REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KAHUHIA GIRLS SECONDARY SCHOOL

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

MURANG'A COUNTY

KAHUHIA GIRLSHIGH SCHOOL

PUBLIC SECONDARY SCHOOL

REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED

30TH JUNE 2021

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered on15th February, 2018 under registration number 21S30000218 and is currently categorized as an Extra county public school established, owned or operated by the Government.

The school is a boarding school and had1500 number of students as at 30th June 2021. It has 27 streams and 57 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref.	Name of Board Member	Designation	Date of Appointment
1.	Prof. Kinandu Muragu	Chairman	12/04/2019
2.	Mrs. Naomi N. Njihia	Secretary - Principal	12/04/2019
3.	Mr. Eliphalet Minae	Member	12/04/2019
4.	Mr. Benard Maingi	Member	12/04/2019
5.	Mrs. Grace Njoroge	Member	12/04/2019
6.	Mr. John G. Mathiaka	Member	12/04/2019
7.	Mrs. Ann Irungu	Member	12/04/2019
8.	Prof Violet Kimani	CEB Representative	12/04/2019
9.	Mr. Ishmael Wanjohi	Teachers Representative	12/04/2019
10.	Prof Kinandu Muragu	Members– Sponsor	12/04/2019
11.	Dr. Joyce W. Ndegwa	Members– Sponsor	12/04/2019
12.	Canon John Miano	Members– Sponsor	12/04/2019
13.	Mr. George Kariuki	Member – Community	12/04/2019
14.	Mr. Stephene Muritu	Member Special Needs	12/04/2019
15.	Sharon Wambui	Students Representative	12/04/2019
16.	Arch. Aidah Munano	Special Interest Group	12/04/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The Function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1.	Executive Committee	Prof. Kinandu	Chairman	2 out of 2
		Mrs. Naomi Njihia	Secretary	2 out of 2
		Arch. Aidah Munano	SIG	2 out of 2
		Bishop George Kariuki	Member	2 out of 2
		Canon John Miano	Member	2 out of 2
2.	Finance, Procurement and General Purposes Committee	Arch. Aidah Munano	Chairperson	1 out of 1
		Bishop George Kariuki	Member	1 out of 1
		Dr. Joyce Ndegwa	Member	1 out of 1
		Mrs Grace Njoroge	Member	1 out of 1
		Eng. John Mathiaka	Member	1 out of 1
		Mr. Charles Njenga	Member	1 out of 1
		M/S Lucy Njeri	Member	1 out of 1
		Mr. Eliphalet Minae	Member	1 out of 1
3.	Academic Committee	Prof Violet Kimani	CHairperson	2 out of 2
		Dr Joyce Ndegwa	Member	2 out of 2
		Eng. Benard Maingi	Member	2 out of 2
		Mrs. Ann Irungu	Member	2 out of 2
		Mr. Ishmael Wanjohi	Member	2 out of 2
		Eng. John Mathiaka	Member	2 out of 2
		Mr. Peter Mwangi	Member	2 out of 2
4.	Ex – Officials Committee	Prof Kinandu Muragu	BOM Chair	1 out of 1
		Mrs Naomi Njihia	BOM Secretary	1 out of 1
		Ms Emily Kariuki	Students Rep	1 out of 1
		Mrs. Cecilia Maina	D. Principal	1 out of 1
		Mr. James Gichuki	Dean Studies	1 out of 1
5.	Discpline and Welfare Committee	Mr George Kariuki	Chairperson	2 out of 2
		Mr. Charles Njenga	Member	2 out of 2
		Mr Stephen Muritu	Member	2 out of 2
		Mrs. Grace Njoroge	Member	2 out of 2
		Mrs. Ann Irungu	Member	2 out of 2
		Mr. Ishmael Wanjohi	Member	2 out of 2
		Mr Peter Mwangi	Member	2 out of 2

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1.	Principal	Mrs. Naomi N. Njihia	321848
2.	Deputy Principal	Mrs. Lilian Nkonge	380094
3.	School Bursar	Mrs. Martha W. Gichure	14641042 (ID)

(e) Schools contacts

Post Office Box: 66 – 10206 Kahuhia.
Telephone No. 0799141438
E-mail Address:kahuhiagirls@gmail.com

(f) School Bankers

The school operated an Mpesa paybill account and5 bank accounts in the following banks:-

1. Name of Bank : Equity Bank Murang'a Branch
   Account Name : Kahuhia Girls High School (School Fund Account)
   Account Number : 0220290472107

2. Name of Bank : Equity Bank Murang'a Branch
   Account Name : Kahuhia Girls High School (Infrastructure Account)
   Account Number : 0220272820495

3. Name of Bank : Equity Bank Murang'a Branch
   Account Name : Kahuhia Girls High School (Tuition Account)
   Account Number : 0220291405247

4. Name of Bank : KCB Murang'a Branch (School Fund Account)
   Account Name :Kahuhia Girls High School
   Account Number : 1108562965

5. Name of Bank : KCB Murang'a Branch
   Account Name : Kahuhia Girls High School (Operations Account)
   Account Number :1107187737

6. M – Pesa Pay Bill No. 522123
   Account Number: 31482K

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

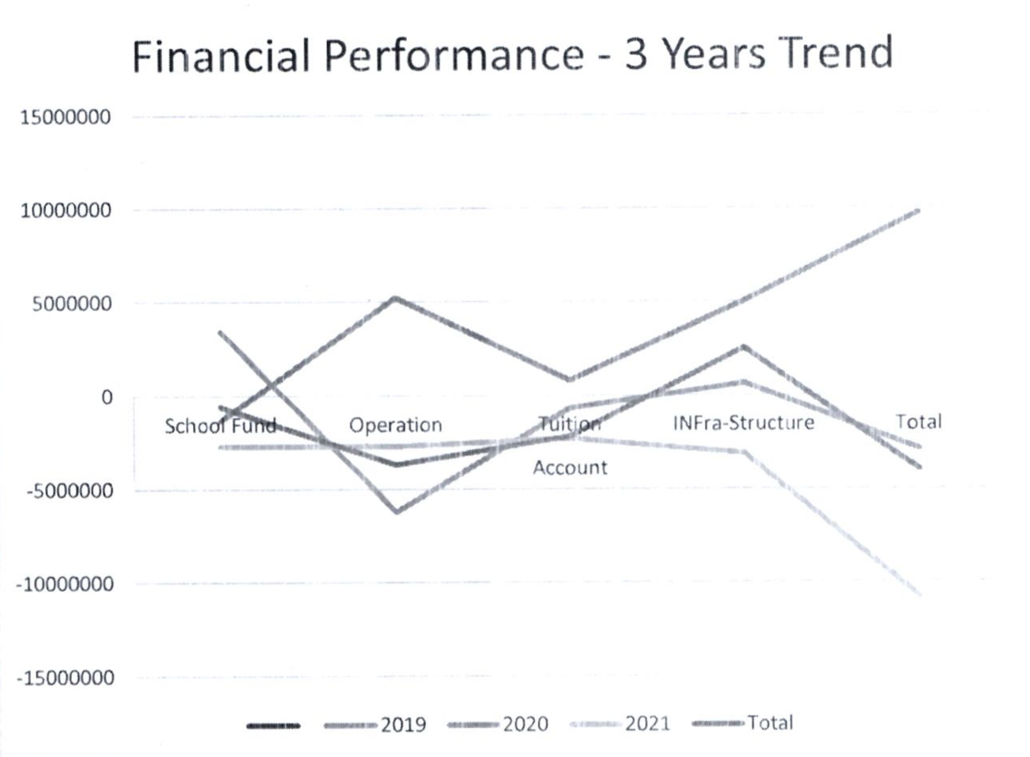
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

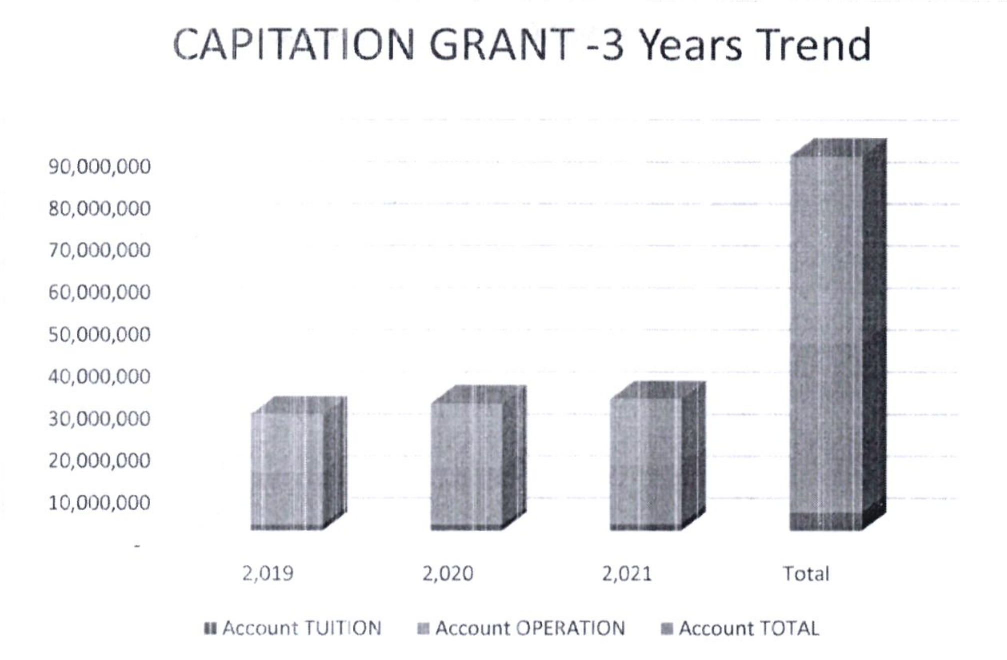
- *Surplus/deficit for the year and a comparison of the same for the last three years.*

Financial Performance - 3 Years Trend					
Year	School Fund	Operation	Tuition	Infrastructure	Total
2019	(1,318,421)	5,227,105	799,265	5,000,000	9,707,949
2020	3,413,316	(6,229,350)	(699,874)	631,985	(2,883,923)
2021	(2,690,124)	(2,210,063)	(2,294,433)	(489,800)	(7,684,420)
Total	(595,229)	(3,212,308)	(2,195,042)	5,142,185	(860,394)



- *Capitation grants from the Ministry of Education for the last three years*

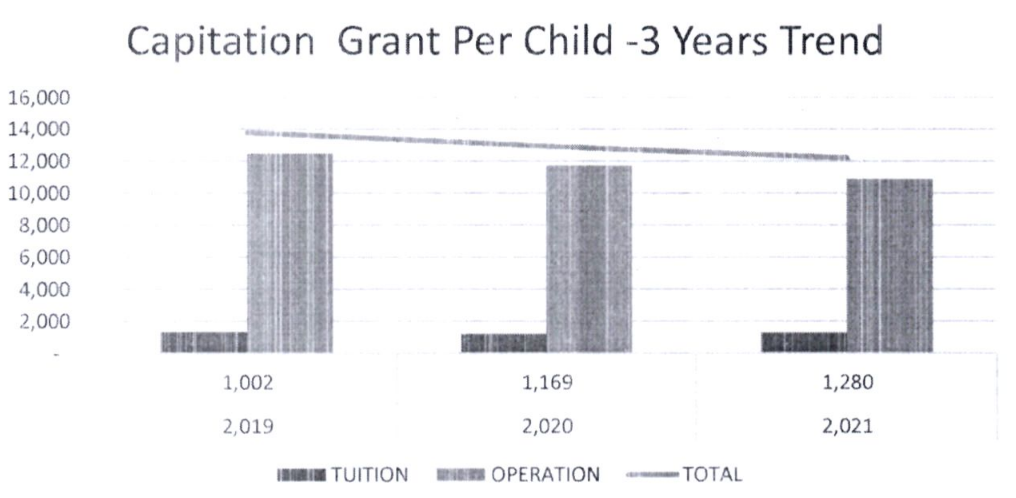
Year	Tuition	Operations	Total
2019	1,345,600	12,457,951	13,803,551
2020	1,422,887	13,687,951	15,110,838
2021	1,666,807	13,986,350	15,653,157
Total	4,435,294	40,132,252	44,567,546



(The decline of M.O Education grants is due to retention of some monies plus in 2020, all the grants were not received and also the fact that 2021 pertains half year's grants)

- Ratio of capitation grant per student over the last three years

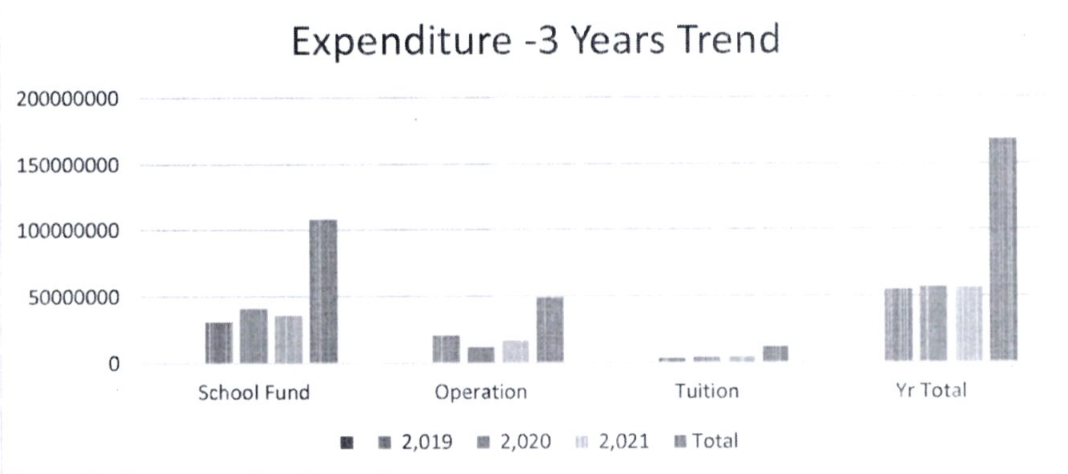
Year	Enrolment	Tuition	Operations	Total
2019	1,002	1,343	12,433	13,776
2020	1,169	1,217	11,709	12,926
2021	1,280	1,302	10,888	12,190



(The decline in M.O Education capitation is due to retention by the government plus the fact that 2020 grants were not received in full due to covid 19, readmit and also in 2021, the grants pertains to half year's grants)

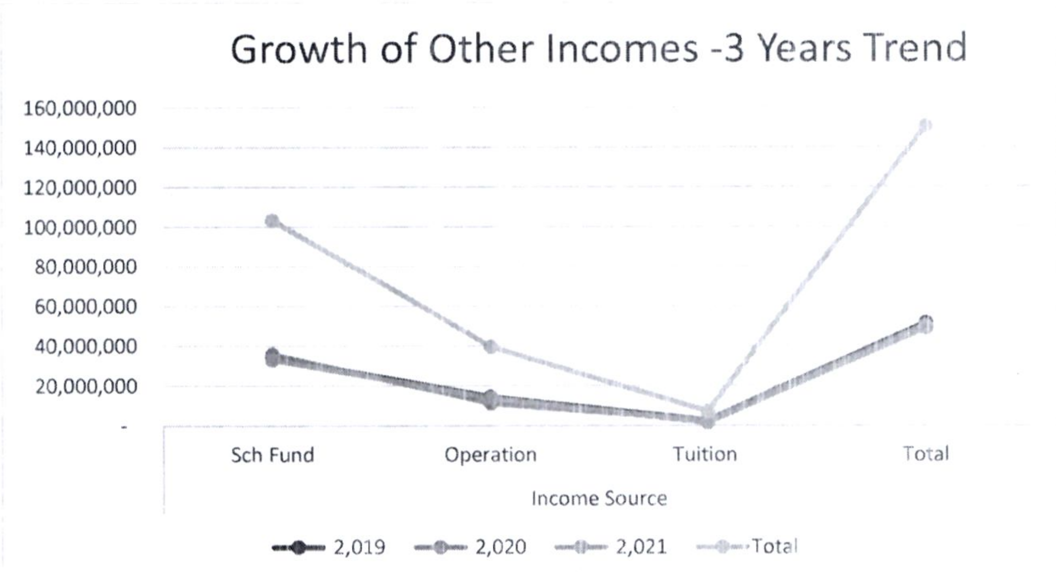
- Three years' growth of expenditures

	Expenditure -3 Years Trend				
Year	School Fund	Operation	Tuition	Infrastructure	Year Total
2019	30,939,768	20,673,435	3,425,121		55,038,324
2020	41,078,380	11,531,527	4,021,546		56,631,453
2021	35,899,266	13,586,413	3,961,240	3,049,800	56,496,719
Total	107,917,414	48,841,175	11,407,907	3,049,800	168,166,496



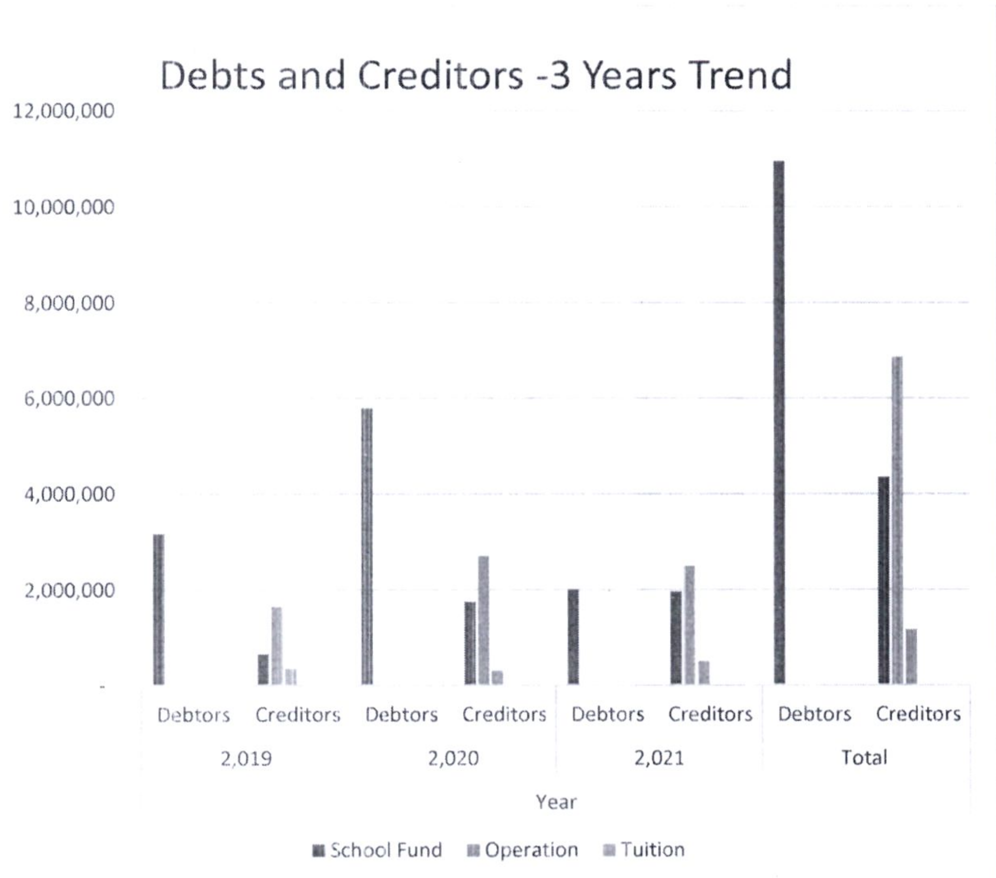
- Three years growth of incomes

		Income Source			
Year	School Fund	Operation	Tuition		Total
2019	34,353,084	14,444,085	2,725,248		51,522,417
2020	35,769,146	11,376,350	2,879,452		50,024,948
2021	33,209,142	11,376,350	1,666,807	2,560,000	48,812,299
Total	103,331,372	39,756,785	7,271,507	2,560,000	150,359,664



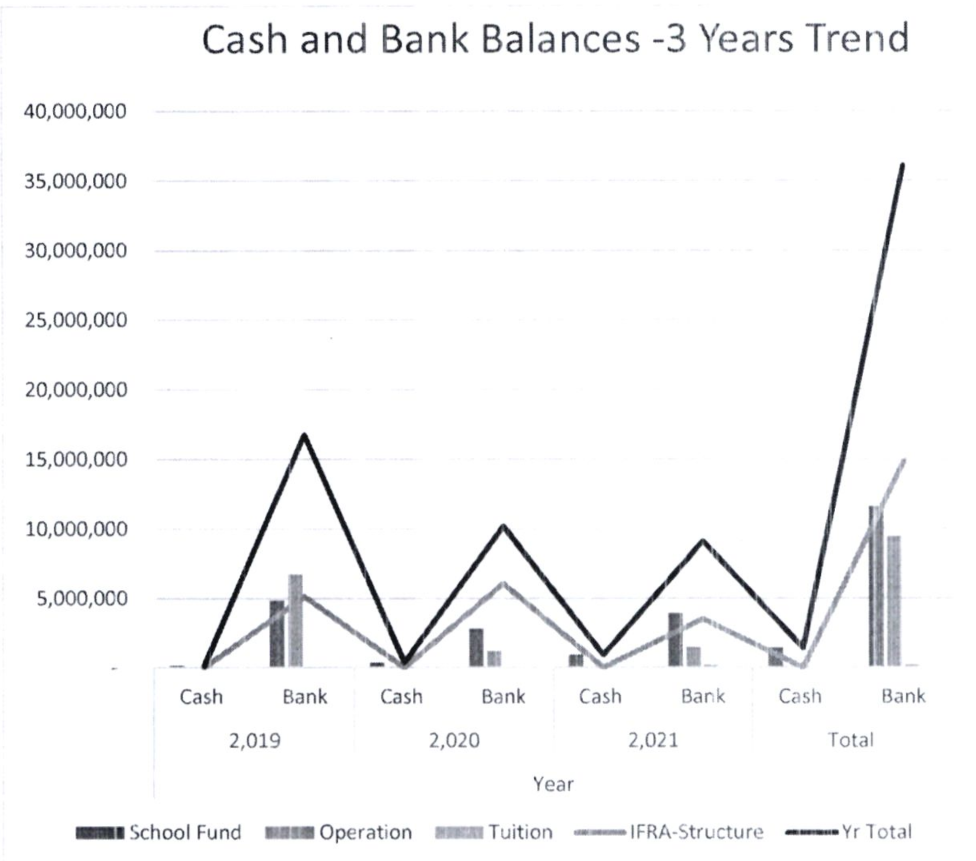
- Movement of Debtors & Creditors – 3 Years Trend

Year		School Fund	Operation	Tuition	Year Total
2019	Debtors	3,164,007	-	-	3,164,007
	Creditors	645,963	1,650,000	350,000	2,645,963
2020	Debtors	5,789,211	-	-	5,789,211
	Creditors	1,746,195	2,700,000	300,000	4,746,195
2021	Debtors	9,387,540	-	-	9,387,540
	Creditors	2,260,480	2,500,000	500,000	5,260,480
Total	Debtors	11,001,956	-	-	11,001,956
	Creditors	4,352,638	6,850,000	1,150,000	12,352,638



- Movement of cash and bank balances over the last three years

Year		School Fund	Operation	Tuition	Infrastructure	Year Total
2019	Cash	141,670	-	-	-	141,670
	Bank	4,846,923	6,743,870	19,077	5,145,811	16,755,681
2020	Cash	349,724	-	-	-	349,724
	Bank	3,495,196	1,228,037	54,989	6,084,044	10,862,266
2021	Cash	938,522	-	-	-	938,522
	Bank	4,594,494	1,471,643	172,516	3,539,538	9,778,191
Total	Cash	1,429,916	-	-	-	1,429,919
	Bank	11,599,670	9,443,550	246,582	14,769,393	36,059,195



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

b) Teacher Student ratio:

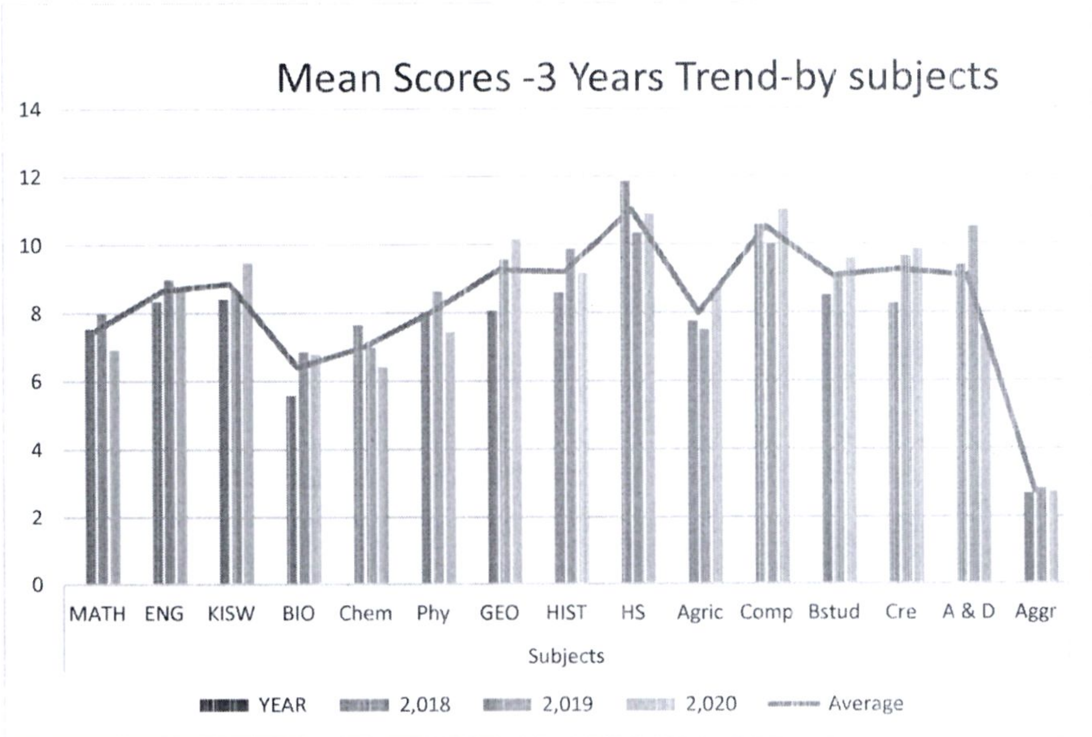
Ratio of students to Teachers	
Total enrolment	1,500
Total No of Teachers	60
Students: Teachers ratio	25

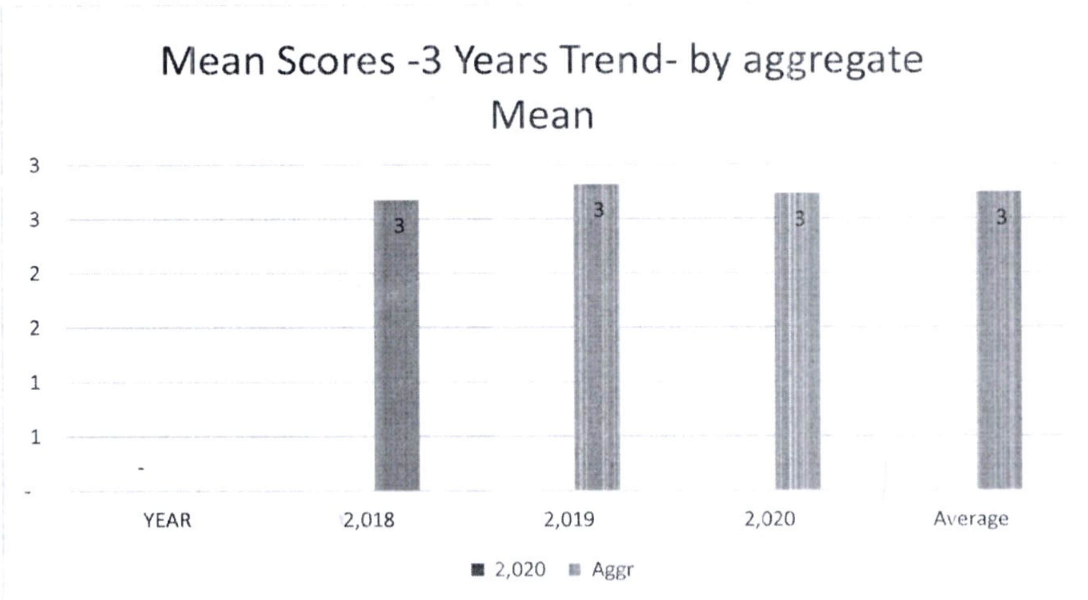
Teachers Turnover	
No of teachers recruited in the year	7
No of teachers transferred inwards in the year	5
No of teachers transferred outwards in the year	4
Net inflow of teachers	8

Teachers Employment	
No of teachers required by CBE	60
No of teachers employed by TSC	45
Shortage / Surplus No of teachers before BOM teachers	15
No of teachers employed by BOM	10
Net Shortage / Surplus No of teachers	5

Mean Scores -3 Years Trend

	Subjects													
YEAR	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	HS	Agric	Comp	Bstud	Cre	A & D
2018	8	8	8	6	8	8	8	9	12	8	11	8	8	9
2019	8	9	9	7	7	9	10	10	10	8	10	9	10	11
2020	7	9	9	7	6	7	10	9	11	9	11	10	10	7
Average	7	9	9	6	7	8	9	9	11	8	11	9	9	9





a) Number of Candidates in the 2020 KCSE:

2020	2019	2018
257	269	266

b) Capacity of the school:

Area	Means of infrastructure measurement	Quantity of infrastructure required	Actual quantity of infrastructure available	Infrastructure gap
Classrooms	Number of classes	35	27	8
Laboratories	Number of laboratories	7	5	2
Toilet Doors	Number of toilet doors	200	132	68
Offices	Number of offices	25	16	9
Dining Hall	Number of students well seated	1,500	800	700
Library	Number of students well seated	400	150	250
Hostels	Number of Decker Beds well-spaced	1,500	1,000	500

Staffroom	Number of teachers well seated	70	40	30
Boardroom	Number of BOM members well seated	25	15	10
Textbooks	Average Students-Course book ratio	1:1	1:2	A copy of book to half of school population.
Staff housing	No of staff properly housed	6	30	24 Housing Units

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

c) Development projects carried out by the school:

Projects Analysis		
	Name of project	
	Water Pump Purchase	**Construction of Reservoir Tank**
Estimated (BQ) Cost	1,200,000.00	752,533.00
Source(s) of Funding	School Fund	School Fund
Contract Cost	1,200,000.00	752,533.00
Start Date of project	20th February 2021	2nd April 2021
Expected Completion date	Completed by 30th May 2021	12th June 2021
Status (Stalled, WIP, complete)	Complete	Complete
Amount due on project	None	None
Amount paid	1,200,000.00	752,533.00
Amount pending	None	None
comment on project success/challenges	*Water Pump successfully installed and fitted and successfully pumping water to school.*	*Reservoir tank constructed and is in use.*

Sign ……………………

School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012requires 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 Kahuhia Girls' High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name : Adv. Ruth Muirure
Designation : Chairperson, School Board of Management
Sign : ....
Date : ....5/5/26......

Name : Naomi Njeri Njihia
Designation : School Principal& Secretary to Board of Management
Sign : ....
Date : ....5/5/26......

PRINCIPAL
KAHUHIA GIRLS HIGH SCHOOL
P.O. Box 66 - 10206, KAHUHIA
DATE:.............. SIGN:..............

Name : Martha Wangari Gichure
Designation : Bursar/ Finance Officer
Sign : ....
Date : ....05/5/26......

REPUBLIC OF KENYA

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REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KAHUHIA GIRLS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – MURANGA 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 Kahuhia Girls High School set out on pages 1 to 13, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kahuhia Girls High School as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.10,716,743 as disclosed in Note 9 and Note 10 to the financial statements. The balance relates to nine (9) bank accounts with a total balance of Kshs.9,778,191 and a cash balance of Kshs.938,552. However, the bank balances were not supported by bank reconciliation statements. Further, Board of Survey reports in support of the bank balances were not provided for audit. In addition, the School maintained one cash book for the two school fund accounts with a total balance of Kshs.3,926,022 and it was not possible to determine the individual fund account balance.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.10,716,743 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months' period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information. My audit opinion on the current period financial statements is not modified in respect of this matter.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.11,376,350 as disclosed in Note 2 to the financial statements from the Ministry of Education, which was credited to the operations bank account. The grants include an amount of Kshs.5,119,000 in respect of infrastructure grants, which were to be transferred to the infrastructure bank account for the maintenance and improvement of the school's facilities. However, an amount of Kshs.4,480,000 was transferred to the infrastructure account leaving a balance of Kshs.639,000 which had not been transferred as at 30 June, 2021. Further, the transferred amount of Kshs.4,480,000 was done after more than fifteen (15) days from the date of receipt. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/, which directed that infrastructure grants, as well as maintenance and improvement funds, should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

2. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.1,666,807 and Kshs.11,376,350 respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand two hundred seventy-eight (1,278) students while the enrolment records provided by the school indicated a total number of one thousand eighty-nine (1,089) students, resulting in an unexplained variance of one eight nine (189) students. As a result of the variances, the school was over funded by an amount of Kshs.290,308.

In the circumstances, the overfunding of the school may have resulted in misallocation of scarce public resources from priority needs.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects amounts of Kshs.1,666,807 and Kshs.11,376,350 in respect of capitation grants for tuition and operations respectively. Comparison of data from National Education Management and information System (NEMIS) with records from the Schools data revealed that during the financial year 2020/2021, NEMIS reflected one thousand two hundred seventy-eight (1,278) students while records from the School register had one thousand eighty-nine (1,089) students, resulting in an overfunding of the School by an amount of Kshs.290,308 This was contrary to the Ministry of Education Circular MOE.HQs/3/13/3/ Vol.II /(33) dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

In the circumstances, the School was in breach of the Ministry of Education directive.

4. Unapproved Fees on Parents Association Support Programme

Review of records revealed that the School charged an amount of Kshs.8,494,200 for remedial, Kshs.6,593,500 for development, Kshs.131,599 for endowment and Kshs.833,187 for administration totalling Kshs.16,052,486 to support the Parent Association Programme. However, the Programme was not approved by the Ministry of Education through the County Education Board contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education.

In the circumstances, Management was in breach of the Government guidelines.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.35,899,266 as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.136,000 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, the value for money for money transferred to KESSHA amounting to Kshs.136,000 could not be confirmed.

6. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

6.1 Lack of Structured Procurement Processes

During the period under review, the School did not adhere to established procurement procedures, as evidenced by use of inappropriate procurement methods including reliance on direct procurement which circumvented competitive bidding, lack of key committees and procurement reports, including evaluation, inspection, and acceptance reports. Further, no market surveys were conducted. This was contrary to Section 44 (2) (d) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act.

6.2 Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(1) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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

7. Undercharged Rental Income

Review of records and discussions with Management revealed that the School owns twenty-two (22) staff housing units comprising two-bedroom and three-bedroom houses. The School charges Kshs.680 and Kshs.880 for a two-bedroom and three-bedroom house respectively. During the period under review, the School generated rental income amounting to Kshs.56,820. However, the units were leased at rates significantly below prevailing market rates and Management could not provide a clear basis for the charges applied. Further, the School had not executed formal tenancy agreements with the occupants, and therefore the enforceability of the occupancy arrangements could not be ascertained.

In the circumstances, the School may not have received value for money from the staff houses.

8. Excess Supply of Books

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed five thousand one hundred and eighty-four (5,184) set books to the school while only two thousand three hundred and eighty-four (2,384) books were issued to the students, resulting in two thousand eight hundred (2,800) excess textbooks in the school's store that were no longer in use.
In the circumstances, value for money on the excess two thousand eight hundred (2,800) excess textbooks could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Non-Functional Audit Committee

During the period under review, the School had not constituted an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. Further, the School's Audit Committee was not active during the period under review.

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

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.9,387,540 in respect of fees arrears as disclosed in Note 11 to the financial statements. The receivables include a balance of Kshs.6,523,955 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 May, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTSPERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation Grants for Tuition	1.	1,666,807	2,725,248.00
Capitation Grants for Operations	2.	11,376,350	14,444,085.00
Infrastructure Fund	3.	2,560,000	-
School Fund Income- Parents' Contributions	4.	33,209,142	34,353,084.00
TOTAL RECEIPTS		**48,812,299**	**51,522,417.00**
PAYMENTS			
Payments for Tuition	5.	3,961,240	3,425,121.00
Payments for Operations	6.	13,586,413	20,673,435.00
Payment for infrastructure	7.	3,049,800	-
Boarding and School Fund Payments	8.	35,899,266	30,939,768.00
TOTAL PAYMENTS		**56,496,719**	**55,038,324.00**
SURPLUS/DEFICIT		**(7,684,420)**	**(3,515,907.00)**

The school financial statements were approved on 5/5/26 2022 and signed by:

Sign: ……………………………
Name: Adv. Ruth Muirure
Chairperson BOM

Date 05/5/2026

Sign: ……………………
Name: Naomi Njeri Njihia
School Principal/ Secretary to BOM

PRINCIPAL
KAHUHIA GIRLS HIGH SCHOOL
P. O. BOX 10206, KAHUHIA
DATE: …………… SIGN: ……………

Date 5/5/26

Sign: ……………………
Name: Martha Gichure
Bursar/Finance Officer

Date 05/5/26

VI. STATEMENT OF FINANCIALASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021 Kshs.	2019-2020 Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9.	9,778,191	10,862,266
Cash Balances	10.	938,552	349,724
Total Cash and cash equivalent		**10,716,743**	**11,211,990**
Account's receivables	11.	9,387,540	16,627,505
TOTAL FINANCIAL ASSETS		**20,104,283**	**27,839,475**
FINANCIAL LIABILITIES			
Accounts Payables	12.	5,260,480	5,311,273
NET FINANCIAL ASSETS		**14,843,803**	**22,528,222**
REPRESENTED BY			
Accumulated Fund b/fwd.	13.	22,528,222	26,044,129
Surplus/Deficit for the year		(7,684,420)	(3,515,907)
NET FINANCIAL POSSITION		**14,843,803**	**22,528,222**

The School's financial statements were approved on 5/5/26 ~~2022~~ and signed by:

Sign: ....
Name: Adv. Ruth Muirure
Chairperson BOM

Date 05/5/2026

Sign: ....
Name: Naomi Njeri Njihia
School Principal / Secretary to BOM

Date: 5/5/26

PRINCIPAL
KAHUHIA GIRLS HIGH SCHOOL
P.O. Box 66-10206, KAHUHIA
DATE: .... SIGN: ....

Sign: ....
Name: Martha Gichure
Bursar/Finance Officer

Date 05/5/26

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

	Note	2020-2021 Kshs.	2019-2020 Kshs.
Receipts for Operating Income			
Capitation Grants for Tuition	1.	1,666,807	2,725,248
Capitation Grants for Operations	2.	11,376,350	14,444,085
School Fund Income- Parents Contributions	3.	31,160,404	42,023,670
Infrastructure	4.	2,560,000	0.00
Total Receipts		**46,763,561**	**59,193,003**
Payments			
Payments for Tuition	5.	3,961,240	3,425,121
Payments for Infrastructure	6.	3,049,800	-
Payments for Operations	7.	13,586,413	20,673,435
Boarding and School Fund Payments	8.	26,661,355	30,939,769
Total Payments		**47,258,808**	**55,038,324**
Net Cash Flow from Operating Activities		**(495,247)**	**4,154,679**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(495,247)**	**4,154,679**
Cash and Cash Equivalent at BEGINNING of the year		**11,211,990**	**7,057,311**
Cash and Cash Equivalent at END of the year		**10,716,743**	**11,211,990**

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. The School has therefore adopted the direct method of cashflow as recommended by PSASB.

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

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.	Kshs.	Kshs.
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Exercise books	250,000.00		250,000.00	248,700.00	1,300.00	99%
Laboratory equipment	600,000.00		600,000.00	536,547.00	63,453.00	89%
Internal exams	222,000.00		222,000.00	220,600.00	1,400.00	99%
Teaching / learning materials	280,000.00		280,000.00	280,000.00	0	100%
Chalks	130,000.00		130,000.00	120,000.00	10,000.00	92%
Teachers guides	270,000.00		270,000.00	260,960.00	9,040.00	97%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,260,000.00		2,260,000.00	1,900,433.00	359,567.00	84%
Repairs and maintenance	4,970,000.00		4,970,000.00	4,480,000.00	490,000.00	90%
Local transport / travelling	1,841,000.00		1,841,000.00	1,789,700.00	51,300.00	97%
Electricity and water	1,469,000.00		1,469,000.00	1,378,000.00	91,000.00	94%
Administration costs	1,490,000.00		1,490,000.00	1,324,700.00	165,300.00	89%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	6,880,000.00		6,880,000.00	6,632,806.00	247,194.00	96%
Repairs and maintenance	1,306,000.00		1,306,000.00	1,145,659.00	160,341.00	88%
Local transport / travelling	838,000.00		838,000.00	720,539.00	117,461.00	86%
Electricity and water	2,100,000.00		2,100,000.00	2,074,346.00	25,654.00	99%
Administration costs	2,252,000.00		2,252,000.00	1,833,187.00	418,813.00	81%
Fee on Boarding Equipment and Stores	14,155,000.00		14,155,000.00	13,200,960.00	954,040.00	93%
TOTAL INCOME	**41,313,000.00**		**41,313,000.00**	**38,147,137.00**	**3,165,863.00**	
(1) EXPENDITURE FOR TUITION						
Exercise books	250,000.00		250,000.00	245,000.00	5,000.00	98%

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.	Kshs.	Kshs.
Laboratory equipment	600,000.00		600,000.00	860,000.00	-260,000.00	124%
Internal exams	222,000.00		222,000.00	216,400.00	5,600.00	97%
Teaching / learning materials	280,000.00		280,000.00	273,400.00	6,600.00	97%
Chalks	130,000.00		130,000.00	110,000.00	20,000.00	85%
Teachers guides	270,000.00		270,000.00	256,000.00	14,000.00	95%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,260,000.00		2,260,000.00	1,259,980.00	1,000,020.00	56%
Repairs, maintenance & improvements	4,970,000.00		4,970,000.00	4,969,800.00	200.00	99%
Local transport / travelling	1,841,000.00		1,841,000.00	1,840,230.00	770.00	99%
Electricity, water and conservancy	1,649,000.00		1,649,000.00	1,468,400.00	180,600.00	89%
Administration costs	1,490,000.00		1,490,000.00	1,489,600.00	400.00	99%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	6,880,000.00		6,880,000.00	6,878,015.00	1,985.00	99%
Local transport / travelling	838,000.00		838,000.00	837,928.00	72.00	99%
Electricity, water and conservancy	2,100,000.00		2,100,000.00	1,718,853.00	381,147.00	81%
Administration costs	2,252,000.00		2,252,000.00	2,251,625.00	375.00	99%
Boarding Equipment and Stores	14,155,000.00		14,155,000.00	14,154,732.00	268.00	99%
TOTALS	**39,587,000.00**		**39,587,000.00**	**38,829,963.00**	**1,357,037.00**	

[Notes to the Budget Utilization)

(i) *Failure by the MOE to release capitation in full affected the amounts received for Personal emoluments and administration costs.*

(ii) *Under-utilization in RMI, LTT & ADMIN. COSTS under school fund was caused by students' failure to pay school fees in full.*

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

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

2. Recognition of Receipts and Payments

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

3. In-kind Contributions

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

4. Cash and Cash Equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-Current Assets

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

8. Budget

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

9. Comparative Figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

Description	2020-2021 Kshs	2019-2020 Kshs
Exercise Books	248,700	451,600.00
Laboratory Equipment	536,547	1,059,980.00
Teaching/Learning Materials	280,000	365,000.00
Chalks	120,000	120,000.00
Exams and Assessment	220,600	386,050.00
Teachers Guides	260,960	342,618.00
Total	**1,666,807**	**2,725,248.00**

2 CAPITATION GRANT FOR OPERATIONS

Description	2020-2021 Kshs	2019-2020 Kshs
Personnel Emoluments	1,900,433	4,523,000.00
Repairs and Maintenance	4,480,000	5,315,000.00
Transport and Travel	1,789,700	1,586,321.00
Electricity and Water	1,378,000	854,235.00
Infrastructure Fund	0.0	0.00
Deductions	503,517	624,000.00
Administration	1,324,700	1,541,529.00
Total	**11,376,350**	**14,444,085.00**

3.

Description	2020-2021 Kshs	2019-2020 Kshs
Infrastructure Fund	2,560,000	
Total	**2,560,000**	

4 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

Description	2020-2021 Kshs	2019-2020 Kshs

Description	2020-2021 Kshs	2019-2020 Kshs
Personnel Emoluments	632,806	3,300,959.00
Repairs and Maintenance	1,145,659	1,784,193.00
Transport and Travel	120,539	789,237.00
Electricity and Water	2,074,346	3,907,336.00
Rent	56,820	61,700.00
Development	6,593,500	3,000,000.00
Uniform	61,704	76,600.00
Endowments	131,599	500,000.00
Administration	833,187	2,378,597.00
Infrastructure	0.00	250,000.00
Prepayments	3,377,054	250,000.00
Farm	21,491	300,000.00
Boarding, Equipment's and Stores	11,152,222	16,865,086.00
Deductions	3,139,958	200,000.00
PTA	1,700,441	500,000.00
Activity	119,078	189,376.00
Total	**31,160,404**	**34,353,084.00**

PARENTS CONTRIBUTION/FEES-SCHOOL FUND ACCOUNT NOTES TO CASH FLOW

Description	2020-2021 Kshs	2019-2020 Kshs
Reported in Statement of Receipt and Payments	33,209,142	0.00
Less: Fees Arrears Adjustments	2,048,738	0.00
Reported in Cashflow Statement	**31,160,404**	**0.00**

5 PAYMENTS FOR TUITION

Description	2020-2021 Kshs	2019-2020 Kshs
Exercise Books	245,000.00	650,000.00
Laboratory Equipment	2,860,440.00	692,306.00
Teaching/Learning Materials	273,400.00	1,356,397.00
Chalks	110,000.00	85,000.00
Exams and Assessment	216,400.00	341,418.00
Teachers Guides	256,000.00	300,000.00
Total	**3,961,240.00**	**3,425,121.00**

6.PAYMENTS FOR OPERATIONS

Description	2020-2021 Kshs	2019-2020 Kshs
Personnel Emoluments	2,443,964.00	2,654,900.00
Administration Cost	668,084.00	3,645,300.00
Repairs and Maintenance	0.00	8,590,907.00
Infrastructure Account	5,104,686.00	0.00
Infrastructure Fund	1,920,000	0.00
Activity	837,231	0.00
Transport and Travel	774,533.00	1,418,231.00
Electricity and Water	1,334,498.00	2,654,897.00
Deductions	503,417.00	1,709,200.00
TOTAL	**13,586,413.00**	**20,673,435.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 PAYMENT FOR INFRASTRUCTURE

Description	2020-2021 Kshs	2019-2020 Kshs
Repairs and Maintenance & Improvements	3,049,800.00	
TOTAL	**3,049,800.00**	

8 BOARDING AND SCHOOL FUND PAYMENTS

Description	2020-2021 Kshs	2019-2020 Kshs
Boarding, Equipment's and Stores	14,154,732.00	10,503,694.00
Activity	19,840.00	182,960.00
Repairs and Maintenance	1,305,530.00	1,485,799.00
Transport and Travel	837,928.00	984,829.00
Electricity and Water	718,853.00	1,028,226.00
Administration	1,251,625.00	1,772,011.00
Caution	9,200.00	100,000.00
Development	353,375.00	923,890.00
Higher Ground and School Bus	573,708.00	0.00
Deductions	3,119,958.00	250,000.00
Bakery	606,572.00	800,000.00
PTA	650,422.00	670,000.00
Farm	539,800.00	200,000.00
Personnel Emoluments	6,878,015.00	5,031,270.00
Infrastructure	0.00	3,670,590.00
House Rent	15,900.00	16,500.00

Endowment	472,723.00	300,000.00
Uniform	294,350.00	350,000.00
Prepayments	4,096,735.00	2,670,000.00
TOTAL	**35,899,266.00**	**30,939,769.00**

4. These costs includes farm maintenance, ground maintenance and costs incurred during hire of school bus among others.

9 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021 Kshs	2019-2020 Kshs
Tuition Account	0220291405247	172,516.52	54,989.52
Operations Account	1107187737	1,471,643.40	1,228,037.40
School Fund Account Equity	0220290472107	3,539,538	2,826,725.62
School fund KCB	1108562965	386,484	
MOE Savings Account	1106794036	18,076.00	18,076.00
Savings Account 4109	1106794109	141,485	141,485.00
Development Savings Account	1106352114	390,865	390,865.00
Infrastructure	0220272820495	3,539,538.00	6,084,044.00
Uwezo Savings Account	0051044525	118,044.55	118,044.55
Total		**9,778,191.00**	**10,862,266.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 CASH IN HAND

Description	2020-2021 Kshs	2019-2020 Kshs
School Fund Account	938,552.00	349,724.00
Total	**938,552.00**	**349,724.00**

11 ACCOUNTS RECEIVABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears	9,387,540.00	16,627,505.00
Total	**9,387,540.00**	**16,627,505.00**

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

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears for current year	2,048,738.00	13,773,402.00
Fees arrears recovered during the year	4,974,364.00	3,164,007.00

Fees arrears for the previous year	5,789,211.00	3,561,123.00
Fees arrears for prior periods (over two years)	6,523,955.00	2,456,987.00
Total	**9,387,540.00**	**16,627,505.00**

12. ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and Appendix 1)	4,960,480.00	5,311,273.00
Prepaid fees	300,000	0
Total	**5,260,480.00**	**5,311,273.00**

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

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	4,960,480.00	4,746,195.00
Trade creditors paid during the year	1,667,109.00	3,956,123.00
Trade creditors for the previous year	1,667,109.00	2,645,963.00
Trade creditors for prior periods (over two years)	0.00	1,875,238.00
Total	**4,960,480.00**	**5,311,273.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs	2019-2020 Kshs
Bank balances	10,862,266	7,907,115.00
Cash balances	349,724	141,485.00
Receivables	16,627,505	0.00
Payables	(5,311,273)	0.00
Total	**22,528,222**	**8,048,600.00**

Other important Disclosure Notes

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

12. BIOLOGICAL ASSETS

Description	Numbers	Price per Unit	2020-2021 Kshs.	2019-2020 Kshs.
Cattle	5	80,000.00	400,000.00	380,000.00
Calves	5	25,000.00	125,000.00	80,000.00
Trees	800	10,000.00	8,000,000.00	8,000,000.00
Total			**8,525,000.00**	**8,460,000.00**

Other Important Disclosure Notes (Continued)

13. STOCK/ INVENTORY

Description	2020-2021 KShs.	2019-2020 KShs.
a) **Stock Inventories**		
Stock/ inventory at beginning of the year	18,000,000.00	12,000,000.00
Stock/ inventory purchased during the year	30,000,000.00	16,000,000.00
Stock/ inventory issued during the year	40,000,000.00	10,000,000.00
Balance at end of the year	**8,000,000.00**	**18,000,000.00**

14. 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)*

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of Goods						
1. Astrol Petroleum Company	205,982.00	20th March,2021		205,982.00		To be paid by 31st July 2021
2. Nalikxo Contractors	44,300.00	13th January, 2021		44,300.00		To be paid by 31st July 2021
3. Limatec (k) LTD	2,729,460.00	30th March 2021		2,729,460.00		To be paid by 31st July 2021
4. Delhari Sands	257,100.00	15th February 2021		257,100.00		To be paid by 31st July 2021
5. Nairobi Sports House	19,840.00	24th April, 2021		19,840.00		To be paid by 31st July 2021
6. Msingi Contraction Ltd	779,660.00	30th January, 2021		779,660.00		To be paid by 31st July 2021
Supply of Services						
7. N.S.S.F.	285,248.00	30th May, 2021		285,248.00		To be paid by 31st July 2021
8. Bin Point Services	65,000.00	30th May, 2021		65,000.00		To be paid by 31st July 2021
9. Kenya Power and Lighting co.	573,890.00	15th June,2021		573,890.00		To be paid by 15th July 2021
Grand Total	**4,960,480.00**			**4,960,480.00**		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost b/f(Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f(Kshs) 30th June 2021
Land 37 Hectares @3,000,000.00	111,000,000.00			111,000,000.00
Buildings and structures	400,000,000.00			400,000,000.00
Motor vehicles KBN 265E KBW 156V KCT 511Y	4,500,000.00 2,800,000.00 1,800,000.00			4,500,000.00 2,800,000.00 1,800,000.00
Office equipment, furniture and fittings	18,000,000.00			18,000,000.00
ICT Equipment, and Other ICT Assets	12,000,000.00			12,000,000.00
Tools and apparatus	6,000,000.00			6,000,000.00
Textbooks	5,578,000.00			5,578,000.00
Other Machinery and Equipment	3,000,000.00			3,000,000.00
Firefighting equipment's	400,000.00			400,000.00
Biometrics	450,000.00			450,000.00
Water Systems	20,000,000.00			20,000,000.00
Electrical Installation	18,000,000.00			18,000,000.00
Tent and Chairs	180,000.00			180,000.00
Cambro Pavements	1,500,000.00			1,500,000.00
Screeding Pavements	1,200,000.00			1,200,000.00
School Gate	4,300,000.00			4,300,000.00
CCTV Installations	1,200,000.00			1,200,000.00
Total	**611,908,000.00**			**611,908,000.00**