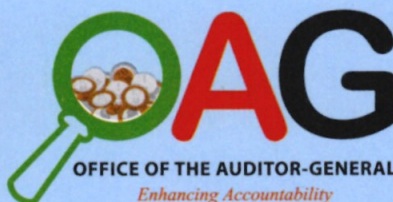


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 JUN 2026 DAY: wed

REPORT

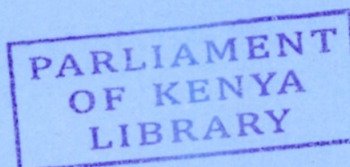
FILED BY: Hon. Owen yaar Bwaya
Deputy Majority Leader

CLERK: Mado Atato

OF

THE AUDITOR-GENERAL

ON



KIINI HIGH SCHOOL

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

THARAKA NITHI COUNTY

Revised 30th June 2021.

KIINI HIGH SCHOOL



KIINI SECONDARY 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)

Table of Contents

Page

I.	KEY SCHOOL INFORMATION AND MANAGEMENT.....	2
II.	SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	6
III.	STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY.....	17
IV.	REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF KIINI SECONDARY SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021.....	18
V.	STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2021.....	19
VI.	STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2021	20
VII.	STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2021	21
VIII.	STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021...	22
IX.	SIGNIFICANT ACCOUNTING POLICIES.....	27
X.	NOTES TO THE FINANCIAL STATEMENTS	29

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, MAARA Sub-County

The school was registered in 04/2014 under registration number pu/3/3/640/14 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had 515 number of students as at 30th June 2021. It has 4 streams and 32 teachers of which 11 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.	Gilbert Kibaara	Chairman	2019
2.	James Rukenya	Secretary- Principal	2019
3.	Luyline Karimi	Member	2019
4.	Evelyne Kaari	Member	2019
5.	Tartisio Mpanda	Member	2019
6.	Stephen Nyamu	Member	2019
7.	John Mutua	Member	2019
8.	Irene kithinji	Member	2019
9.	Japhet Gitonga	Rep Teachers	2019
10.	Rev. Muchina	- Sponsor	2019
11.	Margaret M Njagi	Special Needs	2019
12.	Annis Muthoni	member	2019
13.	Kenneth Kanga	Member	2019
14.	Mercy Kanini	Member	2019
15.	Catherine Njeri	Member	2019
16.	Poline Kageni	Member	2019
17.	Francis Mburu	Rep Students	2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

Promote the best interests of the School and ensure its development.

Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1.	Executive Committee	1. Gilbert Kibaara	Chairman	13
		2. James Rukenya	Secretary	13
		3. Evelyne Kaari	Member	13
		4. Lucyline Karimi	Member	13
		5. Stephen Nyamu	Member	13
		6. Kenneth Kanga	Member	13
2.	P.T.A Committee	7. Stephen Nyamu	ChairMan	1
		8. James Rukenya	Principal	1
		9. John Mutua	D/Principal	1
		10. James Gikunda	Member	1
		11. Margaret Njeri	Member	1
		12. Grace Murugi	Member	1
		13. Rosalid Kangai	Member	1
		14. John Njiru	Member	1
		15. Bonface Muchiri	Member	1
		16. Catherine Njeri	Member	1
3.	Development Committe	1. Kenneth Kanga	Chairman	2
		2. John Mutua	Secretary	2
		3. Stephen Nyamu	Member	2
		4. Lucyline Karimi	Member	2
		5. Gilbert Kibaara	Member	2
		6. James Rukenya	Member	2
4.	Academic Committee	John Mutua	Chairman	2
		Jane Kimathi	Member	2
		Newton Kagendo	Member	2
		Muriuki Antony	Member	2
		Mwingi Joselyn	Member	2
		Japhet Gitonga	Member	2
6.	Discipline and welfare Committee	James Rukenya	Principal	3
		John Mutua	D/principal	3

		Lydia Kamau	Member	3
		Japhet Gitonga	Member	3
		Mwenda Paul	Member	3
7.	Boarding Committee	Lydia Kamau	Member	2
		Mwenda Paul	Member	2
		Janet Kagwira	Member	2
		Riungu Mawira	Member	2
		Doreen Kangai	Member	2
		Gitonga Japhet	Member	2
		Nelly Kawira	Member	2
8.	Guidance & Counselling	Kariuki Genesis	Member	2
		Mbae Mukira	Member	2
		Marnagu Felix	Member	2
		Nyaga Pauline	Member	2
		Nelly Kawira	Member	2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number/ ID NO
1	Principal	James Rukenya	374693
2	Deputy Principal	Jackline Tabitha	314371
3	School Bursar	Fridah Imathiu	12690834

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 91- Chuka
Telephone: 0722 352 414
E-mail: kiinihigh@gmail.com
Website: kiinisek.sc.ke
Facebook: kiinihigh
Twitter: @kiinihigh

(f) School Bankers

The following school operated 6 number of bank accounts in the following banks:

1. Name of Bank: KCB
Branch: CHUKA
Account Number: 1103668668
2. Name of Bank: KCB
Branch: CHUKA
Account Number: 110367664
3. Name of Bank: EQUITY
Branch: CHUKA
Account Number: 0210291771488
4. Name of Bank: KCB
Branch: CHUKA
Account Number: 124144842
5. Name of Bank: SOUTHERNSTAR
Branch: CHUKA
Account Number: 93601003256
6. MPESA PayBill No. 40002K attached to KCB bank account

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

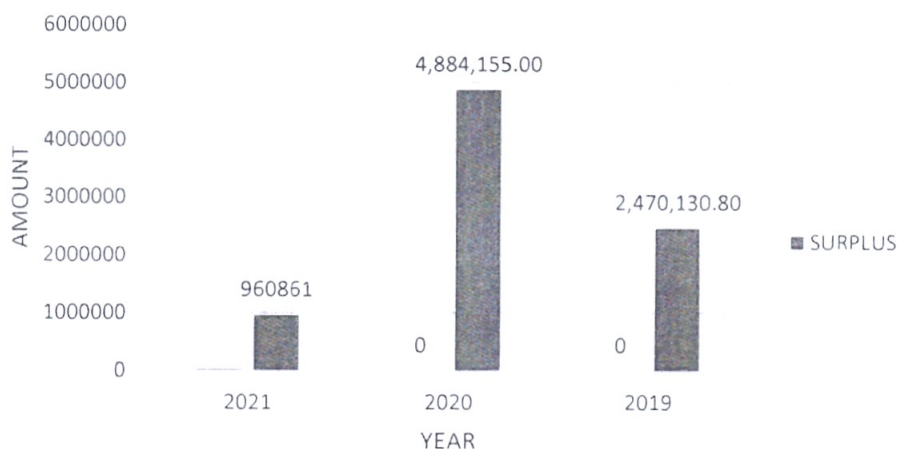
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance

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

DESCRIPTION	DEFICIT	SURPLUS
2021	0	960861.00
2020	0	4,884,155.00
2019	0	2,470,130.80

Financial performance



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

YEAR	AMOUNT
2021	5,254,247.90
2020	8,481,463
2019	11700196.85

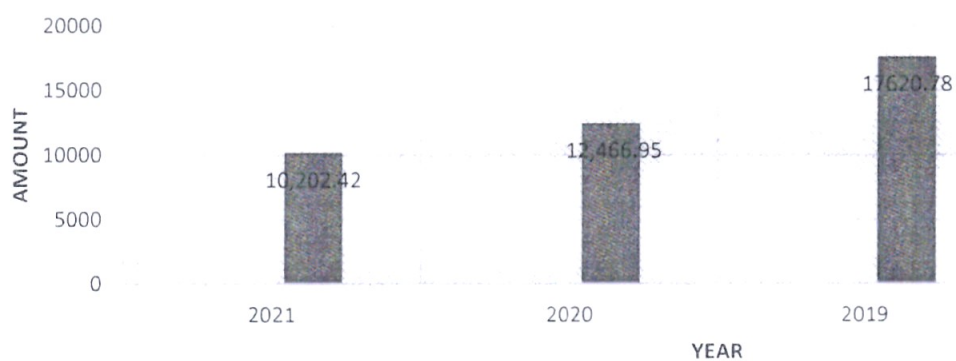
CAPITATION GRANTS



Ratio of capitation grant per student over the last three years

YEAR	DESCRIPTION	AMOUNT/RATIO
2021		10,202.42
2020		12,466.95
2019		17620.78

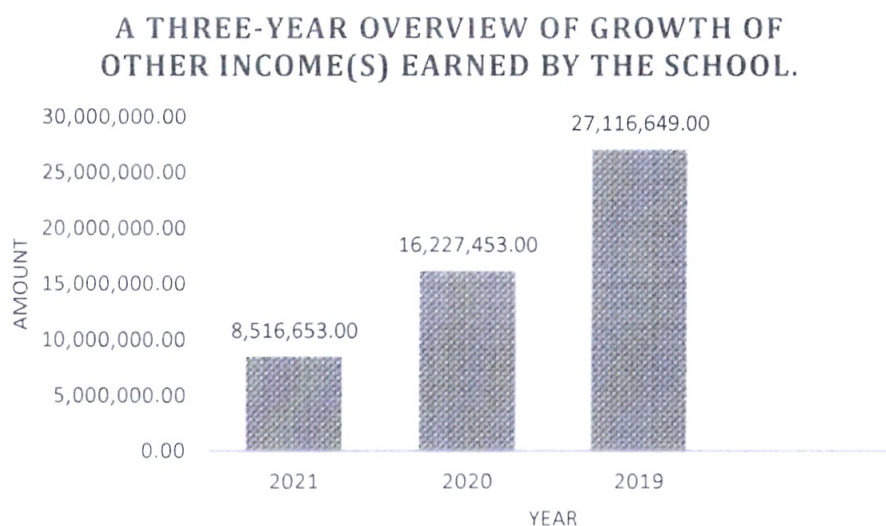
Ratio of capitation grant per student over the last three years



A THREE-YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL.

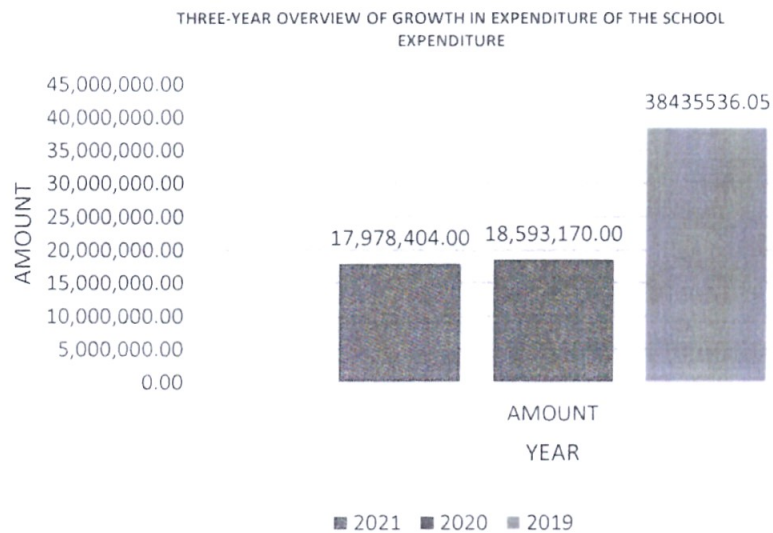
BOARDING A/C (SCHOOL FUND)

SN	2021	2020	2019
	8,516,653.00	16,227,453.00	27,116,649.00



A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL EXPENDITURE

YEAR	AMOUNT
2021	17,978,404.00
2020	18,593,170.00
2019	38435536.05



- **MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS**

DEBTORS

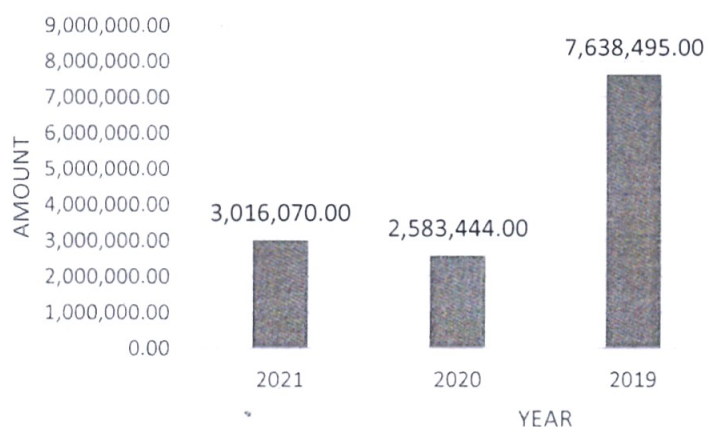
YEAR	AMOUNT
2021	2,026,816.00
2020	3,186,980.00
2019	3,284,491.00



CREDITORS

YEAR	AMOUNT
2021	3,016,070.00
2020	2,583,444.00
2019	7,638,495.00

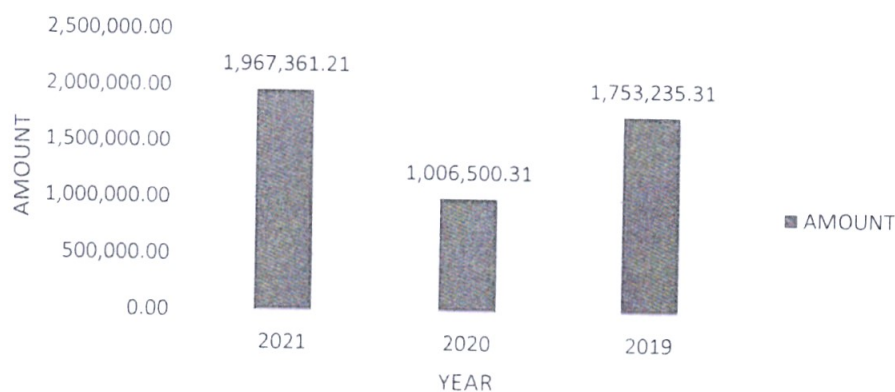
CREDITORS



MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS

YEAR	AMOUNT
2021	1,967,361.21
2020	1,006,500.31
2019	1,753,235.31

MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS



o) Teacher Student ratio:

THE TEACHER TO STUDENT RATIO 1:16

RECRUITED AND POSTED	3
TRANSFERRED	3
RETIRED	0
TSC TEACHERS	21
BOM TEACHERS	11

.TEACHERS PER SUBJECT

SUBJECT COMBINATION	NO. OF TEACHERS	TSC	BOM
KISW.P.E	1	1	0
HOME SCIENCE	2	1	1
MATHS/CHEM	2	1	1
MATHS/ PHYSICS	3	2	1
HIST/GEO	1	1	0
BIO/AGRI	2	1	1
BIO/CHEM	3	2	1
KISW/CRE	3	2	1
BST	1	1	0
HIST/CRE	3	2	1
CRE/ENG	1	0	1
KISW/GEO	1	1	0
MATHS/BST	2	1	1
ENG/LIT	4	4	0
MATHS/GEO	1	1	0
GEO/BST	1	0	1
COMPUTER STUDIES	1	0	1

d) Mean score in 2018 – 2020 KCSE:

YEAR	NO. OF CANDIDATES	NO OF STUDENTS TRANSITIONED	ACHIEVED SCORES	SET MEAN SCORE
2020	189	24	C- 4.857	C+ 5.5
2019	149	42	C 5.088	C+ 6.0
2018	125	35	C- 5.032	C+ 5.5

e) NUMBER OF CANDIDATES IN THE 2021 KCSE:

THE NUMBER OF CANDIDATES SITTING FOR KCSE OVER THE LAST THREE YEARS.

YEAR	NUMBER OF CANDIDATES
2020	189
2019	149
2018	125

f) CAPACITY OF THE SCHOOL:

<i>No. of Students</i>	<i>Facilities</i>	<i>No of Students divided by No of Facilities</i>
<i>Classes</i>	<i>14</i>	<i>515</i>
<i>Dormitories</i>	<i>8</i>	<i>515</i>
<i>Laboratories</i>	<i>2</i>	<i>515</i>
<i>Toilets</i>	<i>22</i>	<i>515</i>
<i>Dining Hall</i>	<i>1</i>	<i>515</i>
<i>Administration</i>	<i>1</i>	<i>3</i>
<i>library</i>	<i>1</i>	<i>40</i>
<i>Staffroom</i>	<i>1</i>	<i>32</i>
<i>Computer lab</i>	<i>1</i>	<i>20</i>
<i>H/Science</i>	<i>1</i>	<i>15</i>

g) Development projects carried out by the school:

<i>S/NO</i>	<i>PROJECT</i>	<i>SOURCE OF FUND</i>	<i>AMOUNT</i>	<i>STATUS</i>
<i>1</i>	<i>Ablution block</i>	<i>RMSI</i>	<i>996909</i>	<i>COMPLETED</i>

Sign



School Principal

PRINCIPAL
KIINI SECONDARY SCHOOL.
P. O. Box 91 - 60400,
CHUKA

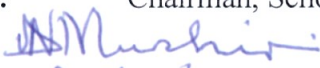
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *kiini 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, 2021, and of the school's financial position as at that date.

Name: Polline Kageni Murithi
Designation: Chairman, School Board of Management
Sign: 
Date: 27/3/2026

Name: James Kinyua Rukenya
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 26/3/2026

Name: Fridah Imathi
Designation: Bursar/ Finance Officer
Sign: 
Date: 26/3/2026

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 KIINI HIGH SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – 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 Kiini High School set out on pages 19 to 36, 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 six (6) months period 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 Kiini High School as at 30 June, 2021 and of its financial performance and its cash flows for the six (6) months period ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,967,361 as disclosed in Note 8 and 9 to the financial statements. The balance is composed of cash amount of Kshs.4,491 and bank balance of Kshs.1,962,870. The bank balance relates to four (4) bank accounts with account balances totalling Kshs.1,962,870. However, the bank balances were not supported by cash books and bank reconciliation statements. In addition, the cash and bank balances are not supported by board of survey report.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.1,962,870 could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.2,026,816 as disclosed in Note 11 to the financial statements. However, review of the aging analysis revealed that fees arrears of Kshs.19,971,257 were outstanding for more than two (2) years.

Further, the total of accounts receivables in the aging analysis is Kshs.27,000,756 while in Note 11 it is Kshs.2,026,816 resulting in an unexplained variance of Kshs.24,973,940. Consequently, the recoverability of the long outstanding accounts receivables – student debtors balance of Kshs.2,026,816 could not be confirmed.

In the circumstances, the accuracy, completeness and recoverability of accounts receivables of Kshs.2,026,816 could not be confirmed.

3. Long Outstanding Accounts Payables

The statement of assets and liabilities shows accounts payable amount of Kshs.3,054,605 as detailed in Note 12 to the financial statements. Included in this balance

are trade creditors' balance of Kshs.4,881,914 which have been outstanding for over two years. However, the accounts payables were not supported with contract agreements, local purchase orders / local service orders, invoices, delivery notes, Inspection and acceptance committee reports.

Further, it is not clear why the total of accounts payables in the aging analysis is Kshs.14,081,437 while in Note 12 it is Kshs.3,054,605 leading to unexplained variance of Kshs.11,026,832.

It is also not clear why the payables did not form the first charge on the budget contrary to Regulation 42(1)(b) of the Public Finance Management (National Government) Regulations, 2015, which requires debt service payments to form the first charge on the budget of an entity in the subsequent year.

In the circumstances, the accuracy and completeness of accounts payables of Kshs.3,054,605 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.18,616,980 and Kshs.10,547,741 respectively leading to under collection of Kshs.8,069,239 or 43% of the budget. However, the School spent an amount of Kshs.10,556,574 against budgeted expenditure amounting to Kshs.15,430,000 resulting in an under -utilization of Kshs.4,873,426 or 32% of budgeted expenditure.

The under-collection and under-utilization affect the planned activities and may have negative impact on service delivery to the students.

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 Matter

Unaudited Opening Balances

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances as at 1 July, 2020 were based on unaudited figures. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances

Other Information

The Management are responsible for the Other Information set out on page 2 to 17, which comprises 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 USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 17 March, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires public entities to submit their financial statements to the Auditor-General three (3) months after the closure of the fiscal year to which accounts relate.

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

2. Unbalanced Budget

The statement of budgeted versus actual amounts reflects approved final revenue budget amount of Kshs.18,616,980 against an expenditure budget amount of Kshs.15,430,000 leading to a budget surplus of Kshs.3,186,980. Having a surplus budget is a violation of Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that budget revenue and expenditure appropriations shall be balanced.

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

3. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.737,051 and Kshs.4,599,297 respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of two thousand, two hundred and five (2205) students while the enrolment records provided by the school indicated a total number of two thousand, six hundred (2,600) students, resulting in an unexplained variance of three hundred and ninety-five (395) students. Capitation rate approved by the ministry of education being Kshs.22,244 per student, this resulted in the School being under funded by an amount of Kshs.8,786,380.

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

4. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.5,686,348. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2022/2023, NEMIS reflected two thousand, two hundred and five (2,205) students while records from the County Director of Education had two thousand, six hundred (2,600) students, resulting in a variance of three hundred and ninety-five (395) students, hence the school was underfunded by an amount of Kshs.8,786,380. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, Management was in breach of the Ministry of Education circular.

5. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.4,599,297 as disclosed in Note 2 to the financial statements from the Ministry of

Education credited in the operations bank account. Out of the balance, an amount of Kshs.2,443,000 was to be transferred to infrastructure from operation account.

However, Management did not transfer any funds to infrastructure bank account contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3, 2021, which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education circular.

6. Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.16,234,089 and Kshs.15,273,228 in respect of total receipts and payments respectively. However, during the year, School 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.

7. Asset Management - Fixed Asset Register

During audit review, the School management did not provide a fixed asset register. The summary of fixed asset captured as annex 2 in the financial statement lacked key information such as the date the asset was purchased, its location, historical costs, additions during the year and disposals during the year.

Failure to maintain an assets register is a violation of Section 143(1) of Public Finance Management (National Government) Regulations, 2015 which prescribes that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

8. Procurement Without a Valid Contract

The statements of receipts and payment for the year ending 30 June, 2021 reflects expenditures totalling Kshs.15,273,228. However, review of payment vouchers and procurement files revealed that, there were no formal contracts which were prepared and signed in line with the award decisions. Further, the inspection and acceptance committee reports were not availed for audit.

Failure to ensure procurements are duly supported with contracts is a violation of Section 134(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that, the accounting officer shall be responsible for preparation of contracts in line the award decisions.

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

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.10,556,674 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.235,975 transferred to Kenya Secondary School Heads Association (KESSHA) as detailed below:

Date	Description	Amount (Kshs.)	Cheque No
3/3/021	KESSHA	44,500	003148
16/3/021	MDKESSHA	80,000	003151
1/4/021	MDKESSHA	50,000	001268
16/6/021	KESSHA MAARA	61,475	003170
		235,975	

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.235,975 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Textbook Management

During the year under review, it was noted that the school had not received any textbook distributions from the Ministry of Education through the Kenya Institute of Curriculum

Development (KICD) since the year 2021. Further examination of stores records and stock registers revealed that seven hundred and fifty-four (754) textbooks issued to the school during the 2018/2019 financial year were still held in the School store at the time of audit. The textbooks were confirmed to be obsolete and no longer in use following curriculum changes.

Further, one hundred and fifty-four (154) books on Islamic religious education were issued to the school in 2018/2019. However, the subject is not taught in the school.

No documented evidence was provided to demonstrate that:

- A needs assessment was conducted prior to requisition;
- Redistribution to other institutions was considered;
- Disposal procedures for obsolete stores were initiated;
- Periodic stock review was undertaken to identify slow-moving or obsolete items.

In addition, there was no evidence of communication to the Ministry regarding surplus or unusable stock.

In the circumstances, control on textbook management could not be confirmed.

2. Lack of a 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 Ministry of Education Operational Manual on School Improvement Plan.

3. 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 requires establishment of 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, proper governance systems for the School could not be confirmed.

4. Lack of School Land Ownership Documents

The land on which the school operates, under title No.Muthambi/Gatua/712, is owned by Meru County Council reserved for Kiini Secondary School as per certificate of official

search dated 02 February, 2009. The Land measures approximately 25.16 acres (10.18 Ha). However, the school lack title deed in its name. No explanation has been provided why the Management has not obtained title deed for the school land.

In the circumstances, the ownership of land where the School is located could not be confirmed.

5. Under Utilized Legacy Information Technology System

The School Management utilizes a legacy Information Technology System called profin for its financial management which was installed in 2019. However, review of the system revealed that the system capabilities are not fully utilized. The system is only used for receipting when students pay school fees. However, the system has capabilities to capture expenditure, generate cashbooks, reports and payments reports.

In the circumstances, the efficiency of the system of management of school records could not be confirmed.

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

Responsibilities of 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 ISSAI 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.

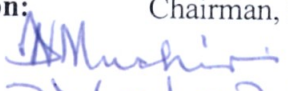

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

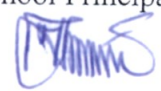
Nairobi

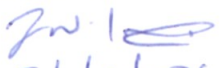
29 April, 2026

I. STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Capitation grants for tuition	1	737,051	-
Capitation grants for operations	2	4,599,297	-
School Fund Income- Parents' Contributions	4	543,459	-
School Fund Income- Other receipts	4	10,004,282	-
Infrastructure	3	350,000	-
TOTAL RECEIPTS		16,234,089	-
PAYMENTS			
Payments for Tuition	5	495,960	-
Payments for operations	6	4,220,594	-
Boarding and school fund payments	7	10,556,674	-
TOTAL PAYMENTS		15,273,228	-
surplus		960,861	-

Name: PollineKageniMurithi
Designation: Chairman, School Board of Management
Sign: 
Date: 27/3/2026

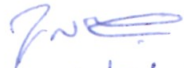
Name: James KinyuaRukenya
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 26/3/26

Name: FridahImathiu
Designation: Bursar/ Finance Officer
Sign: 
Date: 26/3/2026

	II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES			
		Note	2020 - 2021	2019 - 2020
			Kshs	Kshs
	FINANCIAL ASSETS			
	Cash and Cash Equivalents			
	Bank Balances	9	1,962,870	-
	Cash Balances	9	4,491	-
	Short term Investment	10	-	-
	Total Cash and Cash Equivalents		1,967,361	-
	Account's receivables	11	2,026,816	-
	TOTAL FINANCIAL ASSETS		3,994,177	-
	FINANCIAL LIABILITIES			
	Accounts Payable	12	3,054,605	-
	NET FINANCIAL SSETS		939,572	-
	REPRESENTED BY			
	Fund balance b/fwd 1st July...	13	(21,289)	-
	surplus		960,861	-
	NET FINANCIAL POSITION		939,572	

Name: PollineKageniMurithi
Designation: Chairman, School Board of Management
Sign: 
Date: 27/3/2026

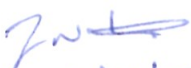
Name: James KinyuaRukenya
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 26/3/26

Name: FridahImathiu
Designation: Bursar/ Finance Officer
Sign: 
Date: 26/3/2026

STATEMENT OF CASH FLOW			
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	737,051	-
Capitation grants for operations	2	4,599,297	-
School fund income- Parents contributions/ fees	4	10,547,741	-
Infrastructure	3	350,000	-
Total receipts		16,234,089	-
Payments			
Payments for Tuition	5	495,960	-
Payments for operations	6	4,220,594	-
Boarding and school fund payments	7	10,556,674	-
Total payments		15,273,228	-
Net cash flow from operating activities		960,861	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			-
Acquisition of Assets			-
Proceeds from investments			-
Net cash flows from Investing Activities			-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Financing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		960,861	-
Cash and cash equivalent at BEGINNING of the year		1,006,500	-
Cash and cash equivalent at END of the year		1,967,361	-

Name: PollineKageniMurithi
 Designation: Chairman, School Board of Management
 Sign: 
 Date: 27/3/2026

Name: James KinyuaRukenya
 Designation: School Principal & Secretary to Board of Management
 Sign: 
 Date: 26/3/26

Name: FridahImathiu
 Designation: Bursar/ Finance Officer
 Sign: 
 Date: 26/3/2026

KIINI SECONDARY SCHOOL

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books						
Exercise books						
Laboratory equipments and apparatus	380,000.00		380,000	368,525	11,475	97.0%
Teaching/learning materials	380,000.00		380,000	368,526	11,474	97.0%
chalks						
Internal exams						
Reference books						
TOTAL	760,000		760,000	737,051	22,949	
0						
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,165,000.00		1,165,000	818,038	346,962	70.0%
Repairs and maintenance	1,740,000.00		1,740,000	1,583,645	156,355	91.0%
Local transport / travelling	850,000.00		850,000	737,195	112,805	87.0%
Electricity and water	600,000.00		600,000	524,699	75,301	87.0%
Medical						
Administration costs	750,000.00		750,000	736,703	13,297	98.0%
Insurance				500		
Activity	435,000.00		435,000	198,517	236,483	45.6%
TOTAL	5,540,000.00		5,540,000	4,599,297	941,203	
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1725000		1,725,000	50,722	1,674,278	3.0%
Repairs and maintenance	580000		580,000	114,996	465,004	20.0%
Local transport / travelling	870000		870,000	71,319	798,681	9.0%

Electricity and water		250,000			39,165	210,835	16.0%
Medical							
Administration costs	1100000	1,100,000			242,710	857,290	22.0%
Activity	350000	350,000			24,547	325,453	7.0%
SMASSE							
Fee on Boarding Equipment and Stores	9400000	9,400,000			7,425,674	1,974,326	79.0%
OTHER INCOME							
BES							
RMI							
EWG							
LT@T							
ACTIVITY							
ADMIN COSTS							
<i>Personal emolument</i>							
<i>Posho mill</i>							
<i>Hire ground and school bus</i>	500,000.00	500,000			129,000	371,000	26.0%
<i>House rent arrears</i>							
<i>House rent</i>							
<i>School farm</i>	600,000.00	600,000			547,520	52,480	91.0%
<i>Sales of borehole water</i>							
<i>Interest income</i>							
<i>Fees arrears</i>	3,186,980.00	3,186,980			1,815,703	1,371,277	57.0%
<i>Fee prepayment</i>					38,535		
<i>PA-donations, school van project</i>							
<i>uniform</i>	55,000.00	55,000			47,850	7,150	87.0%
TOTAL	18,616,980	18,616,980			10,547,741	8,107,774	
(1) EXPENDITURE FOR TUITION							
Text books							
Exercise books							
Laboratory equipments and apparatus	380,000.00	380,000			100,000	280,000	26%

Teaching/learning materials chalks	380,000.00		380,000	392,000	(12,000)	103%
Internal exams						
Reference books						
Bank charges	3,960		3,960	3,960		
TOTAL	763,960		763,960	495,960	268,000	
PAYMENTS FOR OPERATIONS						
Personal Emoluments	1,165,000		1,165,000	2,069,470	(904,470)	178.00%
Service Gratuity						
Administration Cost	750,000		750,000	394,949	355,051	87.00%
Repairs and maintenance & improvements	1,740,000		1,740,000	825,610	914,390	47.00%
Local transport / travelling	850,000		850,000	508,700	341,300	60.00%
Electricity and water	600,000		600,000	311,820	288,180	52.00%
Medical	500		500	270	230	54%
Activity Expenses	435,000		435,000	109,775	325,225	25.00%
SMASSE						
Insurance Cost						
Bank Charges						
Acquisition of Assets						
TOTAL	5,540,500		5,540,500	4,220,594	1,319,906	
BOARDING AND SCHOOL FUND PAYMENTS						
BES	9,400,000		9,400,000	4,215,147	5,184,853	45.00%
RMI	580,000		580,000	545,380	34,620	94.00%
EWC	250,000		250,000	111,334	138,666	45.00%
LT@T	870,000		870,000	866,930	3,070	99.60%
ACTIVITY	350,000		350,000	333,375	16,625	95.00%
ADMIN COSTS	1,100,000		1,100,000	655,827	385,827	60.00%
Personal emolument	1,725,000		1,725,000	94,500	1,630,500	5%
Posho mill						
Hire ground and school bus	500,000		500,000	125,600	374,400	26.00%

UNIFORM	55,000		55,000	51,450	3,550	87%
School farm	600,000		600,000	483,820	52,480	91.00%
Infrastructure grant,Borehole				259,444		
Bank charges						
creditors paid				2,782,167		
Expenses on Income Generating Activities						
Fee on Boarding Equipment and Stores						
Rent Expenses						
medical				31,600		
Loan Principal repayment						
Loan Interest repayment						
Acquisition of Assets						
TOTAL	15,430,000		15,430,000	10,556,574	7,824,591	

- 1 laboratory equipment in tuition account was underutilised ed because funds received was more used in teaching and learning materials
- 2.ADM COST,RM\$I,LT\$T,EW\$C,ACTIVITY in operations Account was underutilized bec because most expenses were used using the account
- 3.BES,EW\$C,ADMIN COST,PEM in Boarding Account was underutilised bed because of poor fees payment due to covid 19 pandemic
4. Teaching/Learning Materials in Tuition Account was overutilized because more funds was used during exam period in April 2021
5. PEM in operations Account was overurutilized because of staff salaries was paid using that account

V 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.

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.

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.

I. NOTES TO THE FINANCIAL STATEMENTS		
1	CAPITATION GRANT FOR TUITION	
		-
	2020-2021	2019-2020
	Kshs	Kshs
Text books	0	
Exercise books	0	
Laboratory equipments and apparatus	368,525	
Teaching/learning materials	368,526	
chalks		
Internal exams		
Reference books		
Total	737,050.75	-
2	CAPITATION GRANT FOR OPERATIONS	
	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	818,038	
Repairs and maintenance	1,583,645	-
Local transport / travelling	737,195	-
Electricity and water	524,699	-
Medical	500	-
Administration costs	736,703	-
Insurance		
Activity	198,517.00	-
Total	4,599,297.15	-
3	INFRASTRUCTURE ACCOUNT	
	350,000.00	

4	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT		
		2020-2021	2019-2020
		Kshs	Kshs
	Personnel emoluments	50,722	
	Repairs and maintenance	114,996	-
	Local transport / travelling	71,319	-
	Electricity and water	39,165	-
	Medical		-
	Administration costs	242,710	-
	Activity	24,547.00	-
	Total	543,459.00	-
4	OTHER RECEIPTS – SCHOOL FUND ACCOUNT		
		2020-2021	2019-2020
		Kshs	Kshs
	BES	7,425,674	
	RMI		
	EWC		
	LT@T		
	ACTIVITY		
	ADMIN COSTS		
	Personal emolument		
	Posho mill	0	
	Hire ground and school bus	129,000	
	House rent arrears		-
	House rent		-
	School farm	547,520	-
	Sales of borehole water		-
	Interest income		-
	Fees arrears	1,815,703.00	-
	Fee prepayment	38,535.00	-
	PA-donations, school van project		-
	uniform	47,850.00	-
	Total	10,004,282.00	-

5	PAYMENTS FOR TUITION		
		2020-2021	2019-2020
		Kshs	Kshs
	Text books		-
	Exercise books		-
	Laboratory equipments and apparatus	100,000	-
	Teaching/learning materials	392,000	-
	chalks		-
	Internal exams		-
	Reference books		-
	Bank charges	3,960	-
		-	-
			-
	Total	495,960.00	-
6	PAYMENTS FOR OPERATIONS		

		2020-2021	2019-2020
		Kshs	Kshs
	Personal Emoluments	2,069,470	-
	Service Gratuity	0	-
	Administration Cost	394,949	-
	Repairs and maintenance & improvements	475,610	-
	Local transport / travelling	508,700	-
	Electricity and water	311,820	-
	Medical	270	-
	Activity Expenses	109,775	-
	SMASSE	0	-
	Insurance Cost		-
	Bank Charges		-
	Acquisition of Assets		-
	Transfers	350,000.00	
	TOTAL	4,220,594.00	-

7	BOARDING AND SCHOOL FUND PAYMENTS		
		2020-2021	2019-2020
		Kshs	Kshs
	BES	4,215,147	
	RMI	545,380	
	EWC	111,334	
	LT@T	866,930	
	ACTIVITY	333,375	
	ADMIN COSTS	655,827	
	Personal emolument	94,500	-
	Posho mill		-
	Hire ground and school bus	125,600	-
	UNIFORM	51450	-
	School farm	483,920	-
	Infrastructure grant,Borehole	259,444	-
	Bank charges		-
	creditors paid	2,782,167	-
	Expenses on Income Generating Activities		-
	Fee on Boarding Equipment and Stores		-
	Rent Expenses		-
	medical	31,600	-
	Loan Principal repayment		-
	Loan Interest repayment	0	-
	Acquisition of Assets	0	-
	TOTAL	10,556,674.00	-
	<i>Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.</i>		
9	BANK ACCOUNTS		
	Name of Bank, Account No. & currency	2020-2021	2019-2020
		Kshs	Kshs
	Tuition Account	315,003.71	
	Operations Account	376,525.10	
	School Fund Account/Boarding	607,845.40	
	Savings Account		
	Income generating activities Account		
	Infrastructural Account	663,496.00	
	Farm Account		
	Total	1,962,870.21	-

9	CASH IN HAND		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Infrastructure Account	100.00	
	Operation Account	3,187.00	
	School Fund account	1,204.00	
	Total	4,491.00	-
10	SHORT TERM INVESTMENTS		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Cooperative shares	-	-
	Treasury Bills	-	-
	Fixed deposit	-	-
	Equity stock	-	-
	Other investments	-	-
	Total	-	-
11	ACCOUNTS RECEIVABLE		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Fees arrears	2,026,816.00	
	Other non-fees receivables		
	Salary advances		-
	Imprest	-	-
	Total	2,026,816.00	-
	[Include an ageing of the fees / non fees arrears below]		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Fees arrears for current year	2,026,816.00	-
	Fees arrears recovered during the year	1,815,703.00	
	Fees arrears for the previous year	3,186,980.00	
	Fees arrears for prior periods (over two years)	19,971,256.95	
	Total	27,000,755.95	-
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Non Fees arrears for current year		
	Non Fees arrears received during the year		
	Non Fees arrears for the previous year		
	Non Fees arrears for prior periods (over two years)		
	Total	-	-

12	ACCOUNTS PAYABLE		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Trade creditors (See ageing below and appendix 1)	3016070.00	
	Prepaid fees	38,535.00	
	Retention monies		
	Total	3,054,605.00	-
	[Include an ageing of the creditor's arrears below]		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Trade creditors for current year	3,016,070.00	-
	Trade creditors paid during the year	2,782,167.00	
	Trade creditors for the previous year	3,401,285.55	-
	Trade creditors for prior periods (over two years)	4,881,914.24	-
	Total	14,081,436.79	-
13	FUND BALANCE BROUGHT FORWARD		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Bank balances	1,006,299	
	Cash balances	201	
	Short Term Investments		
	Receivables	2,026,816.00	
	Payables	3,054,605.00	
	Total	(21,288.69)	-
	Other important disclosure notes		
14	Non-current Liabilities Summary		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Bank loan(s)	-	-
	Outstanding Leases	-	-
	Hire purchase	-	-
	Gratuity and leave provision	-	-
	Total	-	-

15	Biological assets		
	Description	2020-2021	2019-2020
		Kshs	Kshs
	Cattle	820,000.00	-
	Goats	5,000.00	-
	Trees	5,000,000.00	-
	Coffee or tea plantation	217,500.00	-
	Pigs	339,000.00	-
	Rabbits	12,500.00	-
	Totals	6,394,000.00	
16	Borrowings		
	Description	2020-2021	2019-2020
		KShs	KShs
	a) Borrowings		
	Borrowing at beginning of the year	-	-
	Borrowings during the year	-	-
	Repayments of during the year	-	-
	Balance at end of the year	-	-
17	1 Stock/ Inventory		
	Description	2020-2021	2019-2020
		KShs	KShs
	Stock/Inventory		
	Stock/ inventory at beginning of the year	1,232,064.00	-
	Stock/ inventory purchased during the year	5,803,088.00	-
	Stock/ inventory issued during the year	5,681,165.00	-
	Balance at end of the year	1,353,987.00	-

1 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Principal

sign



PRINCIPAL
KIINI SECONDARY SCHOOL
P. O. Box 91 - 60400
CHUKA

26/3/26

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
Sub-Total						
Supply of goods						
1. Zablon Karani	606970.00	2021	110210	496,760.00		To be paid in the next financial year
2. Juliet	670600.00	2021	192350	478,250.00		
3. John Gitari	730610.00	2021	166330	564,280.00		
4. Fanaka	983180.00	2021	0	983,180.00		
5. Lynnet	90000.00	2021	0	90,000.00		
6. Stephen Mugendi	55700.00	2021	0	55,700.00		
7. Elbenkin	112000.00	2021	12000	100,000.00		
Sub-Total	3249060.00		480890	2,768,170.00		
Supply of services						
1. Descana	57500.00	2021	0	57,500.00		
2. Vavara	130000.00	2021	0	130,000.00		
3. Amazon	79200.00	2021	18800	60,400.00		
Sub-Total	266700.00		18800	247,900.00		
Grand Total	3515760.00		499690	3,016,070.00		

ICT EQUIPMENT, AND OTHER ICT ASSETS		KIINI				
1. Samsung TVs Screen -2	2019		130000.00			
2. Laptops -1	2016		25000.00			
3. Computer tables – 4	2013		32000.00			
4. Teachers Desk – 2	1988		6000.00			
5. Acer Computers – 11	2013		308000.00			
6. Printers -4	2016		60000.00			
7. Photocopying Machine - 1	2012		150000.00			
8. Duplicating Machine - 1	2016		40000.00			
9. Projectors - 3	2017		90000.00			
TOTALS						841000.00
TOOLS AND APPARATUS		KIINI				
1. Sewing Machines - 8	1990		200000.00			
2. Iron - 2			1000.00			
3. Electric Cookers - 4			80000.00			
4. Stove - 8			4800.00			
5. Gas Cylinder - 6			12000.00			
6. Jikos - 12			6000.00			
7. Mixture-1						
8. Oven - 1	2017					
9. Baking Tins - 36						
TOTALS						350,000.00
TEXTBOOKS 20,984		KIINI	14688800.00			
TOTALS						14688800.00

OTHER MACHINERY AND EQUIPMENT						
1. Generator -1		1993		80000.00		
2. PoshoMill -1		2016		150000.00		
3. Welding Machine		2014		30000.00		
4. Solar Water heating System		2016		300000.00		
HERITAGE AND CULTURAL ASSETS						
INTANGIBLE ASSETS- SOFT WARE			KIINI			
1. WIFI		2021		15000.00		
2. Installed Programs	Accounts	2016		120000.00		
	Timetable			30000.00		
	Exams			30000.00		
	Messages			30000.00		
TOTAL						195000
TOTALS						67046600.00

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class		Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1		1971		100,000.00			100,000.00
Land 2							
BUILDINGS AND STRUCTURES							
1.	Administration	1995	KIINI	3000000.00			
2.	Classes	1980		10000000.00			
3.	Dormitories	2003		10000000.00			
4.	Labs						
	Home science	1980		2000000.00			
	Chemistry	1980		2000000.00			
	Physics	1980		2000000.00			
5.	Dining Hall	2016		15000000.00			
6.	Ablution Block	2021		1500000.00			
TOTALS							45500000.00
MOTOR VEHICLES		2011	KIINI	4780000.00			4780000.00
OFFICE EQUIPMENT, FURNITURE AND FITTINGS							
KIINI							
1.	Cushion Chairs 50	2008		50000.00			
2.	Sofa Sets 3	2004		18000.00			
3.	Cabinet 2	1992		30000.00			
4.	Tables 8,	1992		160000.00			
5.	Executive Chairs 2	2016		130000.00			
TOTALS							388000.00