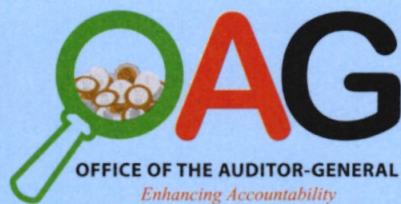


REPUBLIC OF KENYA



# REPORT

OF

THE AUDITOR-GENERAL

ON

RABAI SECONDARY SCHOOL

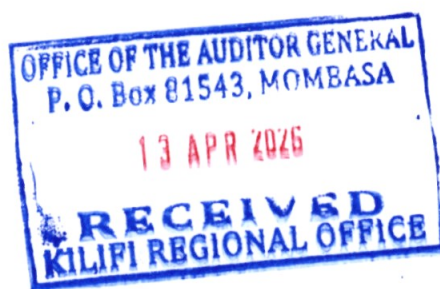
FOR THE YEAR ENDED  
30 JUNE, 2022

KILIFI COUNTY

|                                                                                     |                                                   |
|-------------------------------------------------------------------------------------|---------------------------------------------------|
|  |                                                   |
| THE NATIONAL ASSEMBLY<br>PAPERS LAID                                                |                                                   |
| DATE: 10 JUN 2026                                                                   | DAY.<br>WED                                       |
| TABLED<br>BY:                                                                       | HON. NAOMI WARD, MP<br>DEPUTY MAJORITY PARTY WHIP |
| THE-TABLE:                                                                          | V. WAMBUL                                         |

PARLIAMENT  
OF KENYA  
LIBRARY





*Revised 30<sup>th</sup> June 2022.*



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**RABAI SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2022**

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

**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**RABAI SECONDARY SCHOOLS**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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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 Kilifi County, Rabai Sub-County

The school was registered in 01/08 under registration number GP/A/5055/08 and is currently categorized as a Sub county public school operated by the Government.

The school is a day school and had 916 number of students as at 30<sup>th</sup> June 2022. It has 4 streams and 34 teachers of which 22 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    | George Gona Kuza       | Chairman              | 05/07/2019          |
| 2    | Anderson Munga         | Secretary - Principal | 05/07/2019          |
| 3    | Jeniffer Mwakio        | Member                | 05/07/2019          |
| 4    | Donald Mambruk Mwabaya | Member                | 05/07/2019          |
| 5    | Hassan Nzinga          | Member                | 05/07/2019          |
| 6    | Elizabeth Sidi Kambi   | Member                | 05/07/2019          |
| 7    | Eric Tinga Nyae        | Member                | 05/07/2019          |
| 8    | Hamisi Mwadziwe Tinga  | Member – Rep CEB      | 05/07/2019          |
| 9    | Saumu Said             | Member Rep Teachers   | 05/07/2019          |
| 10   | Roselyne Mbeyu Chengo  | 3 Members - Sponsor   | 05/07/2019          |
| 11   | Mdigo Mwamkale         | Member - Community    | 05/07/2019          |
| 12   | David Hussein          | MemberSpecial Needs   | 05/07/2019          |
| 13   | Dr.Cosmas Nzaka munga  | Rep Students          | 05/07/2019          |



**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> 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 pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

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

| Ref. | Name of Committee                                  | Names of Members                                                                                   | Designation                                                      | Number of meetings attended during the year |
|------|----------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------|
| 1    | Executive Committee                                | Rev.George Kuza<br>Anderson Munga<br>David Hussein<br>Jeniffer Mwakio                              | Chairperson<br>secretary<br>PA Chairperson<br>Member             | 3 out of 3                                  |
| 2    | Audit Committee                                    | Dr.Cosmas Nzaka<br>Anderson Munga<br>Jeniffer Mwa                                                  | Chairperson<br>secretary<br>PA Chairperson                       | 3 out of 3                                  |
| 3    | Finance,procurement and general purposes Committee | Rev.Titus Lwambi<br>Anderson Munga<br>Roselyne Tinga                                               | Chairperson<br>secretary<br>Member                               |                                             |
| 4    | Academic Committee                                 | Hamisi Mwadziwe<br>Saumu Said<br>Hassan Nzinga                                                     | Chairperson<br>secretary<br>Member                               | 3 out of 3                                  |
| 5    | Development Committee                              | Hassan Nzinga<br>Dzuya Chiringa<br>George Kuza<br>Saumu Mnyazi<br>Emmanuel Wanje<br>Anderson Munga | Chairperson<br>secretary<br>Member<br>Member<br>Member<br>member | 3 out of 3                                  |

**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

|   |                                          |                                                                       |                                                      |            |
|---|------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------|------------|
| 6 | Discipline and welfare Committee         | Rev.George Kuza<br>Anderson Munga<br>David Hussein<br>Jeniffer Mwakio | Chairperson<br>secretary<br>PA Chairperson<br>Member | 3 out of 3 |
| 7 | Adhoc Committee (if any during the year) | Dr.Cosmas Nzaka<br>Anderson Munga<br>Jeniffer Mwa                     | Chairperson<br>secretary<br>PA Chairperson           | 3 out of 3 |

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

| Ref: | Designation      | Name            | TSC Number |
|------|------------------|-----------------|------------|
| 1    | Principal        | Anderson Munga  | 352669     |
| 2    | Deputy Principal | Dzuya Chiringa  | 433959     |
| 3    | School Bursar    | Arthur Kazikazi | 23001160   |
|      |                  |                 |            |



**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 17 Mazeras  
Telephone: 0113559145  
E-mail: rabaisec@gmail.com  
Website: N/A  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: Family Bank  
Branch: Mombasa Nkrumah  
Account Number: 095000010959
- Name of Bank: KCB Bank  
Branch: Mombasa Mvita  
Account Number: 1107933595
- Name of Bank: KCB Bank  
Branch: Mombasa Mariakani  
Account Number: 1125694661
- Name of Bank: KCB Bank  
Branch: Mombasa Mariakani  
Account Number: 1276712286
- Name of Bank: KCB Bank  
Branch: Mombasa Mariakani  
Account Number: 114628333

- MPESA Pay Bill No.61886k attached to 1125694661 bank account

**(g) Independent Auditors**

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

**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**II SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

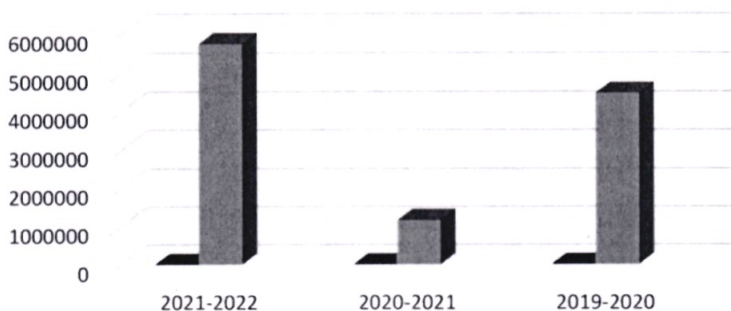
The following is a summary report of the performance of the school against the set performance evaluation criteria:

**(a) Financial performance:**

**(i) Surplus/ deficit for the year and its comparison.**

| Year      | DESCRIPTION | AMOUNT    |
|-----------|-------------|-----------|
| 2021-2022 | SURPLUS     | 5,747,620 |
| 2020-2021 | SURPLUS     | 1,159,524 |
| 2019-2020 | SURPLUS     | 4,466,926 |

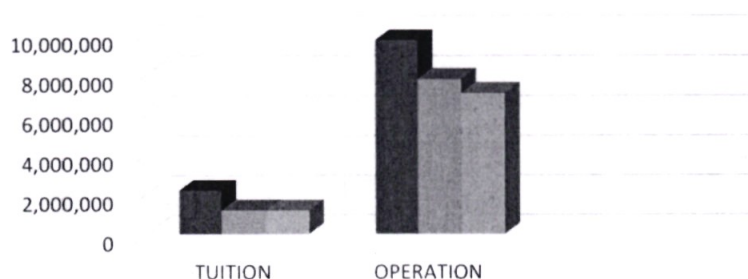
**Surplus/ deficit for the year and its comparison**



**(ii) Capitation Grant from Ministry.**

| ACCOUNT   | 2021-2022 | 2020-2021 | 2020      |
|-----------|-----------|-----------|-----------|
| TUITION   | 2,211,925 | 1,216,421 | 1,196,720 |
| OPERATION | 9,746,698 | 7,801,977 | 7,104,100 |

**Capitation Grant for the year**



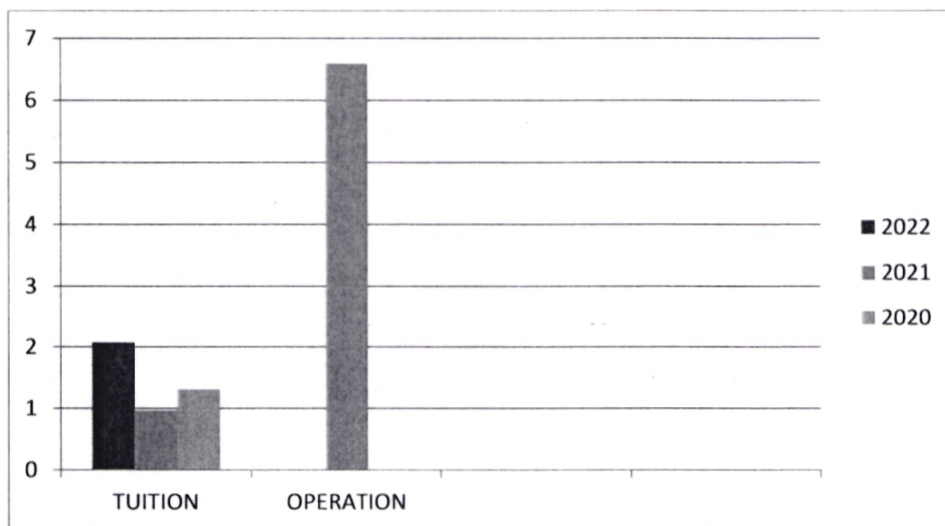


**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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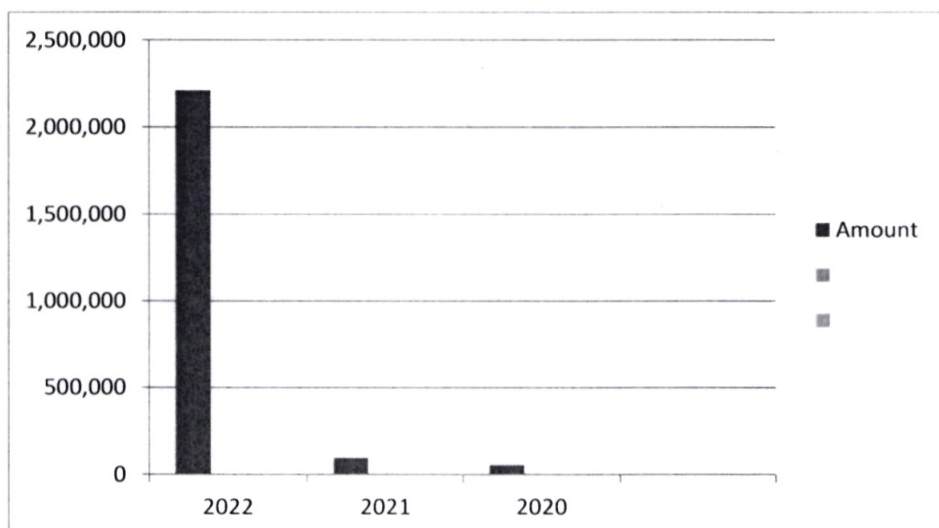
**iii) Capitation Grant per Student Ratio**

| ACCOUNT   | 2022    | 2021   | 2020    |
|-----------|---------|--------|---------|
| TUITION   | 1:2930  | 1:1331 | 1:1835  |
| OPERATION | 1:12910 | 1:9435 | 1:10896 |



**iv) A three-year overview of growth of other income (s) earned by school**

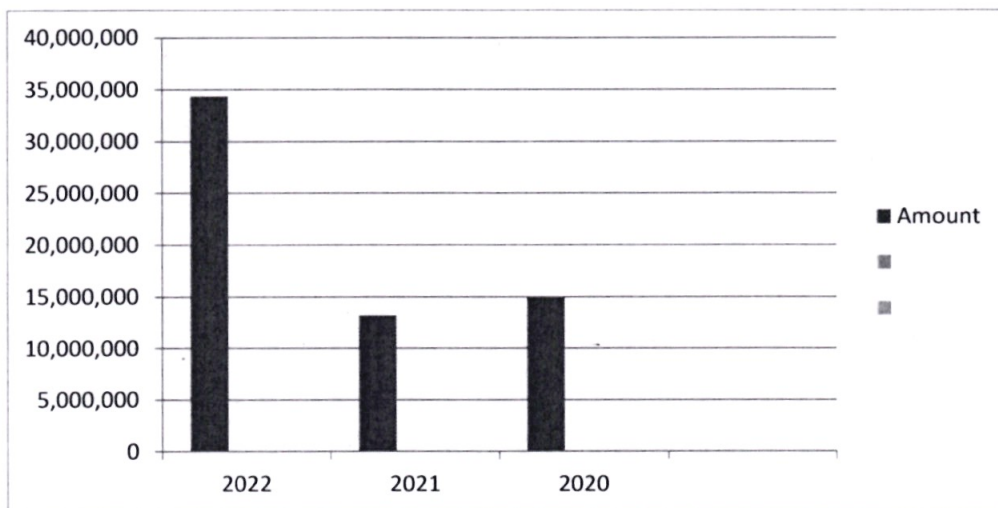
| Year | Amount    |
|------|-----------|
| 2022 | 2,211,350 |
| 2021 | 95,455    |
| 2020 | 55,000    |



**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

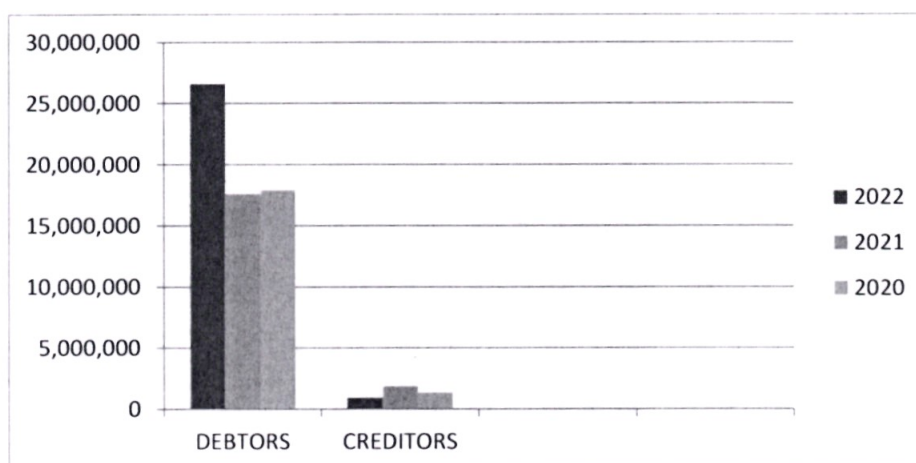
v) . A three- year overview of growth in expenditure of the school.

| Year | Amount     |
|------|------------|
| 2022 | 34,369,999 |
| 2021 | 13,213,397 |
| 2020 | 14,944,365 |



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

| DESCRIPTION | 2022       | 2021       | 2020       |
|-------------|------------|------------|------------|
| DEBTORS     | 26,582,463 | 17,626,241 | 17,906,882 |
| CREDITORS   | 907,442.   | 1,838,940  | 1,343,968  |

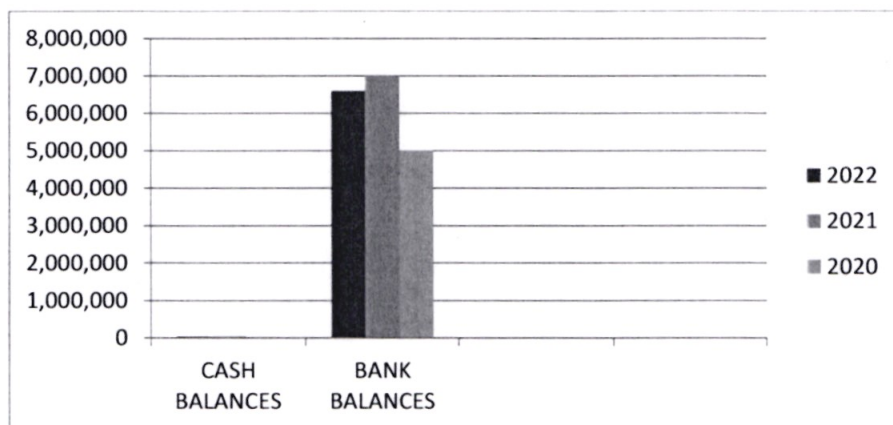


vii). Movement of cash and bank balances over the last three years.

| DESCRIP | 2022 | 2021 | 2020 |
|---------|------|------|------|
|---------|------|------|------|

**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

| TION          |           |           |           |
|---------------|-----------|-----------|-----------|
| CASH BALANCES | 42,568    | 47,842    | 43,397.   |
| BANK BALANCES | 6,598,904 | 7,005,842 | 5,012,145 |



**(b)Teacher Student ratio:**

| <i>Title</i>                                | <i>No.</i> |
|---------------------------------------------|------------|
| <i>Number of teachers</i>                   | 36         |
| <i>Number of students</i>                   | 914        |
| <i>Ratio</i>                                | 1:25       |
| <i>Number of teachers transferred</i>       | 0          |
| <i>Number of teachers employed by TSC</i>   | 14         |
| <i>Number of Teachers employed by B.O.M</i> | 22         |

| <i>Number of Teachers per subject</i> | <i>Subject</i>          | <i>No.</i> |
|---------------------------------------|-------------------------|------------|
|                                       | <i>Agriculture</i>      | 2          |
|                                       | <i>Biology</i>          | 4          |
|                                       | <i>Mathematics</i>      | 8          |
|                                       | <i>Physics</i>          | 3          |
|                                       | <i>Chemistry</i>        | 5          |
|                                       | <i>English</i>          | 5          |
|                                       | <i>Kiswahili</i>        | 6          |
|                                       | <i>Business studies</i> | 4          |
|                                       | <i>Geography</i>        | 4          |
|                                       | <i>History</i>          | 5          |
|                                       | <i>C.R.E</i>            | 4          |
|                                       | <i>I.R.E</i>            | 3          |



**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**(c)Mean score in the 2021 KCSE:**

| <b>Year</b> | <b>No of candidates</b> | <b>Mean score</b> | <b>School's set score</b> | <b>No of students to University</b> | <b>Comments</b>                                                                               |
|-------------|-------------------------|-------------------|---------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>2021</b> | 174                     | 3.2011            | 4.0(D+)                   | 5                                   | A drop in performance but 5 students proceeded to university                                  |
| <b>2020</b> | 146                     | 3.5548            | 4.0(D+)                   | 4                                   | A drop in performance but 4 students proceeded to university                                  |
| <b>2019</b> | 137                     | 3.7153            | 4.0(D+)                   | 10                                  | Improved performance school's set score almost achieved. 10 students proceeded to university. |

**(d)Number of Candidates in the 2021 KCSE:**

| <b>Year</b> | <b>No. of Candidates</b> |
|-------------|--------------------------|
| <b>2021</b> | 174                      |
| <b>2020</b> | 146                      |
| <b>2019</b> | 137                      |

**(e)Capacity of the school:**

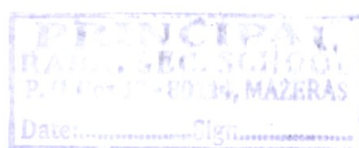
| <b>No. of students</b> | <b>Facility</b>    | <b>Quantity</b> |
|------------------------|--------------------|-----------------|
| <b>914</b>             | <i>Dining hall</i> | 0               |
| <b>914</b>             | <i>Laboratory</i>  | 3               |
| <b>914</b>             | <i>Library</i>     | 0               |
| <b>914</b>             | <i>Toilets</i>     | 50              |
| <b>914</b>             | <i>Dormitories</i> | 0               |

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

**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

| 3          | MOE | ON-   | 4,300,000 | 3,961,604 | 31 <sup>st</sup> dec.2022 |
|------------|-----|-------|-----------|-----------|---------------------------|
| Classrooms |     | GOING |           |           |                           |
| and toilet |     |       |           |           |                           |
|            |     |       |           |           |                           |
|            |     |       |           |           |                           |
|            |     |       |           |           |                           |
|            |     |       |           |           |                           |
|            |     |       |           |           |                           |

Sign Hungah  
 School Principal



**RABAI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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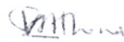
**II. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

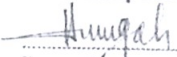
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

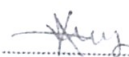
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

**Name:** George Kuza  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 12/04/2026

**Name:** Anderson Munga  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 12/04/2026

**Name:** Arthur Kazikazi  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 12/04/2026



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: 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 RABAI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KILIFI 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 Rabai Secondary School set out on pages 14 to 37, 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

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*Report of the Auditor-General on Rabai Secondary School for the year ended 30 June, 2022 - Kilifi County*



cash flows and 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 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 Rabai Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Variances in the Financial Statements**

From the review of the financial statements, the following variances were noted:

- i. The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects school fund income other receipts of Kshs.2,211,350 which differs with the schedules provided for audit of Kshs.218,140 resulting to a variance of Kshs.1,993,210.
- ii. The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects capitation grants for operations of Kshs.9,746,698 whereas the bank statements reflect actual receipts of Kshs.10,413,698 resulting to a variance of Kshs.667,000.
- iii. The statement of financial assets and financial liabilities and as disclosed in Note 8 and Note 9 to the financial statements reflects cash and cash equivalents of Kshs.6,641,472 and Kshs.7,103,684 as at 30 June, 2022 and 30 June, 2021 respectively. However, the statement of cash flows reflects Kshs.11,952,087 and Kshs.6,204,467 as at 30 June, 2022 and 30 June, 2021 respectively resulting to variances of Kshs.5,310,615 and Kshs.899,217.
- iv. The statement of financial assets and financial liabilities and as disclosed in Note 13 to the financial statements reflects fund balance brought forward total of Kshs.26,568,873 and Kshs.21,731,453 as at 30 June, 2022 and 30 June, 2021 respectively. However, recomputed accumulated fund brought forward amounts to Kshs.22,890,977 and Kshs.18,236,832 resulting to variances of Kshs.3,677,896 and Kshs.3,494,621 respectively.
- v. The statement of budget versus actual amounts reflects total income and total expenditure budget utilization difference in expenditures of Kshs.(12,574,003) and Kshs.(6,245,055) respectively while the recomputed total income and total expenditure budget utilization difference expenditures amounts to



Kshs.(10,019,633) and Kshs.1,600,487 respectively resulting to a variance of Kshs.2,554,370 and Kshs.7,845, 542 respectively.

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

## **2. Unsupported Cash Balances**

The statement of assets and liabilities and as disclosed in Note 9 to the financial statements reflects cash balances of Kshs.42,568. However, board of cash survey certificate at the end of the year was not provided to support the cash balance.

In the circumstances, the accuracy and completeness of cash balance of Kshs.42,568 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.28,119,220 and Kshs.40,693,223 respectively, resulting to over funding of Kshs.12,574,003 or 45% of the budget. Similarly, the School spent Kshs.34,939,879 out of total actual receipt of Kshs.40,693,223 resulting to under utilization of Kshs.5,753,344 or 14% of the actual receipts.

In the circumstances, the over funding may imply unrealistic budget assumptions while the underutilization may have affected the planned activities and may have impacted negatively on the Schools operations.

My opinion is not modified in respect of this matter.

## **Key Audit Matters**

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



## **Other Information**

The Management is responsible for the Other Information set out on pages 2 to 12 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects boarding and school fund payments of Kshs.20,668,864. Included in the amount is administration costs of Kshs.1,280,778 which included Kshs.624,450 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.624,450 could not be confirmed.

## **2. Late Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects capitation grants for operations of Kshs.9,746,697. Included in the amount was repairs and maintenance of Kshs.3,386,000 which related to infrastructure grants that were transferred to the infrastructure account more than fifteen (15) days after receipt. This was contrary to Ministry of Education Circular Ref. No: HQS /3/13/3, dated 16 June, 2021 which states that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

## **3. Under Funding of Capitation Grants**

The statement of receipts and payments and as disclosed in Note 1 and Note 2 to the financial statements reflects government grants for tuition and operations amounts of Kshs.2,211,925 and Kshs.9,746,698 respectively, totalling Kshs.11,958,623. During the financial year, National Education Management and Information System (NEMIS) reported a total of two thousand nine hundred and eighty-six (2,986) students while the enrolment records provided by the School indicated a total number of three thousand five hundred and seventy-eight (3,578) students, resulting in a variance of five hundred and ninety-two (592) students. This was contrary to Paragraph 1.0(iii) of Ministry of Education Circular Ref: MOE/CONF/G5 dated 26 November, 2019 which states that the School must register and update learners' records in NEMIS platform.

The understatement of students in NEMIS resulted to underfunding of government grants for tuition and operations amounting to Kshs.2,350,637.

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

## **4. Irregularities in Human Resource Management**

Review of the School records revealed that personnel emoluments of Kshs.9,835,002 were paid to fifteen (15) Board of Management teachers and fourteen (14) non-teaching staff. However, management did not provide for audit the approved staff establishment and terms and conditions. This was contrary to Section 13 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management may, upon such terms and conditions of service as the County Education Board may determine, employ such staff or hire the services of such consultants or experts as may be necessary for the proper performance of its functions.

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



## **5. Irregularities in Procurement of Goods and Services**

The statement of receipts and payments and as disclosed in Note 5 and Note 7 to the financial statements reflects tuition and school fund payments amounts of Kshs.2,650,556 and Kshs.20,668,864 respectively. Included in this is expenditure of Kshs.6,393,736 incurred on procurement of various goods and services from seven suppliers. However, review of the payment vouchers and supporting documentation revealed the following procurement irregularities:

- i. The School did not have a procurement plan and need analysis report contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.
- ii. The School did not maintain a list of pre-qualified suppliers as required under Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the head of the procurement function of a procuring entity to maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.
- iii. There was no evidence that the goods were inspected after delivery to confirm if what was requested is what was delivered. This is contrary to Section 48(1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which requires the accounting officer of a procuring entity to establish an ad hoc committee known as the inspection and acceptance committee and the committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.
- iv. There were no signed contracts between the School and the suppliers contrary to Section 134(1) of the Public Procurement and Asset Disposal Act, 2015 and Section 3 of the Ministry of Education operation manual for utilization of learner capitation grant and other school funds, 2020 which requires the school to prepare a contract for supply of goods, works or services, and arrange for the signing between the selected supplier and the school Head teacher. The written contract should be signed after an elapse of fourteen days from the date of award notification.

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

## **6. Non Compliance with Public Sector Accounting Standards Board Template**

Review of financial statements revealed the following errors, omissions, and non-compliance with Public Sector Accounting Standards Board template.

- i. The statement of cash flows was not signed by the Chairman of the Board of Management, school principal and bursar.

In the circumstances, Management did not comply with the PSASB reporting requirements.

## **7. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor General on 15 May, 2024 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 68(2)(k) of Public Finance Management Act, 2012 and Section 47(1) of the Public Audit Act, 2015 which requires that financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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. Long Outstanding Students' Debtors**

The statement of financial assets and financial liabilities as disclosed in Note 11 to the financial statements reflects accounts receivables of Kshs.26,582,463. However, included in the balance is an amount of Kshs.12,316,532 which has been outstanding for more than two (2) years. Management however did not provide evidence of the efforts being made towards recoverability of the long outstanding fees arrears.



In the circumstances, the recoverability of fees arrears from students, who have since left the School is doubtful.

## **2. Ineffective Audit Committee and Lack of Internal Audit Function**

The Key School Information and Management section of the financial statements indicates the School has an audit committee that held three (3) meetings. However, no minutes or reports were provided to confirm the audit committee was operational contrary to Section 73(5) of Public Finance Management Act, 2012 which states that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

Further, no reports were provided to confirm internal audit work was carried out during the year under review contrary to Section 73(1)(a) of Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of oversight and independent assurance that the risk management, governance and internal control processes are operating effectively could not be confirmed.

## **3. Failure to Prepare Fixed Assets Register**

The School did not maintain a fixed assets register for its assets to record necessary information such as date of acquisition, type of asset, condition and cost. This is contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances controls over management of assets was not effective and lack of ownership documents may lead to misappropriation and physical loss of assets.

## **4. Weaknesses in the Board of Management**

The Key School Information and Management section of financial statements indicates the School Board of Management constituted thirteen (13) members. However, appointment letters, Board charter and Board annual work plan was not provided for audit.

In the circumstances, weakness in the governance mechanism may hinder the management achievement of the school's strategic objectives.

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**

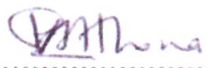
**28 April, 2026**

**RABAI SECONDARY SCHOOL**  
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**IV. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022**

| <b>RECEIPTS</b>                            |   |                   |                   |
|--------------------------------------------|---|-------------------|-------------------|
| Capitation grants for tuition              | 1 | 2,211,925         | 1,216,421         |
| Capitation grants for operations           | 2 | 9,746,698         | 7,801,977         |
| School Fund Income- Parents' Contributions | 3 | 26,523,250        | 5,259,068         |
| School Fund Income- Other receipts         | 4 | 2,211,350         | 95,455            |
| Proceeds from borrowings                   |   | 0                 | 0                 |
| <b>TOTAL RECEIPTS</b>                      |   | <b>40,693,223</b> | <b>14,372,921</b> |
| <b>PAYMENTS</b>                            |   |                   |                   |
| Payments for Tuition                       | 5 | 2,650,556         | 1,151,559         |
| Payments for operations                    | 6 | 11,626,183        | 4,739,666         |
| Boarding and school fund payments          | 7 | 20,668,864        | 7,322,172         |
| <b>TOTAL PAYMENTS</b>                      |   | <b>34,945,603</b> | <b>13,213,397</b> |
| <b>SURPLUS/DEFICIT</b>                     |   | <b>5,747,620</b>  | <b>1,159,524</b>  |

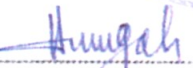
The school financial statements were approved on 12/04/2026 and signed by:

Sign:  .....

Name George Kuza

Chair BOM

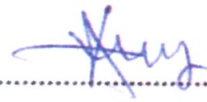
Date 12/04/2026

Sign:  .....

Name Anderson Munga

School Principal/  
Secretary to BOM

Date 12/04/2026

Sign:  .....

Name Arthur Kazikazi

Bursar/  
Finance Officer

Date 12/04/2026

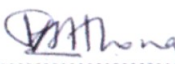


**V. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

|                                       |    |                   |                   |
|---------------------------------------|----|-------------------|-------------------|
| <b>FINANCIAL ASSETS</b>               |    |                   |                   |
| <b>Cash and Cash Equivalents</b>      |    |                   |                   |
| Bank Balances                         | 8  | 6,598,904         | 7,055,842         |
| Cash Balances                         | 9  | 42,568            | 47,842.           |
| Short term Investment                 | 10 | 0                 | 0                 |
| <b>Total Cash and cash equivalent</b> |    | <b>6,641.472</b>  | <b>7,103,684</b>  |
| Account's receivables                 | 11 | 26,582,463        | 17,626,241        |
| <b>TOTAL FINANCIAL ASSETS</b>         |    | <b>33,223,935</b> | <b>24,729,925</b> |
| <b>FINANCIAL LIABILITIES</b>          |    |                   |                   |
| Accounts Payables                     | 12 | 907,442           | 1,838,948         |
| <b>NET FINANCIAL ASSETS</b>           |    | <b>32,316,493</b> | <b>22,890,977</b> |
| <b>REPRESENTED BY</b>                 |    |                   |                   |
| Accumulated Fund b/fwd                | 13 | 26,568,873        | 21,731,453        |
| Surplus/Deficit for the year          |    | 5,747,620         | 1,159,524         |
| <b>NET FINANCIAL POSSITION</b>        |    | <b>32,316,493</b> | <b>22,890,977</b> |

The School's financial statements were approved on 18/03/2026 and signed by:

**Name:** George Kuza  
Chairman, BoM

**Sign:** 

**Date:** 12/04/2026

**Name:** Anderson Munga  
School Principal/Secretary  
to BoM

**Sign:** 

**Date:** 12/04/2026

**Name:** Arthur Kazikazi  
Bursar/Finance

**Sign:** 

**Date:** 12/04/2026mj

**RABAI SECONDARY SCHOOL**  
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**VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

|                                                          |   | 2021-2022         | 2020-2021         |
|----------------------------------------------------------|---|-------------------|-------------------|
|                                                          |   | Kshs              | Kshs              |
| <b>Receipts for operating income</b>                     |   |                   |                   |
| Capitation grants for tuition                            | 1 | 2,211,925         | 1,216,421         |
| Capitation grants for operations                         | 2 | 9,746,698         | 7,801,977         |
| School fund income- Parents contributions/ fees          | 3 | 26,523,250        | 5,259,068         |
| School fund income- other receipts                       | 4 | 2,211,350         | 95,455            |
| <b>Total receipts</b>                                    |   | <b>40,693,223</b> | <b>14,372,921</b> |
| <b>Payments</b>                                          |   |                   |                   |
| Payments for Tuition                                     | 5 | 2,650,556         | 1,151,559         |
| Payments for operations                                  | 6 | 11,626,183        | 4,739,666         |
| Boarding and school fund payments                        | 7 | 20,668,864        | 7,322,172         |
| <b>Total payments</b>                                    |   | <b>34,945,603</b> | <b>13,213,397</b> |
| <b>Net cash flow from operating activities</b>           |   | <b>5,747,620</b>  | <b>1,159,524</b>  |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |   |                   |                   |
| Proceeds from Sale of Assets                             |   | 0                 | 0                 |
| Acquisition of Assets                                    |   | 0                 | 0                 |
| Proceeds from investments                                |   | 0                 | 0                 |
| Purchase of investments                                  |   | 0                 | 0                 |
| <b>Net cash flows from Investing Activities</b>          |   | <b>0</b>          | <b>0</b>          |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |   |                   |                   |
| Proceeds from borrowings/ loans                          |   | 0                 | 0                 |
| Repayment of principal borrowings                        |   | 0                 | 0                 |
| <b>Net cash flow from financing activities</b>           |   | <b>0</b>          | <b>0</b>          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>         |   | <b>5,747,620</b>  | <b>1,159,524</b>  |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |   | <b>6,204,467</b>  | <b>5,044,943</b>  |
| <b>Cash and cash equivalent at END of the year</b>       |   | <b>11,952,087</b> | <b>6,204,467</b>  |

*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.*



**RABAI SECONDARY SCHOOLS**  
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**VII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

| Receipt/expenses Item                  | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization                                          |
|----------------------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|-----------------------------------------------------------|
|                                        | Kshs            | Kshs        | Kshs         | Kshs                       | Kshs                          | Kshs                                                      |
| <b>RECEIPTS</b>                        |                 |             |              |                            |                               |                                                           |
| <b>(1) CAPITATION GRANT ON TUITION</b> |                 |             |              |                            |                               |                                                           |
| Textbooks and reference materials      | 1,761,415       | 0           | 1,761,415    | 0                          | 1,761,415                     | 0%<br>Retained by the government                          |
| Exercise books                         | 536,805         | 0           | 536,805      | 813,811                    | (277,006)                     | 152%<br>The no.of students differed from the no.budgeted. |
| Laboratory equipment                   | 377,500         | 0           | 377,500      | 584,274                    | (206,774)                     | 155%<br>The no.of students differed from the no.budgeted. |
| Internal exams                         | 0               | 0           | 0            | 0                          | 0                             |                                                           |
| Teaching / learning materials          | 151,000         | 0           | 151,000      | 244,536                    | (93,536)                      | 162%<br>The no.of students differed from the no.budgeted  |
| Chalks                                 | 75,500          | 0           | 75,500       | 125,232                    | (49,732)                      | 166%<br>The no.of students differed from the no.budgeted  |
| Exams and assessment                   | 226,500         | 0           | 226,500      | 444,072                    | (217,572)                     | 196%<br>The no.of students                                |

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| 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                                                     |
|                                           |                 |             |              |                            |                               | differed from the no.budgeted                            |
| Teachers guides                           | 0               | 0           | 0            | 0                          | 0                             |                                                          |
|                                           |                 |             |              |                            |                               |                                                          |
| <b>(2) CAPITATION GRANT ON OPERATIONS</b> |                 |             |              |                            |                               |                                                          |
| Personnel emoluments                      | 3,775,000       | 0           | 3,775,000    | 3,257,541                  | 517,459                       | 86%<br>The no.of students differed from the no.budgeted  |
| Repairs and maintenance                   | 3,775,000       | 0           | 3,775,000    | 3,386,000                  | 389,000                       | 90%                                                      |
| Local transport / travelling              | 755,000         | 0           | 755,000      | 584,382                    | 170,618                       | 77%<br>The no.of students differed from the no.budgeted  |
| Electricity and water                     | 1,057,000       | 0           | 1,057,000    | 840,985                    | 216,015                       | 80%<br>The no.of students differed from the no.budgeted  |
| Medical                                   | 1,510,000       | 0           | 1,510,000    | 151,600                    | 1,358,400                     | 10%<br>The no.of students differed from the no.budgeted  |
| Administration costs                      | 1,510,000       | 0           | 1,510,000    | 1,526,190                  | (16,190)                      | 101%<br>The no.of students differed from the no.budgeted |
| Activity                                  | 1,132,500       | 0           | 1,132,500    | 0                          | 1,132,500                     | 0% Not disbursed by the government                       |



**RABAI SECONDARY SCHOOL**  
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| 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                                                     |
| Gratuity                             | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| SMASSE                               | 151,000         | 0           | 151,000      | 0                          | 151,000.00                    | 0% Retained by the government                            |
| <b>(3) FEES CHARGED ON PARENTS</b>   |                 |             |              |                            |                               |                                                          |
| Personnel emoluments                 | 5,662,500       | 0           | 5,662,500    | 12,667,458                 | (7,004,958)                   | 224%<br>The no.of students differed from the no.budgeted |
| Repairs and maintenance              | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Local transport / travelling         | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Electricity and water                | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Lunch programme                      | 5,662,500       | 0           | 5,662,500    | 13,512,772                 | (7,850,272)                   | 239%<br>The no.of students differed from the no.budgeted |
| Administration costs                 | 0               | 0           | 0            | 343,020                    | 0                             |                                                          |
| Activity                             | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| SMASSE                               | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Fee on Boarding Equipment and Stores | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| <b>OTHER INCOME</b>                  |                 |             |              |                            |                               |                                                          |
| Rent income                          | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Income from farming activities       | 0               | 0           | 0            | 218,140                    | 0                             |                                                          |
| Insurance compensation               | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Income from Posho mill               | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Income from Bus Hire                 | 0               | 0           | 0            | 1,993,210                  | 0                             |                                                          |
| Fee for hire of ground and equipment | 0               | 0           | 0            | 0                          | 0                             |                                                          |

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| 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                                                            |
| Interest income                    | 0               | 0           | 0            | 0                          | 0                             |                                                                 |
| Income from any other investment   | 0               | 0           | 0            | 0                          | 0                             |                                                                 |
| <b>TOTAL INCOME</b>                | 28,119,220      | 0           | 28,119,220   | <b>40,693,223</b>          | (12,574,003)                  | 138%<br><i>The no.of students differed from the no.budgeted</i> |
| <b>(1) EXPENDITURE FOR TUITION</b> |                 |             |              |                            |                               |                                                                 |
| Textbooks and reference materials  | 1,761,415       | 0           | 1,761,415    | 0                          | 1,761,415.00                  | 0%                                                              |
|                                    |                 |             |              |                            |                               | 169% The number of students differed from budgeted              |
| Exercise books                     | 536,805         | 0           | 536,805      | 904,535                    | (367,730)                     |                                                                 |
|                                    |                 |             |              |                            |                               | 256%<br><i>The no.of students differed from the no.budgeted</i> |
| Laboratory equipment               | 377,500         | 0           | 377,500      | 966,096.                   | (588,596)                     |                                                                 |
| Internal exams                     | 0               | 0           | 0            | 0                          | 0                             |                                                                 |
|                                    |                 |             |              |                            |                               | 35%<br><i>The no.of students differed from the no.budgeted</i>  |
| Teaching / learning materials      | 151,000         | 0           | 151,000      | 52,315                     | 98,685                        |                                                                 |
|                                    |                 |             |              |                            |                               | 123%<br><i>The no.of students differed from the</i>             |
| Chalks                             | 75,500          | 0           | 75,500       | 92,740                     | 17,240                        |                                                                 |



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| 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                                                            |
|                                       |                 |             |              |                            |                               | <i>no.budgete</i>                                               |
| Exams and assessment                  | 226,500         | 0           | 226,500      | 624,830.                   | (398,330)                     | 276%<br><i>The no.of students differed from the no.budgeted</i> |
| Teachers guides                       | 0               | 0           | 0            | 0                          | 0                             |                                                                 |
| Administration costs                  | 0               | 0           | 0            | 0                          | 0                             |                                                                 |
| Bank Charges                          | 0               | 0           | 0            | 10,040                     | 0                             |                                                                 |
|                                       |                 |             |              |                            |                               |                                                                 |
| <b>(2) EXPENDITURE FOR OPERATIONS</b> |                 |             |              |                            |                               |                                                                 |
| Personnel emoluments                  | 3,775,000       | 0           | 3,775,000    | 3,251,996.                 | 523,004                       | 86%<br><i>The no.of students differed from the no.budgeted</i>  |
| Repairs, maintenance & improvements   | 3,775,000       | 0           | 3,775,000    | 3,961,604                  | 389,000                       | 90%                                                             |
| Local transport / travelling          | 755,000         | 0           | 755,000      | 877,385.                   | (122,385)                     | 116%<br><i>The no.of students differed from the no.budgeted</i> |
| Electricity, water and conservancy    | 1,057,000       | 0           | 1,057,000    | 1,139,311                  | (82,311).                     | 107%<br><i>The no.of students differed from the no.budgeted</i> |
| Medical                               | 1,510,000       | 0           | 1,510,000    | 214,120                    | 1,295,880                     | 14%<br><i>The no.of students differed from the no.budgeted</i>  |

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| 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/e %                                                  |
|                                        | Kshs            | Kshs        |              |                            | Kshs                          | Kshs                                                     |
| Administration costs                   | 1,510,000       | 0           | 1,510,000    | 2,102,953                  | (592,953.)                    | 139%<br>The no.of students differed from the no.budgete  |
| Activity Expenses                      | 1,132,500       | 0           | 1,132,500    | 72,890                     | 1,059,610                     | 6%<br>The no.of students differed from the no.budgeted   |
| Gratuity                               | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| SMASSE                                 | 151,000         | 0           | 151,000      | 0                          | 151,000                       | 0%<br>Retained by the government                         |
| <b>(3) EXPENDITURE FOR SCHOOL FUND</b> |                 |             |              |                            |                               |                                                          |
| Personnel emoluments                   | 5,662,500       | 0           | 5,662,500    | 6,583,006                  | (920,506).                    | 116%<br>The no.of students differed from the no.budgeted |
| Repairs, maintenance and improvements  | 0               | 0           | 0            | 6,468,770                  | 0                             |                                                          |
| Local transport / travelling           | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Electricity, water and conservancy     | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Medical Expenses                       | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Administration costs                   | 0               | 0           | 0            | 1,280,778                  | 0                             |                                                          |
| Activity                               | 0               | 0           | 0            | 0                          | 0                             |                                                          |
| Gratuity                               | 0               | 0           | 0            | 0                          | 0                             |                                                          |



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| Receipt/expenses Item                      | Original Budget   | Adjustments | Final Budget      | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization                                                       |
|--------------------------------------------|-------------------|-------------|-------------------|----------------------------|-------------------------------|------------------------------------------------------------------------|
|                                            | a                 | b           | c=a+b             | d                          | e=d-a                         | f=d/a %                                                                |
|                                            | Kshs              | Kshs        |                   |                            | Kshs                          | Kshs                                                                   |
|                                            | 5,662,500         |             | 5,662,500         |                            |                               | 111%<br><i>The no.of students differed from the no.budgeted</i>        |
| Lunch programme                            |                   | 0           |                   | 6,285,036                  | (622,536)                     |                                                                        |
| Boarding Equipment and Stores              | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| Expenditure for Income Generating Activity | 0                 | 0           | 0                 | 34,410                     | 0                             |                                                                        |
| Insurance costs                            | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| Other expenses on investments              | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| Rent Expenses                              | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| Bank Charges                               | 0                 | 0           | 0                 | 17,064                     | 0                             |                                                                        |
| Loan Interest Repayment                    | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| Loan Principal Repayment                   | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| Acquisition of Assets                      | 0                 | 0           | 0                 | 0                          | 0                             |                                                                        |
| <b>TOTALS</b>                              | <b>28,119,220</b> | <b>0</b>    | <b>28,119,220</b> | <b>34,939,879</b>          | <b>(6,245,055)</b>            | <b>122%</b><br><i>The no.of students differed from the no.budgeted</i> |

## **VIII. 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.



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**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 30<sup>th</sup> June 2022.

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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

|                                   | 2021-2022        | 2020-2021        |
|-----------------------------------|------------------|------------------|
|                                   | Kshs             | Kshs             |
| Textbooks and reference materials | 0                | 0                |
| Exercise books                    | 813,811          | 481,583          |
| Laboratory equipment              | 584,274          | 346,391          |
| Internal exams                    | 0                | 178,141          |
| Teaching / learning materials     | 244,536          | 136,081          |
| Chalks                            | 125,232          | 74,225           |
| Exams and assessment              | 444,072          | 0                |
| Teachers guides                   | 0                | 0                |
| <b>Total</b>                      | <b>2,211,925</b> | <b>1,216,421</b> |

**2 CAPITATION GRANT FOR OPERATIONS**

|                              | 2021-2022        | 2020-2021        |
|------------------------------|------------------|------------------|
|                              | Kshs             | Kshs             |
| Personnel emoluments         | 3,257,541        | 2,669,279        |
| Repairs and maintenance      | 3,386,000        | 2,931,000        |
| Local transport / travelling | 584,382          | 408,515          |
| Electricity and water        | 840,985          | 557,068          |
| Medical                      | 151,600          | 0                |
| Administration costs         | 1,526,190        | 1,236,115        |
| Activity                     | 0                | 0                |
| <b>Total</b>                 | <b>9,746,698</b> | <b>7,801,977</b> |

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

|                              | 2021-2022         | 2020-2021        |
|------------------------------|-------------------|------------------|
|                              | Kshs              | Kshs             |
| Personnel emoluments         | 12,667,458        | 2,549,553        |
| Repairs and maintenance      | 13,512,772        | 2,709,515        |
| Local transport / travelling | 0                 | 0                |
| Electricity and water        | 0                 | 0                |
| Medical                      | 0                 | 0                |
| Administration costs         | 343,020           | 0                |
| Activity                     | 0                 | 0                |
| <b>Total</b>                 | <b>26,523,250</b> | <b>5,259,068</b> |



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**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

|                                      | 2021-2022        | 2020-2021     |
|--------------------------------------|------------------|---------------|
|                                      | Kshs             | Kshs          |
| Fee on Boarding Equipment and Stores | 0                | 0             |
| Rent income                          | 0                | 0             |
| Income from farming activities       | 218,140          | 43,455        |
| Insurance compensation               | 0                | 0             |
| Income from Posho mill               | 0                | 0             |
| Income from Bus Hire                 | 1,993,210        | 52,000        |
| Fee for hire of ground and equipment | 0                | 0             |
| Income from grants and donations*    | 0                | 0             |
| Interest income                      | 0                | 0             |
| Dividends income                     | 0                | 0             |
| <b>Total</b>                         | <b>2,211,350</b> | <b>95,455</b> |

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

**5 PAYMENTS FOR TUITION**

|                                   | 2021-2022        | 2020-2021        |
|-----------------------------------|------------------|------------------|
|                                   | Kshs             | Kshs             |
| Textbooks and reference materials | 0.               | 0                |
| Exercise books                    | 904,535          | 285,000          |
| Laboratory equipment              | 966,096          | 485,104          |
| Internal exams                    | 0                | 227,300          |
| Teaching / learning materials     | 52,315           | 120,595          |
| Chalks                            | 92,740           | 29,040           |
| Exams and assessment              | 624,830          | 0                |
| Teachers guides                   | 0                | 0                |
| Administration Costs              | 0                | 0                |
| Bank Charges                      | 10,040           | 4,520            |
| <b>Total</b>                      | <b>2,650,556</b> | <b>1,151,559</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

|                                        | 2020-2021         | 2019-2020        |
|----------------------------------------|-------------------|------------------|
|                                        | Kshs              | Kshs             |
| Personnel Emoluments                   | 3,251,996         | 1,599,525        |
| Service Gratuity                       | 0                 | 0                |
| Administration Cost                    | 2,102,953         | 890,610          |
| Repairs And Maintenance & Improvements | 3,961,604         | 1,091,920        |
| Local Transport / Travelling           | 877,385           | 574,910          |
| Electricity And Water                  | 1,139,311         | 357,103          |
| Medical                                | 214,120           | 222,936          |
| Activity Expenses                      | 72,890            | 0                |
| Smasse                                 | 0                 | 0                |
| Insurance Cost                         | 0                 | 0                |
| Bank Charges                           | 5,924             | 2,662            |
| Acquisition Of Assets                  | 0                 | 0                |
| <b>Total</b>                           | <b>11,626,183</b> | <b>4,739,666</b> |

**7 BOARDING AND SCHOOL FUND PAYMENTS**

| Description                              | 2021-2022         | 2020-2021        |
|------------------------------------------|-------------------|------------------|
|                                          | Kshs              | Kshs             |
| Personnel Emoluments                     | 6,583,006         | 2,448,770        |
| Service Gratuity                         | 0                 | 0                |
| Repairs And Maintenance & Improvements   | 6,468,770         | 1,058,276        |
| Local Transport / Travelling             | 0                 | 0                |
| Electricity And Water                    | 0                 | 0                |
| Medical Expenses                         | 0                 | 0                |
| Administration Costs                     | 1,280,778         | 1,649,564        |
| Lunch Programme                          | 6,285,036         | 2,134,068        |
| Bank Charges                             | 17,064            | 4,144            |
| Expenses On Income Generating Activities | 34,410            | 27,350           |
| Fee On Boarding Equipment and Stores     | 0                 | 0                |
| Rent Expenses                            | 0                 | 0                |
| Insurance Cost (Life Property)           | 0                 | 0                |
| Loan Principal Repayment                 | 0                 | 0                |
| Loan Interest Repayment                  | 0                 | 0                |
| Acquisition Of Assets                    | 0                 | 0                |
| <b>Total</b>                             | <b>20,668,864</b> | <b>7,322,172</b> |

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



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

| Name of Bank, Account No. & currency   | Bank Account Number | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|----------------------------------------|---------------------|-------------------|-------------------|
| Tuition Account                        | 095000010959        | 16,126            | 19,933            |
| Operations Account                     | 1107933595          | 359,440           | 730,021           |
| School Fund Account/Boarding           | 1125694661          | 535,560           | 636,775           |
| Savings Account                        | 1146262833          | 2,281,455         | 2,098,225         |
| Parent Association Development Account |                     | 0                 | 0                 |
| Income generating activities Account   |                     | 0                 | 0                 |
| Infrastructural Account                | 1276712286          | 3,406,323         | 3,570,887         |
| <b>Total</b>                           |                     | <b>6,598,904</b>  | <b>7,055,842</b>  |

**9 CASH IN HAND**

| Description         | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|---------------------|-------------------|-------------------|
| Tuition Account     | 0                 | 0                 |
| Operation Account   | 3,587             | 39,407            |
| School Fund account | 38,981            | 8,435             |
| <b>Total</b>        | <b>42,568</b>     | <b>47,842</b>     |

**10 SHORT TERM INVESTMENTS**

| Description        | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|--------------------|-------------------|-------------------|
| Cooperative shares | 0                 | 0                 |
| Treasury Bills     | 0                 | 0                 |
| Fixed deposit      | 0                 | 0                 |
| Equity stock       | 0                 | 0                 |
| Other investments  | 0                 | 0                 |
| <b>Total</b>       | <b>0</b>          | <b>0</b>          |

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**11 ACCOUNTS RECEIVABLE**

| Description                | 2021-2022         | 2020-2021         |
|----------------------------|-------------------|-------------------|
|                            | Kshs              | Kshs              |
| Fees arrears               | 25,814,063        | 17,566,241        |
| Other non-fees receivables | 520,0000          | 60,000            |
| Salary advances            | 248,400           | 0                 |
| Imprest                    | 0                 | 0                 |
| <b>Total</b>               | <b>26,582,463</b> | <b>17,626,241</b> |

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

| Description                                     | 2021-2022         | 2020-2021         |
|-------------------------------------------------|-------------------|-------------------|
|                                                 | Kshs              | Kshs              |
| Fees arrears for current year                   | 10,579,249        | 2,918,281         |
| Fees arrears for the previous year              | 2,918,282         | 6,196,850         |
| Fees arrears for prior periods (over two years) | 12,316,532        | 8,451,110         |
| <b>Total</b>                                    | <b>25,814,063</b> | <b>17,566,241</b> |

**12 ACCOUNTS PAYABLE**

| Description                                       | 2021-2022      | 2020-2021        |
|---------------------------------------------------|----------------|------------------|
|                                                   | Kshs           | Kshs             |
| Trade creditors (See ageing below and appendix 1) | 465,835        | 959,290          |
| Prepaid fees                                      | 441,607        | 879,658          |
| Retention monies                                  | 0              | 0                |
| <b>Total</b>                                      | <b>907,442</b> | <b>1,838,948</b> |

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

| Description                                        | 2021-2022      | 2020-2021      |
|----------------------------------------------------|----------------|----------------|
|                                                    | Kshs           | Kshs           |
| Trade creditors for current year                   | 465,835        | 959,290        |
| Trade creditors for the previous year              | 0              | 0              |
| Trade creditors for prior periods (over two years) | 0              | 0              |
| <b>Total</b>                                       | <b>465,835</b> | <b>959,290</b> |



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

| Description            | 2021-2022<br>Kshs | 2020-2021<br>Kshs |
|------------------------|-------------------|-------------------|
| Bank balances          | 7,055,842         | 5,012,146         |
| Cash balances          | 47,842            | 43,397            |
| Short Term Investments | 0                 | 0                 |
| Receivables            | 17,626,241        | 14,928,600        |
| Payables               | 1,838,948         | 1,747,311         |
| <b>Total</b>           | <b>26,568,873</b> | <b>21,731,453</b> |

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**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

| Description                  | 2021-2022 | 2020-2021 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| Bank loan(s)                 | 0         | 0         |
| Outstanding Leases           | 0         | 0         |
| Hire purchase                | 0         | 0         |
| Gratuity and leave provision | 0         | 0         |
| <b>Total</b>                 | <b>0</b>  | <b>0</b>  |

**15 Biological assets**

| Description              | Numbers | 2021-2022      | 2020-2021     |
|--------------------------|---------|----------------|---------------|
|                          |         | Kshs           | Kshs          |
| Cattle                   | 1       | 28,000         | 28,000        |
| Goats                    | 33      | 165,000        | 65,000        |
| Trees                    | 0       | 0              | 0             |
| Coffee or tea plantation | 0       | 0              | 0             |
| Poultry                  | 0       | 0              | 0             |
| <b>Total</b>             |         | <b>193,000</b> | <b>93,000</b> |

**16 Borrowings**

| Description                        | 2021-2022 | 2020-2021 |
|------------------------------------|-----------|-----------|
|                                    | Kshs      | Kshs      |
| <b>a) Borrowings</b>               |           |           |
| Borrowing at beginning of the year | 0         | 0         |
| Borrowings during the year         | 0         | 0         |
| Repayments of during the year      | 0         | 0         |
| <b>Balance at end of the year</b>  | <b>0</b>  | <b>0</b>  |



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**Other important disclosure notes**

**17 Stock/ Inventory**

| Description                                | 2021-2022 | 2020-2021 |
|--------------------------------------------|-----------|-----------|
|                                            | Kshs      | Kshs      |
| <b>b) Borrowings</b>                       |           |           |
| Stock/ inventory at beginning of the year  | 0         | 0         |
| Stock/ inventory purchased during the year | 0         | 0         |
| Stock/ inventory issued during the year    | 0         | 0         |
| <b>Balance at end of the year</b>          | <b>0</b>  | <b>0</b>  |

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**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

| Ref No. | Issue / Observations from Auditor                                                                                                                       | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------|------------------------------------------------------------------|
| 1       | Non Compliance with Public Sector Accounting Standard Board IPSAS Accounting and Reporting Period Transition Requirements for Public Secondary Schools. |                     | Not resolved                      | 2026                                                             |
| 2       | Inaccuracies of the Financial Statements                                                                                                                |                     | Not resolved                      | 2026                                                             |
| 3       | Unsupported Cash Balances in Hand Balances                                                                                                              |                     | Not resolved                      | 2026                                                             |
| 4       | Unsupported Accounts Payables                                                                                                                           |                     | Not resolved                      | 2026                                                             |
| 5       | Non Compliance with Public Sector Accounting Standard Board Template                                                                                    |                     | Not resolved                      | 2026                                                             |
| 6       | Budget Under Funding and Unexplained Over Expenditure                                                                                                   |                     | Not resolved                      | 2026                                                             |



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| Ref No. | Issue / Observations from Auditor                                                 | Management comments                                                                                                                                                                                                                                                                                                               | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------|
| 7       | Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA) | The management has taken note of the recommendation and will seek guidance from the M.O.E where contributions are to be made to the KESSHA.<br><br>KESSHA is not a welfare organization but an association which brings principals together to share experiences and chat a way forward on how to improve performance in schools. | Resolved                          | -                                                                |
| 8       | Late Transfer of Infrastructure Funds from Operations Bank Account                | The management in future will adhere to the 15 days compliance as we were previously unaware.                                                                                                                                                                                                                                     | Resolved                          | -                                                                |
| 9       | Non Compliance with the Law of Affirmative Action                                 | The law was complied with because no person with disability applied and was denied opportunity. We employ teachers and workers based on their qualification.                                                                                                                                                                      | Resolved                          | -                                                                |
| 10      | Irregularities in Human Resource Management                                       | The school management has taken note of the recommendation of OAG and will in future make sure to comply as such.                                                                                                                                                                                                                 | Resolved                          | -                                                                |
| 11      | Under Funding of Capitation Grants                                                | The school management will update NEMIS records on time and communicate to the responsible stakeholders involved of the same                                                                                                                                                                                                      | Resolved                          | -                                                                |

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| Ref No. | Issue / Observations from Auditor             | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                              | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------|
| 12      | Weakness in Procurement of Goods and Services | The school management will adhere to the procurement laws and regulations in future to ensure utmost compliance and inform all relevant parties                                                                                                                                                                                                                                                                                                  | Resolved                          | -                                                                |
| 13      | Unsupported Construction of 3 No. Classrooms  | The BQ was misplaced but we are still in the process of looking for it.                                                                                                                                                                                                                                                                                                                                                                          | Not resolved                      | Second tem 2026                                                  |
| 14      | Long Outstanding Students' Debtors            | Measures taken to recover the long outstanding school fees arrears<br>i) Parents meetings to be held regularly to sensitive parents on the need to pay fees in good time.<br>ii) Parents representatives to assist by talking to fellow parents who have difficult in payment of school fees.<br>iii) Use of bursary for NG-CDF and the County Government<br>iv) Parents are allowed to pay fees in kind i.e supply firewood, maize, goats e.t.c | Not Resolved                      | Second term 2026                                                 |
| 15      | Failure to Prepare School Improvement Plan    | The school infrastructure development plan is available but it has expired so we shall prepare another one immediately.                                                                                                                                                                                                                                                                                                                          | Not Resolved                      | Second term 2026                                                 |



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| Ref No. | Issue / Observations from Auditor                   | Management comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------|
| 16      | Lack of Audit Committee and Internal Audit Function | The Audit committee is in place but it was not functioning because the board members were not sensitized well on its function. We promise to sensitize them on their role and start work with immediate effect.                                                                                                                                                                                                                                                                                                                                                                                        | Not resolved                      | Second term 2026                                                 |
| 17      | Lack of Fixed Assets Register                       | The school management has taken action by introducing the fixed assets register which will be updated whenever an asset has been procured or disposed of                                                                                                                                                                                                                                                                                                                                                                                                                                               | Not resolved                      | Second term 2026                                                 |
| 18      | Weaknesses in the Board of Management               | <p>i) Board charter: we were not aware of this document but in the way going forward we shall make sure the Board charter is availed.</p> <p>ii) Annual work plan<br/>The annual work plan was there but was not documented. The board has at least 3 meetings every year. The committees meet at least once in every term. And the executive board meets as many times as need arises.</p> <p>iii) Appointment letters<br/>In future a copy of all appointment letters will be kept in a file. This is the usual practice but the letters for 2022-2025 their letters were erroneously not filed.</p> | Not resolved                      | Second term 2026                                                 |

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services    | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2021 | Outstanding Balance 2021-1 | Comments |
|----------------------------------|-----------------|-----------------|---------------------|--------------------------|----------------------------|----------|
|                                  | a               | b               | c                   | d=a-c                    |                            |          |
|                                  | Kshs            | Kshs            | Kshs                | Kshs                     | Kshs                       |          |
| <b>Construction of buildings</b> |                 |                 |                     |                          |                            |          |
| 1. SARASUNNY                     |                 |                 |                     | 0                        |                            |          |
| 2.                               |                 |                 |                     |                          |                            |          |
| 3.                               |                 |                 |                     |                          |                            |          |
| <b>Sub-Total</b>                 |                 |                 |                     |                          |                            |          |
| <b>Supply of goods</b>           |                 |                 |                     |                          |                            |          |
| 4. RASUU TRANSPORT               |                 |                 |                     | 0                        |                            |          |
| 5. FABRINA ENT.                  |                 |                 |                     | 0                        |                            |          |
| 6. MAHEB BOOKS                   |                 |                 |                     | 465,835                  |                            |          |
| <b>Sub-Total</b>                 |                 |                 |                     |                          |                            |          |
| <b>Supply of services</b>        |                 |                 |                     |                          |                            |          |
| 7.                               |                 |                 |                     |                          |                            |          |
| 8.                               |                 |                 |                     |                          |                            |          |
| 9.                               |                 |                 |                     |                          |                            |          |
| <b>Sub-Total</b>                 |                 |                 |                     | 465,835                  |                            |          |
| <b>Grand Total</b>               |                 |                 |                     | 465,835                  |                            |          |

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

| Asset class                              | Date purchased | Location | Historical Cost<br>b/f<br>(Kshs)<br>1 <sup>st</sup> July 2020 | Additions<br>during the year<br>(Kshs) | Disposals during<br>the year<br>(Kshs) | Historical Cost<br>c/f<br>(Kshs)<br>30 <sup>th</sup> June 2021 |
|------------------------------------------|----------------|----------|---------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------------------------------|
| Land 1                                   |                |          |                                                               |                                        |                                        |                                                                |
| Land 2                                   |                |          |                                                               |                                        |                                        |                                                                |
| Buildings and structures                 |                |          |                                                               |                                        |                                        |                                                                |
| Motor vehicles                           | 31-10-16       |          | 7,236,720.00                                                  |                                        |                                        | 7,236,720.00                                                   |
| Office equipment, furniture and fittings | 18-10-21       |          | 696,000.00                                                    |                                        |                                        | 696,000.00                                                     |
| ICT Equipment, and Other ICT Assets      |                |          |                                                               |                                        |                                        |                                                                |
| Tools and apparatus                      |                |          |                                                               |                                        |                                        |                                                                |
| Textbooks                                |                |          |                                                               |                                        |                                        |                                                                |
| Other Machinery and Equipment            |                |          |                                                               |                                        |                                        |                                                                |
| Heritage and cultural assets             |                |          |                                                               |                                        |                                        |                                                                |
| Intangible assets- soft ware             |                |          |                                                               |                                        |                                        |                                                                |
| <b>Total</b>                             |                |          | <b>7,932,720.00</b>                                           |                                        |                                        | <b>7,932,720.00</b>                                            |

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