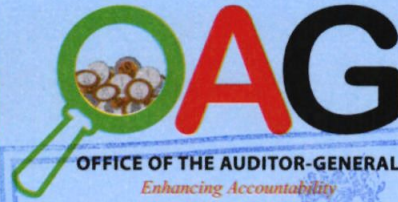


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 29 JUL 2026

DAY.
WED.

REPORT

TABLED
BY:

Hon. Robert Purose

CLERK-AT
TABLE:

J. Kemealli.

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

KAJIAMPAU SECONDARY
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

THARAKA-NITHI COUNTY



Revised 30th June 2023.



**KAJIAMPAU MIXED BOARDING SECONDARY SCHOOL
PUBLIC SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 13th May 2002 under Registration Number 13S00300489 and is currently categorized as a County Public School established, owned or operated by the Government.

The school is a day/boarding school and had 554 number of students as at 30th June 2023. It has 3 streams and 21 teachers of which 3 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	Dr Lucy Karimi	Chairman	
2	Jeniffer Kinya	Secretary/Principal	1/7/22
3	Onesmus Mugambi	Vice Chair	1/7/22
4	Frankline Gituma	P.A.	1/7/22
5	Kelvin Mwenda	Rep. Students	1/7/22
6	Eliphas Gitonga	Member	
7	Frida Wanja	Member	1/7/22
8	Ignatia Kalimba Karigu	Member – Rep. CEB	1/7/22
9	Dorman Kamau	Member – Rep. Teachers	1/7/22
10	Alex Mawira	Sponsor	1/7/22
11	Salesio Muthengi	Member – Community	1/7/22
12	Mutwiri Njoka	Member – Special Needs	1/7/22

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr. Lucy Karimu	Chairlady	
		Onesmus Kamwara	Vice Chair	
		Frankline Gituma	P.A.	
		Salesio Muthengi		
2	Audit Committee	Dr. Lucy Karimi		
		Frida Wanja		
		Frankline Gituma		
		Elijah Kithinji		
		Lucy Kajiita		
3	Finance, Procurement and General Purposes Committee	Hellen Gaceri	Secretary	
		Arnold Mwenda	Chair	
		Jeniffer Kinya		
		Ngari Jeniffer		
		Jeniffer Wakini		
		Joseph Kwenga		
4	Academic Committee	Eliphas Gitonga		
		Arnold Mbaka	Secretary	
		Dorman Kamau		
		Jeniffer Ngari		
		Mutwiri Njoka		

KAJIAMPAU MIXED BOARDING SECONDARY SCHOOL – PUBLIC SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
5	Development Committee	Dr. Lucy Karimi		
		Jeniffer Kinya		
		Salesio Muthengi		
		Alex Mawira		
		Ken Muchomba		
6	Discipline and Welfare Committee	Arnold Mbaka	Patron	
		Jeniffer Ngari		
		Jane Mwenda		
		Mbijiwe Muchomba	Chair	
		Joseph Muutura		
		Bosco Murithi		
7	Adhoc Committee (if any during the year)	Arnold Mbaka	Chair	
		Hellen Gaceri	Sec	
		Jeniffer Ngari	Senior Teacher	
		Joseph Kwenga	Dorm Master	
		Lindsay Kendi	Dorm Mistress	
		Jeniffer Wakini	Matron	
		Mutual Benson	Games Master	

(d) School Operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Jeniffer Kinya	303213
2	Deputy Principal	Arnold Mbaka	397188
3	School Bursar	Hellen Gaceri	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 363
Telephone: 0721520347

(f) School Bankers

The school operated 3 bank accounts in the following banks

1. Name of Bank: Co-operative
Branch: Chuka
Account Number: 01129057807500
2. Name of Bank: Equity
Branch: Chuka
Account Number: 0210291771311
3. MPESA Pay Bill No. 400222, attached to 319112# ADM Bank Account
4. Name of Bank: Co-operative
Branch: Chuka
Account number: 68260900066901

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

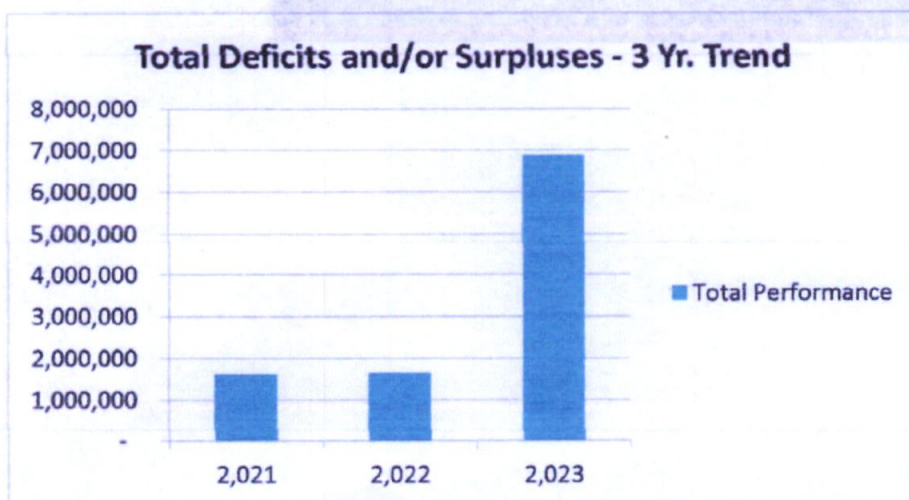
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

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

DEFICITS AND/OR SURPLUSES – 3 Year Trend							
Year	Account						
	School Fund	Operation	Tuition	INFRA-structure	Farm	PA Devt.	Total
2021	(391,834)	2,070,104	(54,964)	-	-	-	1,623,306
2022	1,475,222	(664,612)	192,883	660,979	-	-	1,664,472
2023	7,693,079	(696,596)	(48,342)	(69,748)	-	-	6,878,393
Total	8,776,467	708,897	89,576	591,231	-	-	10,166,171

Total Deficits and/or Surpluses – 3 Year Trend		
Year	2021	1,623,306
	2022	1,664,472
	2023	6,878,393

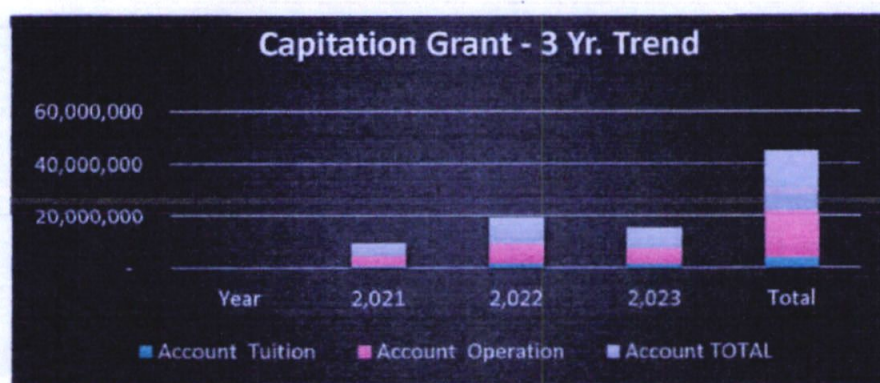


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance: (Continued)

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

CAPITATION GRANT – 3 Yr. Trend			
	Account		
Year	Tuition	Operation	Total
2021	666,616	4,282,789	4,949,405
2022	1,808,653	7,913,123	9,721,775
2023	1,623,863	6,176,547	7,800,410
Total	4,099,131	18,372,459	22,471,590



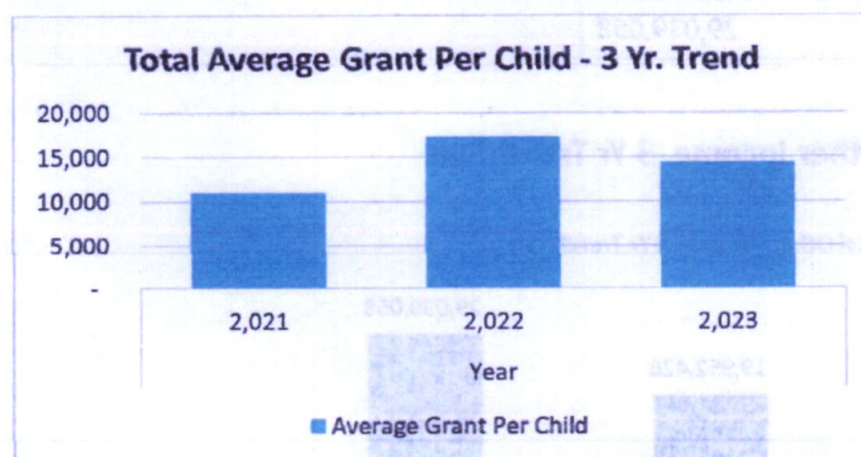
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance: (Continued)

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

CAPITATION GRANT PER CHILD – 3 Yr. Trend			
	Year		
	2021	2022	2023
Total Grant Received	4,949,405	9,721,775	7,800,410
Highest Enrolment in the Year	452	564	543
Average Grant Per Child	10,950	17,237	14,365

	Year		
	2021	2022	2023
Average Grant Per Child	10,950	17,237	14,365



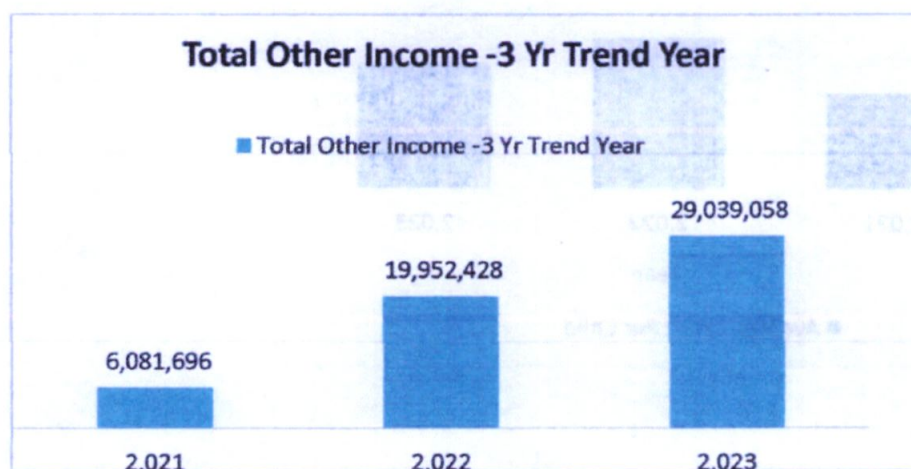
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance: (Continued)

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

GROWTH OF OTHER INCOMES – 3 Yr. Trend						
		Income Source				
		School Fund	Farm	INFRA-structure	PA Devt.	Total
Year	2021	6,081,696	-	-	-	6,081,696
	2022	17,026,603	-	2,925,825	-	19,952,428
	2023	28,416,058	-	623,000	-	29,039,058
	Total	51,524,357	-	3,548,825	-	55,073,182

Total Other Income - 3 Yr. Trend		
Year	2021	6,081,696
	2022	19,952,428
	2023	29,039,058



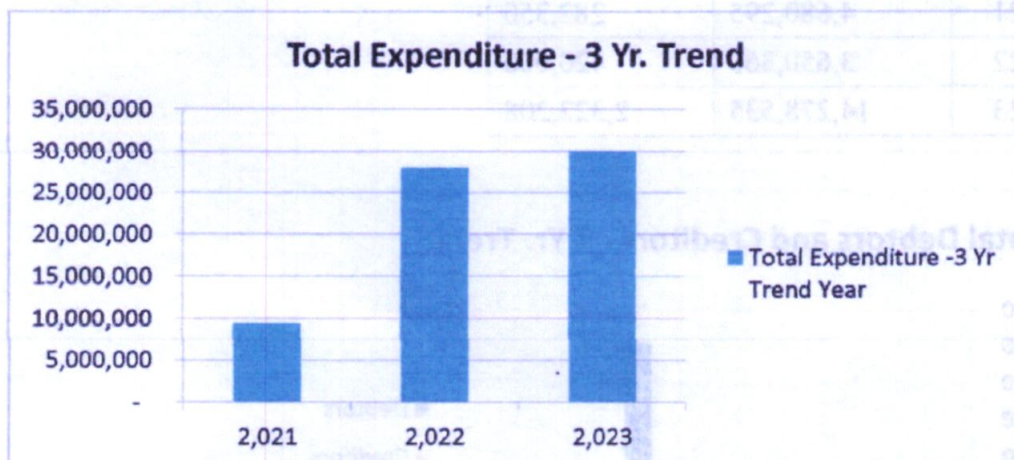
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance: (Continued)

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

EXPENDITURE – 3Yr. Trend								
		Account						
		School Fund	Operation	Tuition	Farm	INFRA-structure	PA Devt.	Yr. Total
Year	2021	6,473,530	2,212,685	721,580	-	-	-	9,407,795
	2022	15,551,382	8,577,734	1,615,770	-	2,264,846	-	28,009,732
	2023	20,722,979	6,873,143	1,672,205	-	692,748	-	29,961,075
	Total	42,747,890	17,663,562	4,009,555	-	2,957,594	-	67,378,601

Total Expenditure - 3 Yr. Trend		
Year	2021	9,407,795
	2022	28,009,732
	2023	29,961,075



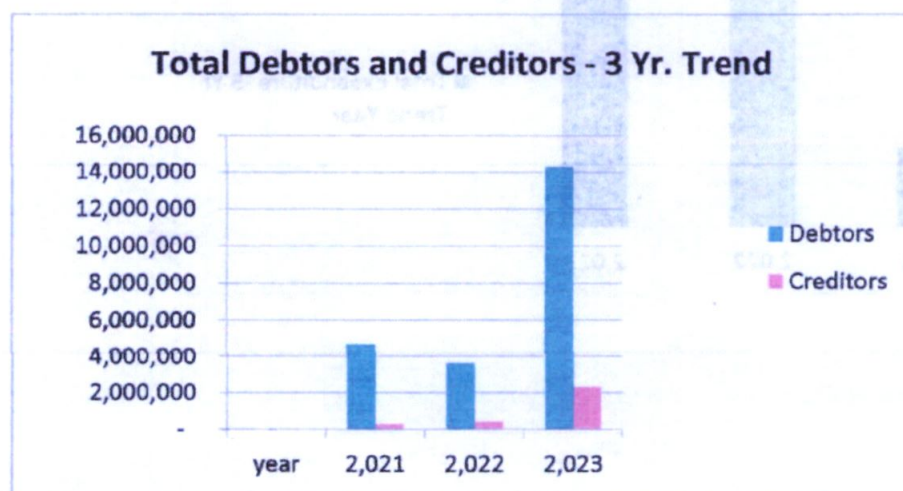
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance: (Continued)

- *Movement of debtors and creditors of the school over the last three years*

DEBTORS AND CREDITORS – 3 Yr. Trend									
			Account						Yr. Total
			School Fund	Operation	Tuition	Farm	INFRA-structure	PA Devt.	
Year	2021	Debtors	4,680,295	-	-	-	-	-	4,680,295
		Creditors	282,350	-	-	-	-	-	282,350
	2022	Debtors	3,650,360	-	-	-	-	-	3,650,360
		Creditors	420,000	-	-	-	-	-	420,000
	2023	Debtors	14,278,535	-	-	-	-	-	14,278,535
		Creditors	2,322,208	-	-	-	-	-	2,322,208
Total	Debtors		22,609,190	-	-	-	-	-	22,609,190
	Creditors		3,024,558	-	-	-	-	-	3,024,558

Total Debtors and Creditors – 3 Yr. Trend			
		Debtors	Creditors
Year	2021	4,680,295	282,350
	2022	3,650,360	420,000
	2023	14,278,535	2,322,208



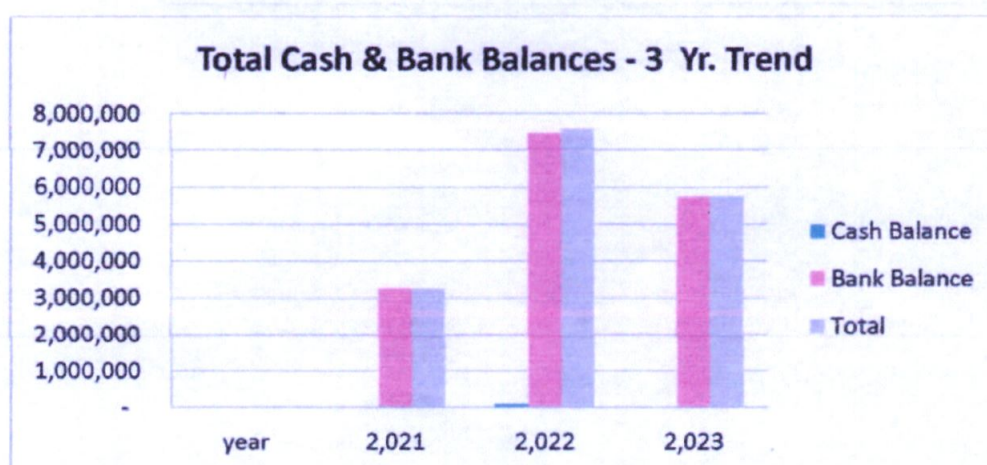
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

a) Financial performance: (Continued)

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

CASH AND BANK BALANCES – 3 Yr. Trend									
			Account						
			School Fund	Operation	Tuition	Farm	INFRA-structure	PA Devt.	Yr. Total
Year	2021	Cash	5,478	-	-	-	-	-	5,478
		Bank	805,292	2,328,647	111,092	-	-	-	3,245,031
	2022	Cash	107,973	-	-	-	-	-	107,973
		Bank	3,345,604	1,664,036	303,974	-	2,160,979	-	7,474,593
	2023	Cash	9,024	-	-	-	-	-	9,024
		Bank	2,411,665	967,440	255,632	-	2,091,231	-	5,725,968
Total		Cash	122,475	-	-	-	-	-	122,475
		Bank	6,562,560	4,960,123	670,698	-	4,252,210	-	16,445,592

Total Cash and Bank Balances - 3Yr. Trend				
		Cash Balance	Bank Balance	Total
Year	2021	5,478	3,245,031	3,250,509
	2022	107,973	7,474,593	7,582,566
	2023	9,024	5,725,968	5,734,992



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

b) Teacher Student Ratio:

Ratio of students to Teachers	
Total enrolment	543
Total N.o of Teachers	20
Students : Teachers ratio	27

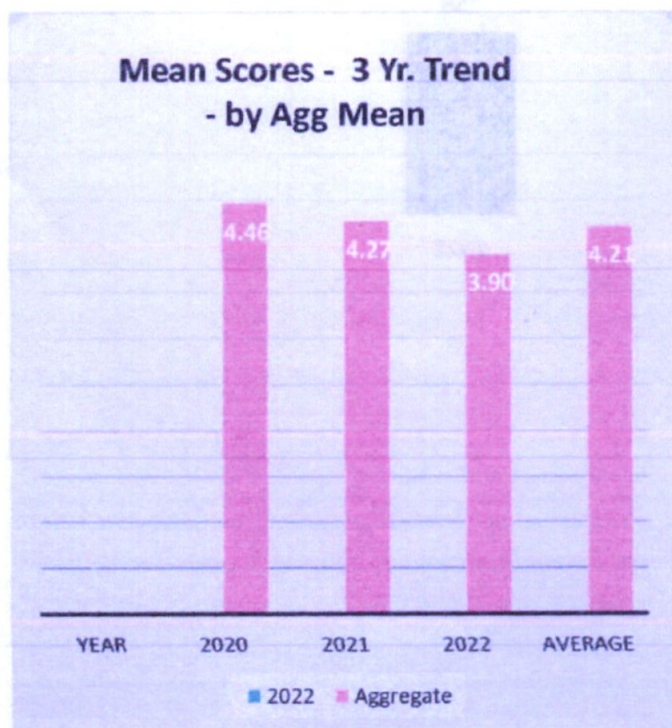
Teachers Turnover	
No. of teachers recruited in the year	-
No. of teachers transferred inwards in the year	2
No. of teachers transferred outwards in the year	3
Net inflow of teachers	(1)

Teachers Employment	
No. of teachers required by CBE	27
No. of teachers employed by TSC	18
Shortage / Surplus No. of teachers before BOM teachers	9
No. of teachers employed by BOM	3
Net Shortage / Surplus No. of teachers	6

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

c) Mean score in the 2021, 2022 & 2023 KCSE:

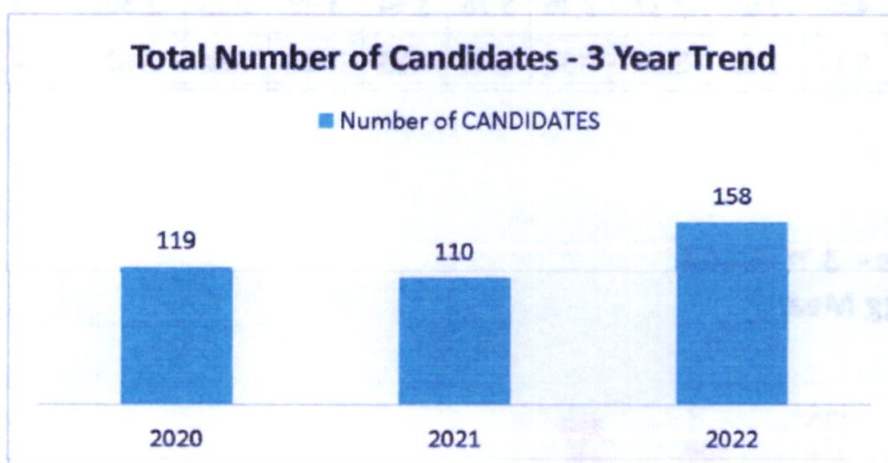
MEAN SCORES – 3 Yr. Trend												
Year	Subject Means											Aggregate
	Math	Eng	Kisw	Bio	Chem	Phy	Geo	Hist	CRE	Agric	Bstud	
2020	2.78	4.29	5.25	2.65	2.57	3.86	7.25	5.71	6.42	4.24	4.07	4.46
2021	2.63	4.25	5.45	3.17	2.28	3.32	6.31	4.83	5.23	5.50	4.00	4.27
2022	1.76	3.75	4.62	2.07	2.27	2.76	5.76	3.94	5.99	7.23	2.80	3.90
Average	2.39	4.10	5.11	2.63	2.37	3.31	6.44	4.83	5.88	5.66	3.62	4.21



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

d) Number of Candidates in the 2020-2022 KCSE:

NUMBER OF CANDIDATES		
Year	2020	119
	2021	110
	2022	158



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

e) Capacity of the school:

No. of Streams	Teachers' CBE	Required No. of NTS
4	25	28

CAPACITY ANALYSIS

Infrastructure Type	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment: Indicate if gap is – Very critical, Critical or Not so critical (Tick as appropriate)		
					Very Critical	Critical	Not Critical
Classrooms	Number	16	12	Shortage of classrooms equivalent to: 4 Classroom(s)	√		
Laboratories	Number	3	1	Shortage of laboratory facilities equivalent to: 2 Laboratories	√		
Toilet Doors	Number	40	23	Shortage of toilet facility equivalent to: 17 Toilet doors		√	
Offices	Number	9	4	Shortage of office facilities equivalent to: 5 Offices		√	
Dining Hall	Number of students well seated	800	400	Shortage of dining facilities equivalent to: 400 Students not seated		√	
Library	Number of students well seated	200	-	Shortage of library facilities equivalent to: 200 Students not seated	√		
Dormitories	Number of Decker Beds well-spaced	400	350	Shortage of dormitory facilities equivalent to: 50 Decker beds		√	
Staffroom	Number of teachers well seated	25	10	Shortage of staffroom space equivalent to: 15 Teachers not seated			√

KAJIAMPAU MIXED BOARDING SECONDARY SCHOOL – PUBLIC SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

Infrastructure Type	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment: Indicate if gap is – Very critical, Critical or Not so critical (Tick as appropriate)		
					Very Critical	Critical	Not Critical
Boardroom	Number of BOM members well seated	25	-	Shortage of boardroom space equivalent to: 25 BOM members not seated			✓
Textbooks	Average Students -to- Course books ratio	1	1	Shortage of textbooks equivalent to: 0% of text books required			
Water	Adequacy	Adequate	Inadequate	Occasional shortage of water attributed to Short Supply of Main water and salty hence inferior bore hole water alternative			
Electricity	Adequacy	Adequate	Adequate	School has both main electricity and generator power back-up			
Staff Housing	Number of staff properly housed	53	3	Shortage of staff housing facilities equivalent to: 50 Staff not housed			✓

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

f) Development Projects carried out by the school:

PROJECTS ANALYSIS	
	DORMITORY PHASE I
Estimated BQ Cost	Kshs. 2,300,000 ✓
Source(s) of Funding	MOE-MIF
Type of contract - (Labour only/Full Contract)	Labour
Contract Cost	Kshs. 695,000
Start Date of project	September, 2022
Expected Completion date	March, 2023
Status of project (Stalled, WIP, Complete)	Complete
Amount due on project -value of work invoiced	Kshs. 695,000
Amount paid so far	Kshs. 695,000
Amount pending at this year end	-
Comment on project success/challenges	Completed within schedule and budget

Sign 
School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

Name: Patrick Ngicun
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 13/4/26

Name: JANIFFER KINYA
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 13/4/26

Name: HELEN GACER
Designation: Bursar/ Finance Officer
Sign: [Signature]
Date: 13/4/26

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAJIAMPAU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – THARAKA NITHI COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiampau Secondary School – Tharaka Nithi County set out on pages 20 to 32, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023 and the statement of receipts

Report of the Auditor-General on Kajiampau Secondary School for the year ended 30 June, 2023 – Tharaka-Nithi County

and payments, statement of 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 Kajiampau Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances Between the Statement of Cash Flows the Statement of Budgeted versus Actual Amounts

The statement of cash flows reflects amounts which vary with those in the statement of budgeted versus actual amounts leading to unexplained and unreconciled variances.

Component	Statement of Cashflows (Kshs.)	Statement of Budgeted vs Actual (Kshs.)	Variance (Kshs.)
Fees charged on parents	16,242,867	26,871,042	10,628,175
Expenditure-fees charged on parents	18,820,771	20,722,979	1,902,208

In the circumstances, the accuracy and completeness of the statement of cash flows and the statement of budgeted versus actual amounts could not be confirmed

2. Failure to Prepare Supporting Ledgers

The statement of receipts and payments reflects total receipts and total payments amounts of Kshs.36,839,468 and Kshs.29,961,075 respectively. However, the relevant ledgers to support the breakdown of sub items in the notes to the financial statement were not provided for review.

In the circumstances, the accuracy of the financial statement could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflect accounts receivable balance of Kshs.14,278,535 as disclosed in Note 11 to the financial statements. However, detailed ageing analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.14,278,535 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,623,863 and Kshs.6,176,547 respectively as disclosed in Note 1 and Note 2 to the financial statements. However, review of National Education Management and information System (NEMIS) records and amounts receipted by the School shows receipts of capitation grants for tuition and capitation grants for operations amounts of Kshs.1,370,713 and Kshs.6,084,382 respectively leading to unreconciled and unexplained variances of Kshs.253,150 and Kshs.92,165 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations amounts of Kshs.1,623,863 and Kshs.6,176,547 respectively, could not be confirmed.

5. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.2,322,208 as disclosed in Note 12 to the financial statements. However, the accounts payables movement schedules, creditors ageing analysis and creditors invoices were not provided for audit verification.

In the circumstances, the accuracy, existence and completeness of accounts payable balance of Kshs.2,322,208 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.5,734,992 which includes bank balance of Kshs.5,725,968 held in five (5) bank accounts as disclosed in Note 8 to the financial statements. However, review of the documents provided for audit revealed that the school operated another account with a local SACCO and the account had a balance of Kshs.64,485 as per the certificate of balance but was not disclosed in the financial statements. Further, the cashbook and monthly bank reconciliation statements for the said account were not provided for audit review and bank account numbers for the five bank accounts have not been disclosed in the financial statements.

In addition, review of cash books provided for audit for the all the accounts maintained by the school revealed that some entries were done using a pencil contrary to Regulation 16(1) of the Public Finance Management (National Government) Regulations, 2015 which requires financial records and documents shall be written in indelible ink. White wash was also used in correction of entries.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.5,734,992 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiampau 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 budgeted and actual receipts on a comparable basis amount of Kshs.26,118,064 and Kshs.36,839,468 respectively leading to over-funding of Kshs.10,721,404 or 41% of the budgeted receipts. However, the School spent an amount of Kshs.29,961,075 against actual receipts amount of Kshs.36,839,468 resulting in an under-utilization of Kshs.6,878,393 or 19% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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 page iii 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. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.6,176,547 as disclosed in Note 2 to the financial statements. The funds were received from the Ministry of Education and credited to the operations bank account. Included in the amount is grants for infrastructure amount of Kshs.2,015,000 for maintenance and improvement of the School's. However, during the year under review, Management transferred Kshs.767,030 to infrastructure account, leaving a balance of Kshs.1,247,970 as at 30 June, 2023 contrary to the Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021 which requires infrastructure grants as well as maintenance and improvement funds to be transferred to the school infrastructure account within fifteen days upon receipt of the funds in the operations account.

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

2. Under-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,623,863 and Kshs.6,176,547, respectively as disclosed in Note 1 and Note 2 to the financial statements. During the year under review, National Education Management and information System (NEMIS) reported a total number of five hundred and six (506) students while the enrolment records provided by the school indicated a total number of five hundred and fifty (550) students, resulting in an unexplained variance of forty-four (44) students. As a result of the variances, the school was under funded by an amount of Kshs.194,009.

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

3. Non-Compliance with Procurement Regulations in Acquisition of Goods and Services

The statement of receipts and payments reflects total receipts and payments amounts of Kshs.36,839,468 and Kshs.29,961,075 respectively. During the audit review of the

procurement process for various categories of goods and services conducted via an Invitation to tender, the following material irregularities were observed:

- i) The tender evaluation was conducted by a committee that had not been formally appointed by the Accounting Officer or the School Governing Body. No delegation of authority or appointment letter was provided to confirm the legitimacy of the members who participated in the evaluation process contrary to Regulations 28(2) of Public Procurement and asset Disposal Regulations, 2020 which provides that the accounting officer of a procuring entity shall appoint an evaluation committee for the purposes of carrying out the technical and financial evaluation of the tenders or proposals.
- ii) The evaluation was conducted without any documented or pre-determined evaluation criteria. There was no scoring matrix, technical compliance checklist, or preferential points system applied to assess the bids contrary to Regulations 58(3) of Public Procurement and asset Disposal Regulations, 2020 which provides that the tender evaluation committee shall evaluate the tenders using the evaluation criteria contained in the e-tender document.
- iii) For the bids that were purportedly evaluated, the quotation documents containing the priced offers were not provided for audit verification. Consequently, the prices quoted by bidders could not be confirmed, nor could the accuracy of the evaluation be substantiated contrary to Regulations 58(3) of Public Procurement and asset Disposal Regulations, 2020 which provides that the tender evaluation committee shall evaluate the tenders using the evaluation criteria contained in the e-tender document.
- iv) Several categories received fewer than three (3) bids, violating the principle of competitive bidding. Additionally, certain categories included in the original invitation to tender were not tendered at all specifically supply of dry firewood, sports equipment's, maize milling and no evidence of re-advertisement was maintained to attract further bids contrary to Regulations 158 of Public Procurement and asset Disposal Regulations, 2020 which provides that Procurement of goods, works and services under these Regulations shall be competitive in accordance with the provisions of section 157(3)(b) of the Act.
- v) The minutes of the evaluation meeting were incomplete and unsigned by committee members. Further, there was no documented professional opinion to attest that the process was fair, equitable, and compliant with procurement regulations Contrary to Section 84(1) of Public Procurement and asset Disposal Act, 2015 which provides that the head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.

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

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

The statement of receipts and payments reflects operations and boarding and school fund payments amount of Kshs.6,873,143 and Kshs.20,722,979 respectively as disclosed in Notes 6 and 7 to the financial statements. Included in the expenditure is an amount of Kshs.300,280 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.300,280 could not be confirmed.

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

Review of the financial statements submitted for audit reveals the following anomalies.

- i) The page next to the cover page has not been left blank.
- ii) The table of content does not agree with the one in the template as Acronyms and glossary of terms that is required to be No. 1 page ii have been omitted.
- iii) The numbering does not comply with the template numbering in that table of content is required to be in numeric while page numbers are required to be in romans.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

6. Failure to Prepare School Improvement Plan

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

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

7. Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.36,839,468 and Kshs.29,961,075 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public

Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

8. Lack of a Functional Procurement Unit

During the financial year under review the school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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 effects of the matter described in the Basis for Conclusion on the 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. Unconfirmed Ownership and Value of Fixed Assets

Annex 2 on summary of fixed assets register reflects a balance of Kshs.60,856,148 in respect of fixed assets including land parcel of kshs.10,000,000. However, the five (5) hectare parcel of land on which the School is situated, does not have a title deed. Further, the Management did not prepare an updated fixed assets register with details such as serial number, net book value, description of assets and location of the assets.

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

2. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.14,278,535 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance is accounts receivable balance of Kshs.1,872,120 which had been outstanding for more than two (2) years and the school had no policy on the impairment of long outstanding fees arrears and therefore 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

3. Lack of Risk Management Policy

During the period under review, the school did not have an approved risk management policy in place contrary to Regulation 165 of the Public Financial Management (National Government) Regulations, 2015, which requires that the Accounting Officer to ensure that the National Government entity develops risk management strategies, including fraud prevention mechanisms and a system of risk management and internal controls to support robust business operations.

In the circumstances, the effectiveness of School's risk 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

28 April, 2026

Report of the Auditor-General on Kajiampau Secondary School for the year ended 30 June, 2023 – Tharaka-Nithi County

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

Description of Vote Head	Note	2023 Kshs.	2022 Kshs.
RECEIPTS			
Capitation grants for Tuition	1	1,623,863	1,808,653
Capitation grants for operations	2	6,176,547	7,913,123
Parents' Contributions income in School Fund	3	26,871,042	16,900,747
School Fund Income - Other receipts	4	1,545,016	125,856
Income in Infrastructure	4a	623,000	2,925,825
Total Receipts		36,839,468	29,674,204
PAYMENTS			
Payments for Tuition	5	1,672,205	1,615,770
Payments for Operations	6	6,873,143	8,577,734
Boarding and/or Lunch – School Fund Payments	7	20,722,979	15,551,382
Expenses in Infrastructure	7a	692,748	2,264,846
Total Payments		29,961,075	28,009,732
DEFICIT/SURPLUS		6,878,393	1,664,472

The school financial statements were approved on _____ 2024 and signed by:

Sign: 
Name: Patrick Ngichuni
Chair BOM

Sign: 
Name: JENNIFER KINYUA
School Principal
Secretary to BOM

Sign: 
Name: HELEN
Bursar
Finance Officer

Date: 13/4/26

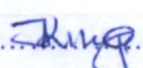
Date: _____

Date: 13/4/2026

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2023

Description of Vote Head	Note	2023 Kshs.	2022 Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	5,725,968	7,474,593
Cash Balances	9	9,024	107,973
Total Cash and cash equivalent		5,734,992	7,582,566
Account's receivables	11	14,278,535	3,650,360
TOTAL FINANCIAL ASSETS		20,013,527	11,232,926
FINANCIAL LIABILITIES			
Accounts Payables	12	2,322,208	420,000
NET FINANCIAL ASSETS		17,691,319	10,812,926
REPRESENTED BY			
Accumulated Fund b/fwd.	13	10,812,926	9,148,454
Surplus/Deficit for the year		6,878,393	1,664,472
NET FINANCIAL POSITION		17,691,319	10,812,926

The school financial statements were approved on _____ 2024 and signed by:

Sign: 	Sign: 	Sign: 
Name: <u>Patrick Ngiciu</u>	Name: <u>JENNIFER KUNYA</u>	Name: <u>H. H. H. H. H.</u>
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: <u>13/4/26</u>	Date: <u>13/4/26</u>	Date: <u>13/4/2026</u>

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

Descriptions	2023 Kshs.	2022 Kshs.
Receipts for Operating Income		
Capitation grants for Tuition	1,623,863	1,808,653
Capitation grants for Operations	6,176,547	7,913,123
School Fund Income - Parents contributions/fees	16,242,867	17,930,682
School Fund Income - Other receipts	1,545,016	125,856
Infrastructure Receipts	623,000	2,925,825
Total Receipts	26,211,293	30,704,139
PAYMENTS		
Payments for Tuition	1,672,205	1,615,770
Payments for Operations	6,873,143	8,577,734
Boarding and/or Lunch payments in School Fund	18,820,771	15,413,732
Total Payments	27,366,119	25,607,236
Net Cash Flow from Operating Activities	(1,154,826)	5,096,903
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Assets (Infrastructure spending)	(692,748)	(2,264,846)
Net Cash Flows from Investing Activities	(692,748)	(2,264,846)
CASH FLOW FROM BORROWING ACTIVITIES		
Net Cash Flow from Financing Activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,847,574)	2,832,057
Cash and Cash Equivalents at BEGINNING of the year	7,582,566	4,750,509
Cash and Cash Equivalent at END of the year	5,734,992	7,582,566

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 correct method of cash-flow as recommended by PSASB.

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR
ENDED 30TH JUNE 2023**

Receipt / Expenses Item	Original Budget	Adjust- ments	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.	
RECEIPTS						
(1) Capitation Grant on Tuition Income						
Text books	74,504	-	74,504	-	74,504	-
Exercise books	820,100	-	820,100	-	820,100	-
Internal exams	230,740	-	230,740	81,191	149,549	35
Lab equipments	632,172	-	632,172	568,350	63,822	90
Teaching & L. mat.	546,548	-	546,548	405,964	140,584	74
Library & ref materials	-	-	-	162,082	(162,082)	-
Stationery	-	-	-	324,771	(324,771)	-
Chalks	-	-	-	81,505	(81,505)	-
Total	2,304,064		2,304,064	1,623,863	680,201	70
(2) Capitation Grant on Operations Income						
Devt. -RMI	2,780,000	-	2,780,000	1,206,625	1,573,375	43
LTT	1,284,360	-	1,284,360	603,665	680,695	47
EWC	750,600	-	750,600	904,922	(154,322)	121
Activity	1,640,200	-	1,640,200	904,919	735,281	55
Personal Emoluments	2,034,960	-	2,034,960	1,508,332	526,628	74
Adm. Cost	1,406,680	-	1,406,680	904,919	501,761	64
Medical & ins.	166,800	-	166,800	-	166,800	-
School Fund	-	-	-	143,165	(143,165)	-
Total	10,063,600	-	10,063,600	6,176,547	3,887,053	61
(3) Fees Charged on Parents Income						
Uniform	-	-	-	20,450	(20,450)	-
B.E and Stores	10,269,600	-	10,269,600	21,010,170	(10,740,570)	205
LTT	361,400	-	361,400	530,825	(169,425)	147
Subject Panel (SP)	-	-	-	328,580	(328,580)	-
RMI	1,112,000	-	1,112,000	749,152	362,848	67
Personal Emolument	172,600	-	172,600	2,206,685	(2,034,085)	1,278
EWC	861,800	-	861,800	684,000	177,800	79

KAJIAMPAU MIXED BOARDING SECONDARY SCHOOL – PUBLIC SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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.	
ADM	889,600	-	889,600	676,450	213,150	76
Activity	83,400	-	83,400	417,620	(334,220)	501
Insurance	-	-	-	247,110	(247,110)	-
Total	13,750,400	-	13,750,400	26,871,042	(13,120,642)	195
School Fund - OTHER INCOME						
BUS Maintenance	-	-	-	38,600	(38,600)	-
Exams (Repeaters)	-	-	-	24,700	(24,700)	-
Bursary	-	-	-	1,481,716	(1,481,716)	-
Total	-	-	-	1,545,016	(1,545,016)	-
(4) Infrastructure Income						
Operation	-	-	-	623,000	(623,000)	-
Total	-	-	-	623,000	(623,000)	-
TOTAL INCOME	26,118,064	-	26,118,064	36,839,468	(10,721,404)	141
PAYMENTS						
(1) Expenditure for Tuition						
Text books	74,504	-	74,504		74,504	-
Exercise books	820,100	-	820,100		820,100	-
Internal exams	230,740	-	230,740	59,500	171,240	26
Lab equipments	632,172	-	632,172	556,110	76,062	88
Teaching & L. mat.	546,548	-	546,548	543,140	3,408	99
Library & ref materials	-	-	-	305,000	(305,000)	-
Bank Charges	-	-	-	5,165	(5,165)	-
Stationery	-	-	-	143,290	(143,290)	-
Chalks	-	-	-	60,000	(60,000)	-
Total	2,304,064	-	2,304,064	1,672,205	631,859	73
(2) Expenditure for Operations						
Devt - RMI	2,780,000	-	2,780,000	702,030	2,077,970	25
LTT	1,284,360	-	1,284,360	137,000	1,147,360	11
EWC	750,600	-	750,600	659,475	91,125	88
Activity	1,640,200	-	1,640,200	654,360	985,840	40

KAJIAMPAU MIXED BOARDING SECONDARY SCHOOL – PUBLIC SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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.	
Personal Emoluments	2,034,960	-	2,034,960	2,868,823	(833,863)	141
Adm. Cost	1,406,680	-	1,406,680	1,844,425	(437,745)	131
Medical & ins.	166,800	-	166,800	-	166,800	-
Bank charges	-	-	-	7,030	(7,030)	-
Total	10,063,600	-	10,063,600	6,873,143	3,190,457	68
(3) Expenditure for School Fund						
Uniform		-	=	293,800	(293,800)	-
B.E and Stores	10,269,600	-	10,269,600	12,194,761	(1,925,161)	119
LTT	361,400	-	361,400	830,920	(469,520)	230
RMI	1,112,000	-	1,112,000	1,282,015	(170,015)	115
Personal Emolument	172,600	-	172,600	943,571	(770,971)	547
EWC	861,800	-	861,800	631,825	229,975	73
ADM	889,600	-	889,600	2,089,131	(1,199,531)	235
Activity	83,400	-	83,400	743,140	(659,740)	891
Insurance	-	-	-	280	(280)	-
BUS Maintenance	-	-	-	458,550	(458,550)	-
Exams (repeaters)	-	-	-	102,800	(102,800)	-
Bursary	-	-	-	1,122,150	(1,122,150)	-
Bank Charges	-	-	-	30,036	(30,036)	-
Total	13,750,400	-	13,750,400	20,722,979	(6,972,579)	151
(4) Infrastructure Payments						
Dormitory	-	-	-	692,000	(692,000)	-
Bank Charges	-	-	-	748	(748)	-
Total		-		692,748	(692,748)	
TOTAL PAYMENTS	26,118,064	-	26,118,064	29,961,075	(3,843,011)	115

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 2023.

X. NOTES TO THE FINANCIAL STATEMENTS

1 Capitation Grant for Tuition

Description	2023 Kshs.	2022 Kshs.
Text books	-	57,219
Exercise books	-	603,444
internal exams	81,191	178,131
Lab equipments	568,350	505,738
Teaching & L. mat.	405,964	424,121
Library & ref materials	162,082	-
Other income	-	40,000
Stationery	324,771	-
Chalks	81,505	-
Total	1,623,863	1,808,653

2 Capitation Grant for Operations

Description	2023 Kshs.	2022 Kshs.
Devt -RMI	1,206,625	2,280,000
LTT	603,665	968,278
EWC	904,922	574,460
Activity	904,919	1,262,954
Personal emolu.	1,508,332	1,607,618
Adm. Cost	904,919	1,096,381
Medical & ins.	-	123,432
School Fund	143,165	-
Total	6,176,547	7,913,123

3 Parents Contribution/Fees - School Fund Account

Description	2023 Kshs.	2022 Kshs.
Uniform	20,450	-
B.E and Stores	21,010,170	11,842,448
LTT	530,825	359,715
Subject Panel (SP)	328,580	-
RMI	749,152	1,056,400
Personal Emomulument	2,206,685	1,671,899
EWC	684,000	792,855
ADM, Cost	676,450	1,102,430
ACTIVITY	417,620	75,000
Insurance	247,110	-
Sub-Total	26,871,042	16,900,747

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 Other Receipts – School Fund Account

Description	2023 Kshs.	2022 Kshs.
Bus Maintenance	38,600	88,000
Exams (Repeaters)	24,700	-
Interest Earned	-	37,856
Infrastructure	-	-
Bursary	1,481,716	-
Total	1,545,016	125,856

4a Infrastructure Receipts

Description	2023 Kshs.	2022 Kshs.
Dormitory	-	1,500,000
schoolfund	-	1,425,825
OP-Operation	623,000	-
Sub-Total	623,000	2,925,825

4b Farm Receipts

The school had no farm or income generating activities

4c CDF Account - INCOME

The school did not have a CDF account

5 Payments for Tuition

Description	2023 Kshs.	2022 Kshs.
Text books	-	37,765
Exercise books	-	576,050
internal exams	59,500	159,910
Lab equipments	556,110	443,900
Teaching & L. mat.	543,140	396,165
Library & ref materials	305,000	-
Bank Charges	5,165	1,980
Stationery	143,290	-
Chalks	60,000	-
Total	1,672,205	1,615,770

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 Payments for Operations

Description	2023 Kshs.	2022 Kshs.
Devt -RMI	702,030	325,829
LTT	137,000	1,091,700
EWC	659,475	622,990
Activity	654,360	1,312,160
Personal emolu.	2,868,823	1,750,065
Adm. Cost	1,844,425	1,834,880
Medical & ins.	-	140,110
Infrastructure	-	1,500,000
Bank charges	7,030	-
TOTAL	6,873,143	8,577,734

7 Boarding and School Fund Payments

Description	2023 Kshs.	2022 Kshs.
Uniform	293,800	-
B.E and Stores	12,194,761	9,288,927
LTT	830,920	336,100
RMI	1,282,015	1,023,040
Personal Emolumment	943,571	1,671,892
EWC	631,825	714,238
ADM Cost	2,089,131	1,021,360
Activity	743,140	70,000
Insurance	280	-
Bus Maintenance	458,550	-
Exams (Repeaters)	102,800	-
Infrastructure	-	1,425,825
Bursary	1,122,150	-
Bank Charges	30,036	-
Total	20,722,979	15,551,382

7a Payments – Infrastructure Account

Description	2023 Kshs.	2022 Kshs.
Dormitory	692,000	-
RMI	-	2,264,600
Bank charges	748	246
Sub-Total	692,748	2,264,846

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7b Farm Payments

The school had no farm or income generating activities

7c CDF Account Payments

The school had no CDF account

8 Bank Accounts

Name of Bank, Branch and Account	Bank Account Number	2023 Kshs.	2022 Kshs.
..... Bank Branch Tuition A/C. c/f		255,632	303,974
..... Bank Branch Operation A/C. c/f.		967,440	1,664,036
CO-OP. Bank, Branch School Fund A/C. c/f.		487,258	1,421,197
..... Sacco, Branch School Fund A/C. c/f.		1,924,407	1,924,407
..... Bank Branch Infrastructure A/C. c/f.		2,091,231	2,160,979
Total Bank Balances		5,725,968	7,474,593

9 Cash in Hand

Description	2023 Kshs.	2022 Kshs.
School Fund	9,024	107,973
Total Cash Balances	9,024	107,973

10 Short Term Investments

11 Accounts Receivable

Description	2023 Kshs.	2022 Kshs.
School Fund -Fees Debtors	14,278,535	3,650,360
Total ACCOUNTS RECEIVABLE	14,278,535	3,650,360

An ageing of the fees arrears below

Description	2023 Kshs.	2022 Kshs.
Fees arrears for current year (Listed)	11,102,225	1,778,240
Fees arrears for the previous year	1,304,190	1,872,120
Fees arrears for prior periods (over two years)	1,872,120	-
Total	14,278,535	3,650,360

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 Accounts Payable

Description	2023 Kshs.	2022 Kshs.
Trade Creditors -School Fund	2,322,208	420,000
Total Payables	2,322,208	420,000
<i>Includes an ageing of the trade creditors below</i>		
Description	2023 Kshs.	2022 Kshs.
Trade creditors for current year	1,971,000	420,000
Trade creditors for the previous year	351,208	-
Total	2,322,208	420,000

13 Fund Balance Brought Forward

Description	2023 Kshs.	2022 Kshs.
Bank balances	7,474,593	4,745,031
Cash balances	107,973	5,478
Receivables	3,650,360	4,680,295
Payables	(420,000)	(282,350)
Total	10,812,926	9,148,454

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

15 Biological assets

16 Borrowings

17 Stock/ Inventory

Description	2023 Kshs.	2022 Kshs.
Stock/Inventory at beginning of the year	1,281,605	423,351
Stock/Inventory purchased during the year	26,964,967	25,208,759
Stock/Inventory issued during the year	26,834,244	24,350,504
Balance at end of the year	1,412,329	1,281,605

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The audit report for the FY 2021-2022 was not yet received; hence follow-up on recommendations did not arise

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Suppliers of Goods and Services	Original Amount	Date Contracted	Amount paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	c	d = a-c		
	Kshs .	Kshs.	Kshs.	Kshs.	Kshs.	
Suppliers of Goods						
1. Chuka Laboratory				1,463,790		
2. Catherine Muthoni				126,803		
3. Nadine Supplier				126,803		
4. Expan Enterprises				253,605		
5. Immaculate Ireri					420,000	
Sub-Total				1,971,001	420,000	
Grand Total				1,971,001	420,000	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset Class	Historical Cost b/f (Kshs)	Additions during the year to June 2023	Disposals during the year to June 2023	Historical Cost c/f (Kshs)
	1 st July 2022	(Kshs)	(Kshs)	30 th June 2023
Land	10,000,000	-	-	10,000,000
Buildings and structures	29,195,000	692,748	-	29,887,748
Motor vehicles	7,000,000	-	-	7,000,000
Office equipment, furniture and fittings	3,421,200	-	-	3,421,200
ICT Equipment, and Other ICT Assets	1,014,000	-	-	1,014,000
Tools and apparatus	433,000	-	-	433,000
Textbooks	3,155,700	-	-	3,155,700
Other Machinery and Equipment	5,804,500	-	-	5,804,500
Intangible assets- soft ware	140,000	-	-	140,000
Total	60,163,400	692,748	-	60,856,148