approved Budget

The statement of receipts and payments reflects actual income of Kshs.4,725,755 and payments of Kshs.3,780,661 resulting in a surplus of Kshs.945,094. However, Management did not provide the approved budget by the Board of Management as required by Section 31 of the Public Finance Management Act, 2012 which requires the accounting officer to prepare budget estimates in conformity with the Act and Regulations. Further, Section 2.1.2 of the Basic Education Act outlines the roles of the Board of Management in policy implementation. Part (a) states that the Board of Management's role is to facilitate the management and implementation of approved programs and projects. In addition, part b is to discuss and approve the school budget and ensure its implementation.

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

4. Lack of an Approved Annual Procurement Plan

The School did not prepare, approve, or maintain an annual procurement plan for the financial year under review. This was in contravention of Regulation 41 of the Public Procurement and Asset Disposal Regulations, 2020, which mandates that all procurement requirements be planned and consolidated into an annual document to guide the entity's acquisition of goods, works, and services.

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

5. Failure and Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.2,122,665 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the grants is an amount of Kshs.735,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.500,000 was transferred to infrastructure account, leaving a balance of Kshs.235,500 as at 30 June, 2022. Further, the amount of Kshs.500,000 was transferred on 23 October, 2021 which was after seventy (70) days of receipt of the first tranche of operations capitation. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

6. Irregular Payment to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects total operational expenditure amounting to Kshs.2,173,310 out of which an amount of Kshs.166,200 was transferred to Kenya Secondary Schools Heads Association. However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the value for money on funds transferred to KESSHA amounting to Kshs.166,200 could not be confirmed.

7. Direct Procurement of Foodstuff and Industrial Goods

Review of bank statements and cashbook transactions for the year ended 30 June, 2022 revealed that payments of Kshs.529,790 and Kshs.193,160 were made during the year for supply of cereals and industrial goods respectively. The payments were in favour of two (2) suppliers. However, review of the supporting documents revealed that the payments were not backed by essential procurement documents such as quotations, records of negotiations, local purchase orders, delivery notes, or inspection and acceptance reports to confirm that the goods were competitively sourced, duly delivered, and verified prior to payment.

In the circumstances, the value for money on goods procured could not be confirmed.

8. Inaccuracies in Student Enrollment Data

The statement of receipts and payments reflects Government grants for tuition and capitation grants for operations amount of Kshs.482,678 and Kshs.2,122,665, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, the enrollment used to fund the School varied with the actual enrollment across different terms ranging between 136, 145 to 151 as per NEMIS and varying between eighty-seven (87), one hundred and thirty-nine (139) to one hundred and eighty -eight (188) students as per school registers. As a result of the variances, the School was under funded by an amount of Kshs.42,056.

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

9. Irregularities in Procurement Processes

Review of the School's procurement processes revealed various irregularities contrary to various provisions of the Public Procurement and Asset Disposal Act, 2015 and related Regulations of 2020. The anomalies were; lack of a functional procurement unit contrary to Section 47(2) of the Act, unstructured procurement processes, weakness in record keeping of procurement records contrary to Section 68 of the Act, absence of a list of pre-qualified suppliers, lack of inspection and acceptance committee

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

10. Inadequate Number of Board of Management Meetings Held During the Year

Review of the Board of Management (BOM) minutes revealed that the Board convened only one meeting during the year under review. This was contrary to Section 6(1) of the Fourth Schedule to the Basic Education Act, 2013, which stipulates that the Board of Management shall meet at least once every four months. In the circumstance, the infrequent meetings limit the Board's ability to effectively supervise school operations, evaluate financial reports, and address emerging risks in a timely manner. This may result in delayed decision-making, inadequate monitoring of internal controls.

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

11. Lack of School Improvement Plan

As reported in the previous year, the school does not have a formal 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 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 guidelines.

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. Weakness in Revenue Collection

Review of the school's revenue management processes established that the School operates a manual school fees collection and banking system, with some fees received in cash and recorded manually prior to banking. Further, it was noted that part of the revenue collected was spent at source before banking.

In the circumstances, weak controls over collection and banking of school funds and possible misappropriation and non-remittance to designated accounts could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register which includes two (2) parcels of land. However, no values were disclosed for the schools assets of land buildings and equipment. Further, land ownership documents were not provided for audit.

In the circumstances, the accuracy of the nil assets balance and existence of effective measures in the management of assets could not be confirmed.

3. Lack of a Risk Management Policy

During the year under review, it was noted that Management had not developed a Risk Management Policy and no formal risk assessments were done during the financial year audited.

In the circumstances, internal controls and increased exposure to operational and fraud risks could not be confirmed.

4. Lack of a Financial Information Processing System

During the year under review, the school's financial information was processed manually hence primary books of account were not adequately maintained. The school did not maintain a proper general ledger and the ledgers were generated as an analysis of the cashbook.

In the circumstances, proper books of accounts, errors and incomplete records 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 (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

25 May, 2026

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	482,678	167,954
Capitation grants for operations	2	2,122,665	1,052,930
School fund income- parents' contributions	3	2,120,412	493,700
School fund income- other receipts	4		
Proceeds from borrowings			
Total Receipts		**4,725,755.50**	**1,713,584**
Payments			
Payments for tuition	5	460,940	228,125
Payments for operations	6	2,173,310	899,980
Boarding and school fund payments	7	1,146,411	850,503
Total Payments		**3,780,661**	**1,978,608**
Surplus/Deficit		**945,094**	**(265,023)**

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

....	....	....
Name: Jonathan Musyimi	**Name: David Mwenda Kirangi**	**Name: Lydiah Kathure**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 28/4/2026	**Date:** 28/4/26	**Date:** 28/4/2026

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX 141 ...
Date:..............................

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	700,077	738,544
Cash balances	9		
Short term investment	10		
Total cash and cash equivalent		**700,077**	**738,544**
Account's receivables	10	652,550	137,450
Total financial assets		**1,352,627**	**875,994**
Financial liabilities			
Accounts payables	11	135,200	603,661
Net financial assets		**1,217,427.47**	**272,333.37**
Represented by			
Accumulated fund b/fwd	12	272,333	537,356
Surplus/deficit for the year		945,094	(265,023)
Net financial position		**1,217,427**	**272,332**

The school's financial statements were approved on ____________ 2026 and signed by:

....	....	L.K ....
Name: Jonathan Musyimi	**Name: David Mwenda Kirangi School Principal/ Secretary to BOM**	**Name: Lydiah Kathure**
Chair BOM		**Bursar/ Finance Officer**
Date: 28/4/2026	**Date:** 28/4/26	**Date:** 28/4/2026

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX 14? MARIMANTI
Date:.....................

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	482,678	167,954
Capitation grants for operations	2	2,122,665	1,051,930
School fund income- parents contributions/ fees	3	1,001,650	356,250
School fund income- other receipts	4		-
Total receipts		**3,606,993.**	**1,576,134**
Payments			
Payments for tuition	5	460,940	228,125
Payments for operations	6	2,173,310	899,980
Boarding and school fund payments	7	1,011,211	246,842
Total payments		**3,645,461**	**1,374,947**
Net cash flow from operating activities		**(38,467)**	**201,187**
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		**(38,467)**	**201,187**
Cash and cash equivalent at beginning of the year		**738,544.**	**537,356**
Cash and cash equivalent at end of the year		**700,076**	**738,543**

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						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials						
Chalks						
Exams And Assessment						
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments						
Repairs And Maintenance						
Local Transport / Travelling						
Electricity And Water						
Medical						
Administration Costs						
Activity						
Gratuity						

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
Smasse						
(3) Fees Charged on Parents						
Personnel Emoluments						
Repairs And Maintenance						
Local Transport / Travelling						
Electricity And Water						
Medical						
Administration Costs						
Activity						
Smasse						
Fee On Boarding Equipment and Stores						
Other Income						
Rent Income						
Income From Farming Activities						
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground And Equipment						
Interest Income						
Income From Any Other Investment						
Total Income						

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials						
Chalks						
Exams And Assessment						
Teachers Guides						
Administration Costs						
Bank Charges						
(2) Expenditure For Operations						
Personnel Emoluments						
Repairs, Maintenance & Improvements						
Local Transport / Travelling						
Electricity, Water and Conservancy						
Medical						
Administration Costs						
Activity Expenses						
Gratuity						
Smasse						

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
(3) Expenditure For School Fund						
Personnel Emoluments						
Repairs, Maintenance and Improvements						
Local Transport / Travelling						
Electricity, Water and Conservancy						
Medical Expenses						
Administration Costs						
Activity						
Gratuity						
Lunch Programme						
Boarding Equipment and Stores						
Expenditure For Income Generating Activity						
Insurance Costs						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						
Totals						

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	482,678.00	167,954.50
Chalks		
Exams And Assessment		
Teachers Guides		
Total	**482,678.00**	167,954.50

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance		
Local Transport / Travelling		
Electricity And Water		
Medical		
Administration Costs	2,122,665.50	1,051,930.00
Activity		
Total	**2,122,665.50**	1,051,930.00

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Medical		
Administration costs	2,120,412.00	493,700.00
Activity		
Total	**2,120,412.00**	493,700.00

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores		
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Total		

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	460,940	228,125.00
Chalks		
Exams And Assessment		
Teachers Guides		
Administration Costs		
Bank Charges		
Total	**460,940.00**	**228,125.00**

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Administration Cost	2,173,310	899,980.00
Repairs And Maintenance & Improvements		
Local Transport / Travelling		
Electricity And Water		
Medical		
Activity Expenses		
Smasse		
Insurance Cost		
Bank Charges		
Acquisition Of Assets		
Total	**x2,173,310xx**	**899,980.00**

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Repairs And Maintenance & Improvements		
Local Transport / Travelling		
Electricity And Water		
Medical Expenses		
Administration Costs		
Lunch Programme		
Bank Charges		
Expenses On Income Generating Activities		
Fee On Boarding Equipment and Stores	1,146,411.00	850,503.00
Rent Expenses		
Insurance Cost (*Life Property*)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
Total	**1,146,411.00**	**850,503.00**

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	01139058215900	70,296.65	48,558.05
Operations Account	01139058215901	431,828.05	565,652.55
School Fund Account/Boarding	6820900006401	114,772.77	124,333.77
Savings Account			
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account	01139058215902	83,180.00	
Total		**700,077.47**	**738,544.37**

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account		
Operation Account		
School Fund account		
Total		

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Other Investments		
Total		

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	652,550.00	137,450
Other Non-Fees Receivables		
Salary Advances		
Imprest		
Total	**652,550.00**	**137,450**

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	515,100	137,450
Fees Arrears For The Previous Year	137,450	
Fees Arrears For Prior Periods (Over Two Years)		
Total	**652,550.00**	**137,450**

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	135,200.00	603,661.00
Prepaid Fees		
Retention Monies		
Total	**135,200.00**	**603,661.00**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	135,200.00	603,661.00
Trade Creditors for The Previous Year		
Trade Creditors for Prior Periods (Over Two Years)		
Total	**135,200.00**	**603,661.00**

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	738,544.37	537,356.47
Cash Balances		
Short Term Investments		
Receivables	137,450.00	
Payables	603,661.00	
Total	**272,333.37**	**537,356.47**

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	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Total		

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Total			

16 Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year		

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)*

Sign and Date
Principal

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	B	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Purity Gatunga Stores	84,000		0.00	84,000		
5. Mugambi Emporium	51,200		0.00	51,200		
6.						
Sub-Total	**135,200**			**135,200**		
Supply Of Services						
7.						
8.						
9.						
Sub-Total						
Grand Total	**135,200**			**135,200**		

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1						
Land 2						
Buildings And Structures						
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets						
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						
Total						