

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**KAMANDURA GIRLS
HIGH SCHOOL**

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 MAR 2025

DAY.

Wednesday

KIAMBU COUNTY

TABLED
BY:

Hon. Naomi Ngunjiri
Deputy Majority Party Whip

CLERK-AT
THE-TABLE:

A. Shabani



KAMANDURA GIRL'S HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 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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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. 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 in KIAMBU County, LIMURU Sub-County.

The school was registered in 04/2016 under registration number **22500300183** 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 781 number of students as at 30th June 2021. It has 4 streams and 32 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:

1	WALLACE NJAU	Chairman	06/03/2019
2	NANCY MACHARIA	Secretary - Principal	06/03/2019
3	SAMSON KIMANI	Member	06/03/2019
4	TIMOTHY KIONGO	Member	06/03/2019
5	PATRICK KARANJA	Member	06/03/2019
6	VIRGINIA GICHUHI	Member	06/03/2019
7	GEOFFREY MUNYAMBU	Member	06/03/2019
8	DR. BANCY NGWIRI	Member – Rep CEB	06/03/2019
9	SAMUEL KAREITHI	Member Rep Teachers	06/03/2019
10	PAULINE NJOKI	Members	06/03/2019
11	JAMES MBURU	Member	06/03/2019
12	SIMON KIMANI	Member - Community	06/03/2019
14	MOSES NJENGA	Member	06/03/2019
	DR.SUSAN GITAU		06/03/2019
15	GEORGE MURIUKI	Member Special Needs	06/03/2019
16	TRACY NJOKI	Rep Students	06/03/2019

Kamandura Girl's High School
Annual Report and Financial Statements For the year ended 30th June 2021

The functions of the School Board of Management are to:

- 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.
- Determine cases of pupils' discipline and make reports to the CEB.
- 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.
- Advise the County Education Board on the staffing needs of the School.

(c) Committees of the Board

Ref	Names of Members	DESIGNATION	NO. OF MEETINGS
1.	AUDIT COMMITTEE		
2.	Executive Committee		
3.	Finance, Procurement And General Purposes Committee	1.Samson Kimani 2.Rev Kimani Mbatia 2.Nancy Macharia 3.James Mburu 4.David Karanja	Chairman PA Chairman Principal Member Member 2
4.	Academic Committee	1.Dr.Bancy Ngwiri 2.Dr.Pauline Gachaki 3.James Mwangi 4.Nancy Macharia .Rev Kimani Mbatia	Chairlady Member Member Principal PA Chairman 3
5.	Development Committee	Simon Kimani Rev Kimani Mbatia Nancy Macharia James Mburu David Karanja	Chairman PA Chairman Principal Member Member 3
6.	Discipline and welfare Committee	Simon Kimani Timothy kiongo Mr njenga John Ndichu George Munyambu Nancy Macharia	Chairlady Member Member Member Member Member 1

(d) School operation Management

For the financial year ended 30th June 20 - the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	NANCY MACHARIA	348817
2	Deputy Principal	WINROSE KAMAU	336452
3	School Bursar	JAMES MWANGI	-

(e) Schools contacts

Post Office Bo0: 1017
Telephone: 0202034038
E-mail: kamanduragirls@gmail .com
Website: 0
Facebook:
Twitte

(f) School Bankers

1. Name of Bank: Family Bank
Branch: Limuru
Account Number: 0470 010131
2. Name of Bank: National bank
Branch: Limuru
Account Number: 010250505020
3. Name of Bank: National bank
Branch: Limuru
Account Number: 01025050502001
4. Name of Bank: National bank
Branch: Limuru
Account Number: 01025050502002
5. Name of Bank: National bank
Branch: Limuru
Account Number: 010210505020
6. Name of Bank: National bank
Branch: Limuru
Account Number: 012420505020
7. Name of Bank: Equity bank
Branch: Limuru
Account Number: 012420505020

(g) Independent Auditors

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

3. 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)

YEAR	2021	2020	2019
AMOUNT			



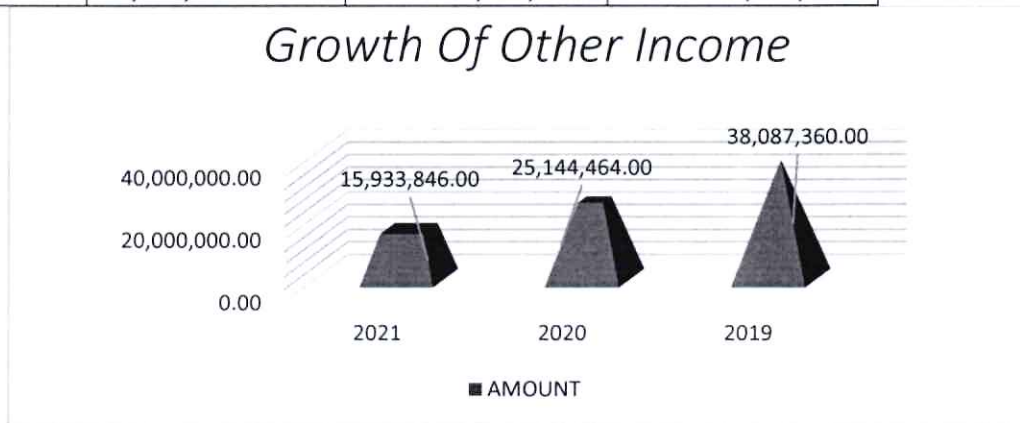
- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2021	2020	2019
AMOUNT	8,043,159	10,636,967	14,286,181



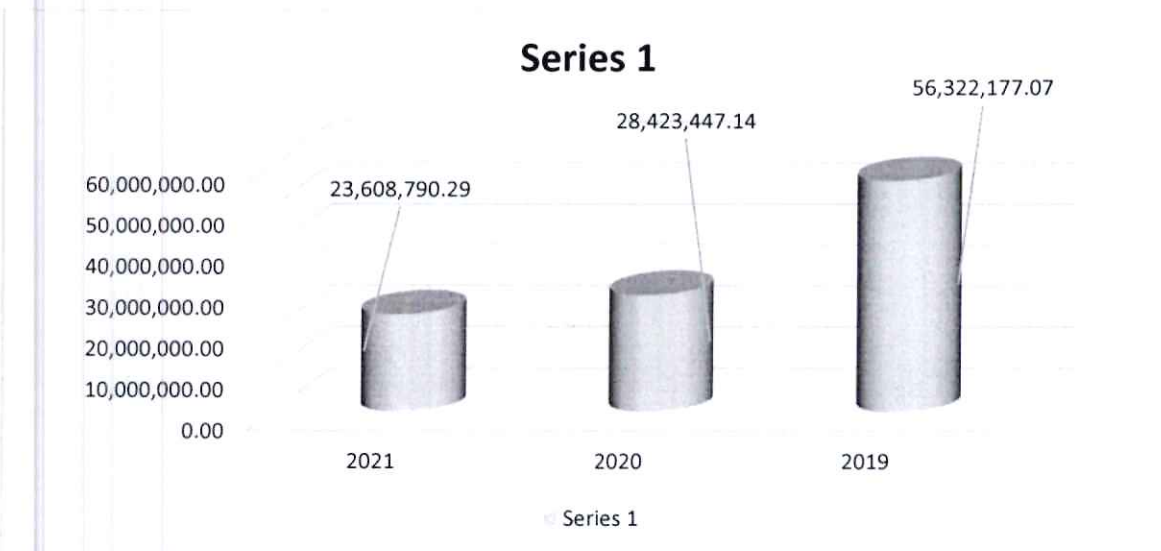
- *A three-year overview of growth of other income(s) earned by the school.*

YEAR	2021	2020	2019
AMOUNT	15,933,846	25,144,464	38,087,360



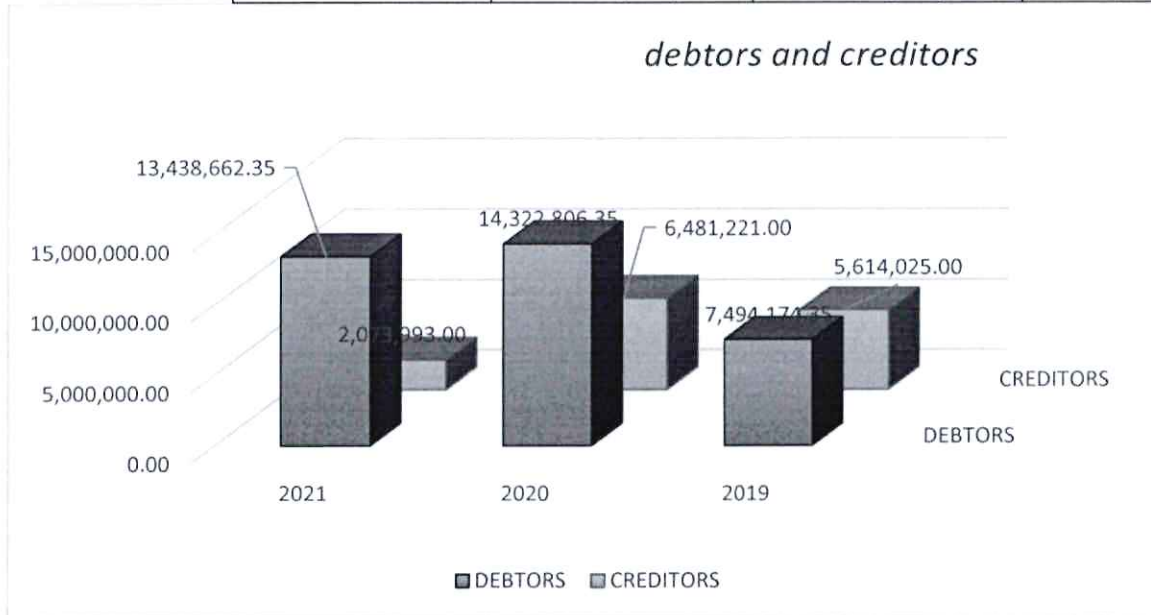
- *A three-year overview of growth in expenditure of the school*

YEAR	2021	2020	2019
AMOUNT	23,608,790.29	28,423,447.14	56,322,177.07



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

YEAR	2021	2020	2019
DEBTORS	13,438,662.35	14,322,806.35	7,494,174.35
CREDITORS	2,073,993	6,481,221	5,614,025



b) Teacher Student ratio:

	<i>30th June 2021</i>
<i>Teacher to Student Ratio</i>	<i>1:30</i>
<i>number of teachers recruited and posted to the school within the year</i>	<i>3</i>
<i>number of teachers that were transferred/ retired</i>	<i>2</i>
<i>number of teachers employed by TSC</i>	<i>28</i>
<i>number employed by BOM</i>	<i>5</i>
<i>Number of teachers each subject</i>	
<i>Math</i>	<i>9</i>
<i>English</i>	<i>7</i>
<i>Kiswahili</i>	<i>5</i>
<i>Biology</i>	<i>4</i>
<i>Physics</i>	<i>2</i>
<i>Chemistry</i>	<i>6</i>
<i>History</i>	<i>4</i>
<i>Geography</i>	<i>3</i>
<i>C.R.E</i>	<i>7</i>
<i>Business studies</i>	<i>1</i>
<i>Agriculture</i>	<i>2</i>
<i>Computer</i>	<i>0</i>
<i>Home science</i>	<i>1</i>

c) Mean score in the 2021 KCSE:

<i>Year</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>Mean</i>	<i>3.79</i>	<i>4.3</i>	<i>4.131</i>	<i>4.563</i>
<i>Number of students that have since transitioned to institutions of higher learning</i>	<i>37</i>	<i>67</i>	<i>67</i>	<i>74</i>
<i>Comment</i>				

d) Number of Candidates in the 2021 KCSE:

<i>Year</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>Candidates sitting for KCSE</i>	<i>158</i>	<i>161</i>	<i>176</i>	<i>149</i>

e) Capacity of the school:

<i>Year</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>number of students</i>	<i>789</i>	<i>817</i>	<i>803</i>
<i>number of dormitories</i>	<i>4</i>	<i>4</i>	<i>5</i>
<i>number of dining hall</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>number of laboratories</i>	<i>2</i>	<i>2</i>	<i>2</i>
<i>number of toilets</i>	<i>48</i>	<i>48</i>	<i>64</i>
<i>number of classes</i>	<i>14</i>	<i>15</i>	<i>16</i>

f) Development projects carried out by the school:

<i>Project</i>	<i>Source of funds</i>	<i>Status</i>	<i>Initial Cost (Ksh)</i>	<i>Amount Spent (Ksh)</i>	<i>Expected completion time</i>
Bus	Parents	Completed			2018
Generator	Moe/	Completed			2019
Class	Parents	Completed			2019
class	moe	Completed			2020

NANCY MACHARIA

SCHOOL PRINCIPAL

4. Statement of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 20 -, and of the school's financial position as at that date.

.....
Name:

Designation: Chairman, School Board of Management

Date:

.....
Name: Nancy MACHARIA

Designation: School Principal & Secretary to Board of Management

Date:



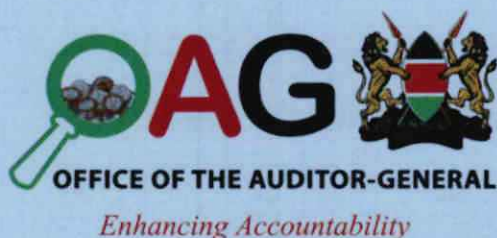
.....
Name:

Designation: Bursar/ Finance Officer

Date:

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 KAMANDURA GIRLS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kamandura Girls High School – Kiambu County set out on pages 1 to 17, which comprise of the statement of assets and 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kamandura Girls High School - Kiambu County 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 do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The following inaccuracies were noted on review of the financial statements:

- i. The statement of assets and liabilities as at 30 June, 2021 reflects net financial assets of Kshs.6,674,243 and net financial position of Kshs.6,736,329 resulting to unbalanced statement by a difference of Kshs.62,086. Further, the statement reflects prior year net financial assets of Kshs.5,547,344 and net financial position of Kshs.14,532,846 resulting to unbalance statement by a difference of Kshs.8,985,502. In addition, the statement reflects accumulated fund brought forward of Kshs.6,674,243 while the 2019/2021 balances show accumulated fund carried forward of Kshs.14,532,846.
- ii. The statement of receipts and payments reflects Kshs.6,977,720 in respect to Government grants for operations while Note 2 reflects Kshs.6,976,720 resulting to unexplained variance of Kshs.1,000.
- iii. The statement of receipts and payments reflects prior year amount of Kshs.25,144,464 in respect to parents' contributions. However, the corresponding Note 4 reflects Kshs.10,170,217 resulting to unexplained variance of Kshs.14,974,247.
- iv. Note 7 to the financial statements reflects a total of Kshs.7,421,366 in respect to payments for operations. However, a re-computation gives Kshs.6,966,499 resulting to unexplained variance of Kshs.454,867.
- v. Included in Note 10 to the financial statements were two active bank accounts namely Parent Association Development Account and Income Generating Activities Account that had no bank account numbers indicated.
- vi. The statement of budgeted versus actual amounts does not have totals column under each category of receipts and payments.
- vii. The statement of cashflows reflects total receipts of Kshs.23,977,005 while a re-computation gives Kshs.28,762,766 resulting to a variance of Kshs.4,785,761. Further, the statement of cashflows reflects Government grants for operations of

Kshs.6,976,720 while the statement of receipts and payments reflects Kshs.6,977,720 resulting to a variance of Kshs.1,000. In addition, the statement of cashflows reflects total payments of Kshs.23,608,790 while a re-computation gives Kshs.19,753,085 resulting to a variance of Kshs.3,855,705.

- viii. The statement of receipts and payments reflects total receipts of Kshs.19,815,171 while a re-computation gives Kshs.28,763,766 resulting to a variance of Kshs.8,948,595.

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

2. Irregular Operation of Single Cashbook for Two (2) Separate Bank Accounts for School Fund Account/Boarding

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects a balance of Kshs.1,488,576 in respect to bank balances as at 30 June, 2021 which further includes Kshs.134,055 in respect to school fund account/boarding held in two (2) bank accounts at Family Bank and National Bank. However, a single cashbook was maintained for the two (2) bank accounts instead of cashbook for each account. In the absence of separate cashbooks, bank reconciliation statements could not be prepared on a timely basis casting doubt on the completeness and accuracy of the Kshs.134,055 reflected in the financial statements.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.1,488,576 could not be confirmed.

3. Accounts Receivables

3.1 Unsupported Student Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects a balance of Kshs.14,544,660 in respect to accounts receivable as at 30 June, 2021. However, the schedule for the fee arrears as at 30 June, 2021 reflects a balance of Kshs.5,181,963 resulting to unexplained variance of Kshs.9,362,697.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.14,544,660 as at 30 June, 2021 could not be confirmed.

3.2 Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.14,544,659 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.5,856,119 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 the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.14,544,659 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Ineffectiveness in the Distribution of Text books by the Ministry of Education

During the year, the School received various textbooks from the Ministry of Education. It was observed that the School had received an excess of ninety-eight (98) copies of each of the following eight (8) textbooks: Blossoms of the Savannah, Inheritance, A Doll's House, Chozi La Heri, Kigogo, Tumbo Lisiloshiba, The Pearl, and Memories We Lost.

In the circumstances, the effectiveness in the distribution of text books by the Ministry of Education could not be confirmed.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.6,977,720 out of which Kshs.3,686,000 was to be transferred to the infrastructure account. However, only Kshs.3,635,000 was transferred resulting to an unexplained variance of Kshs 51,000.

This was contrary to the Ministry of Education Circular which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Accounting for Miscellaneous Incomes

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.9,085,925 in respect to miscellaneous income which further includes Kshs.24,000 from bus hire and Kshs.116,130 from uniform sales. However, the School did not open separate bank accounts for these streams of income as required.

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

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 11 May, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

5. Failure to Prepare School Improvement Plan

During the year/period 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.

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

REPORT ON 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls,

Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 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

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

2. Weak IT Internal Controls

Review of the School's Information Communication Technology (ICT) environment revealed that apart from physical records, the School uses a computerized information management system i.e. School Academic Management Information System for academic and accounts departments. However, Management did not provide an approved ICT policy, disaster recovery plan and an ICT strategic plan for audit review.

In the circumstances, the reliability, integrity and recoverability of the School data in case of loss could not be confirmed.

3. Incomplete Assets Register and Lack of Ownership Documents

The financial statements reflect nil balances in respect to summary of fixed assets as at 30 June, 2021. Review of the list of assets provided revealed that the School owns various assets. However, the value of the assets, the date when the assets were acquired, the location of the assets and any additions during the year were not disclosed.

In addition, there were no valuation reports for the land which is a clear indication that the land had not been revalued since the date of acquisition.

Further, Management did not provide ownership documents for the motor vehicles and land on which the School stands or the progress and effort made to acquire the ownership documents.

In the circumstances, the valuation, ownership, existence, completeness, location and security of the assets 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 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 overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 January, 2025

6. Statement Of Receipts and Payments For the Year Ended 30th June 2021

Receipts			
Government grants for tuition	1	1,065,439.25	1,444,592
Government grants for operations	2	6,976,720	9,192,375
Government Grants for infrastructure	3	0	0
School fund income- parents' contributions	4	11,634,682	25,144,464
Miscellaneous incomes	5	9,085,925	14,974,247
Total Receipts		19,815,171	35,781,431
Payments			
Tuition	6	1,026,200	1,842,155
Operations	7	6,966,499	7,613,027
Infrastructure	8	0	0
Boarding and school fund	9	11,305,519	17,340,746
Total Payments		19,753,085	26,795,929
Surplus/Deficit		62,086.25	8,985,502

The school financial statements were approved on _____ 2021 and signed by:

.....
 Name: WALLACE NGAU Name: Nancy MACHARIA Name: James Mwangi
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
 Date: Date: Date:



7. Statement of Assets and Liabilities As At 30th June 2021

Statement of Assets and Liabilities As At 30 th June 2021			
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,488,576	1,101,808
Cash balances	11	4,459	4,002
Short term investments	12	0	0
Total cash and cash equivalent		1,493,035	1,105,810
Account's receivables	13	14,544,659	15,428,803
Total financial assets		16,037,694	16,534,613
Financial liabilities			
Accounts payables	14	9,363,451	10,987,269
Net financial assets		6,674,243	5,547,344
Represented by			
Accumulated fund b/fwd	15	6,674,243	5,547,344
Surplus/deficit for the year		62,086.25	8,985,502
Net financial position		6,736,329	14,532,846

The school's financial statements were approved on _____ 2021 and signed by:

Name: MALACE NJAU Name: NANCY MACHARIA Name: James Mwangi
 Chair BOM School Principal/Secretary to BOM Bursar/ Finance Officer
 Date: _____ Date: _____ Date: _____



8. Statement of Cash Flows for the Year Ended 30th June 2021

Statement of Cash Flows for the Year Ended 30 th June 2021			
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,065,439	1,444,592
Government grants for operations	2	6,976,720	9,192,375
Government grants for infrastructure	3	0	0
School fund income- parents contributions/ fees	4	11,634,682	10,170,217
Other income	5	9,085,925	14,974,247
Total receipts		23,977,005	29,404,123
Payments			
Cash outflows for tuition	6	1,026,200	1,842,155
Cash outflows for operations	7	7,421,366	7,613,027
Cash outflows Boarding/lunch and school fund payments	9	11,305,519	17,340,746
Total payments		23,608,790.29	28,423,447.14
Net cash inflow/outflow from operating activities		368,215	980,676
Cash flow from investing activities			
Acquisition of assets	0	0	
Proceeds from sale of Assets		0	
Proceeds from investments		0	
Purchase of investments		0	
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities		0	
Proceeds from borrowings/ loans		0	
Repayment of principal borrowings		0	
Net cash inflow/outflow from financing activities		0	
Net increase/decrease in cash and cash equivalents		368,215	980,676
Cash and cash equivalent at beginning of the FY		1,105,811	125,135.05
Cash and cash equivalent at end of the FY		1,474,025.96	1,105,811

Annual Report and Financial Statements For the year ended 30th June 2021

The school's financial statements were approved on _____ 2021 and signed by:

.....
Name: *Maria Nwai*

Chair BOM

Date:

by
.....
Name: *Joseph MACHARIA*
School Principal/Secretary to BOM

Date:



.....
Name: *James Mwangi*

Bursar/ Finance Officer

Date:

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget		Actual Use	
	a	b	c=a+b	d	e=d	f=d
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Tuition	2,080,800		2,080,800	1,065,439.25		
Textbooks and reference materials	0	0	0	0	0	0
Exercise books	0	0	0	0	0	0
Laboratory equipment	0	0	0	0	0	0
Internal exams	0	0	0	0	0	0
Teaching / learning materials	0	0	0	0	0	0
Chalks	0	0	0	0	0	0
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	2,0 ,0	0	2,0 ,0	3,274,0	0	0
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	240,0	0	240,0	0	0	0
Others	3,258,400	0	3,258,400	2,703,720	0	0
Activity		0		0	0	0
Gratuity	0	0	0	0	0	0

Receipts/Expenses/Item	Original Budget	Adjustments	Final Budget		Actual On	% Of
	a	b	c=a+b		Comparable	Utilization
	Kshs	Kshs	Kshs		Base	(c-d)/c %
					d	Kshs
SMASSE	163,200	0	163,200	0	0	0
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	1,120,0	0	1,120,0	2,525,782	0	0
Local transport / travelling	0	0	0		0	0
Electricity and water	0	0	0		0	0
Medical	0	0	0		0	0
Administration costs	0	0	0		0	0
Activity	140,0	0	140,0	74,880	0	0
Others	7,222,400	0	7,222,400	3,915,559	0	0
Fee on Boarding Equipment and Stores/lunch	12,613,600	0	12,613,600	8,945,795	0	0
OTHER INCOME						
Rent income	0	0	0	0	0	0
Income from farming activities	0	0	0	0	0	0
Insurance compensation	0	0	0	0	0	0
Income from Posho mill	0	0	0	0	0	0
Income from Bus Hire	0	0	0	24,0	0	0
Fee for hire of ground and equipment	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
Income from any other investment	0	0	0	0	0	0
TOTAL INCOME	59,500,800					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget		Actual On Comparison Basis	
	a	b	c=a+b	d	e	f
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	2,080,800	0	2,080,800	1,026,200	0	0
tuition						

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. 00
- ii. 00

10. 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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.

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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

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.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2021	2020
Reference Materials	0	0
Exercise Books		
Laboratory Equipment	0	0
Internal Exams		
Teaching / Learning Materials	0	0
Tuition account	1,065,439	1,444,592
Total	1,065,439	1,444,592

2 Government Grants for Operations

Description	2021	2020
Personnel emoluments	0	
Repairs and maintenance	3,274,000	3,495,000
Local transport / travelling	0	
Electricity and water	0	
Medical	0	156,200
Administration costs	0	
Activity	0	312,400
Others	3,702,720	5,228,775
Total	6,976,720	9,192,375

3 Government Grants for infrastructure

Description	2021	2020
Maintenance & Improvement	0	0
Transition infrastructure grants	0	0
Administration Block	0	0
Economic stimulus grants	0	0
Total	0	0

4 Others Income - Parents Contribution/Fees

Personnel emoluments	-	3,877,048
Repairs and maintenance	2,021,067	0
Local transport / travelling	-	0
Electricity and water	-	0
Medical	-	0
Administration costs	-	0
Activity	54,252	114,510
Fee on Boarding Equipment and stores	6,562,165	0
PA Levies	-	0
Others	2,997,198	6,178,659
Total	11,634,682	10,170,217

5 Miscellaneous Incomes

Fee on Boarding Equipment and Stores/lunch	8,945,795	14,974,247
Income From Farming Activities	0	0
uniform	116,130	0
Income From Posho Mill	0	0
Income From Bus Hire	24,000	0
Fee For Hire of Ground and Equipment	0	0
Income From Grants and Donations	0	0
Interest Income	0	0
Dividends Income	0	0
Loans/Borrowings	0	0
Other Income	0	0
Total	9,085,925	14,974,247

Notes to the Financial Statements

6 Tuition

Description	2020	2021
Exercise Books	0	0
Textbooks	0	0
Reference materials	0	0
Laboratory Equipment	0	0
Teaching / Learning Materials	0	0
Exams And Assessment	0	0
Teachers Guides	0	0
Bank Charges	0	0
Tuition	1,026,200	1,842,155
Total	1,026,200	1,842,155

7 Operations

Description	2020	2021
Personnel Emoluments	0	0
Service Gratuity	0	0
Administration Cost	0	0
Repairs And Maintenance & Improvements	2,856,000	2,731,565
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	-	11,740
Activity Expenses	-	288,000
Insurance Cost	-	-
Others	4,110,499	4,581,722
TOTAL	6,966,499	7,613,027

Notes to the Financial Statements (continued)

8 Infrastructure

Construction of classrooms	0	0
Construction of laboratory	0	0
Construction of dormitory	0	0
Purchase of furniture	0	0
Purchase of equipment	0	0
Purchase of apparatus	0	0
Drilling of boreholes	0	0
Total	0	0

9 Boarding And School Fund

Personnel Emoluments	0	0
Service Gratuity	0	0
Others	2,465,127	4,060,059
Repairs And Maintenance & Improvements	343,094	1,752,899
Local Transport / Travelling	0	0
Electricity And Water	0	0
Medical Expenses	0	0
Administration Costs	0	0
Lunch Programme	0	0
Bank Charge	0	0
Expenses On Income Generating Activities	0	0
Uniform	172,750	53,700
Bus	100000	
Fee On Boarding Equipment and Stores/Lunch	8,224,548	11,474,088
Rent Expenses	0	0
Insurance Cost (Life Property)	0	0
Loan Principal Repayment	0	0
Loan Interest Repayment	0	0
Acquisition Of Assets	0	0
PA expenses	0	0
Total	11,305,519	17,340,746

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2021	2020
			Ksh	Ksh
Tuition Account	Active	10250505020	60,572	2,323
Operations Account	Active	1025050502001	63,241	52,070
School Fund Account/Boarding	Active	4700001013	134,055	244,164
Savings Account	Active	12420505020	883,028	703
Infrastructural Account	Active	10250505020	347,680	802,547
Total			1,488,576	1,101,808

11 Cash In Hand

Description	2021	2020
	Ksh	Ksh
Tuition Account	0	
Operation Account	210	160
School Fund account	4,249	3,842
Total	4,459	4,002

12 Short Term Investments

Description	2021	2020
	Ksh	Ksh
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Total	0	0

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2021	2020
Fees arrears	14,544,659	15,428,803
Other non-fees receivables	0	
Salary advances	0	
Imprest	0	
Total	14,544,659	15,428,803

13 b Ageing Analysis of Accounts Receivable

	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,859,499	13%	6,829,041	44%
Between 1- 2 years	6,829,041	47%	2,275,212	15%
Between 2-3 years	4,049,338	28%	6,324,550	41%
Over 3 years	1,806,781	12%	-	0%
Total (should tie to note 13 a)	14,544,659	100%	15,428,803	100%

14 Accounts Payable

Description	2021	2020
Trade Creditors (See Ageing Below and Appendix 1)	7,132,703	9,595,673
Prepaid Fees	2,230,748	1,391,596
Retention Monies	-	
Unpaid salaries and statutory deductions	-	
Caution money	-	
Other payables	-	
Total	9,363,451	10,987,269

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2021		2020	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	█	█	█	█
Between 1- 2 years	█	█	█	█
Between 2-3 years	█	█	█	█
Over 3 years	█	█	█	█
Total (should tie to note 14)	█	█	█	█

15 Fund Balance Brought Forward

Bank balances	1,488,576	1,101,808
Cash balances	4,459	4,002
Short Term Investments	0	
Receivables	14,544,659	15,428,803
Payables	- 9,363,451	-10,987,269
Total	6,674,243	5,547,344

Other important disclosure notes

IPSAS Cash Standard 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.

16 Non-current Liabilities Summary

	2021	2020
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17 Biological assets

	Numbers	2021	2020
Cattle		0	0
Goats		0	0
Trees		0	0
Coffee Or Tea Plantation		0	0
Poultry		0	0
Others (specify)		0	0
Total		0	0

18 Borrowings

	2021	2020
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	(0)	(0)
Balance at the end of the year	0	0

Other important disclosure notes

19 Stock/ Inventory

	2021 Kshs	2020 Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

20 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	Observations by Auditor	Management comments	Status (Resolved/Not Resolved)	Timeframe for completion and steps to be taken to resolve the issue



 Sign and Date
 Principal


12. Annexes

Annex I - Analysis of Pending Accounts Payable

Category Of Payable Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	B	C	D= A-C	E	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost at	Available during the	Disposals during the	Historical Cost at
	(Kshs) 1 st July 20 -	year (Kshs)	year (Kshs)	(Kshs) 30 th June 20 -
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

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