REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NGAITA GIRLS SECONDARY SCHOOL

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

THARAKA NITHI COUNTY

NGAITA GIRLS SECONDARY SCHOOL
REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED
30TH JUNE 2021

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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 located in Tharaka Nithi County, Maara Sub-County

The school was registered in **2/12/2016** under registration number **19S00300221** and is currently categorized as a *Extra County,* public school established, owned or operated by the Government.

The school is a boarding school and had 562 number of students as at *30th June 2021*. It has Three streams and 20 teachers of which 8 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:

S/NO	NAME OF BOARD MEMBER	DESIGNATION	DATE OF APPOITMENT
1.	Professor George N. Reche	Chairman (Community Rep)	29/7/2019
2.	Gladys N. Kirugi	Secretary / Principal	20//5/2021
3.	Mercy Karimi Nyaga	Member Rep- special interest groups	29/7/2019
4.	Mark Mbae Muchiri	Member Rep Teachers	29/7/2019
5.	Rev. James Njoroge	Members Rep Sponsor	29/7/2019
6.	Lucy Wanja Kiraithe	Member Rep Sponsor	29/7/2019
7.	Dorothy Kathomi Kabengi	Member Rep Sponsor	29/7/2019
8.	Roline Njiru	Parents of pupils/students or local community	29/7/2019
9.	James Mbae George		29/7/2019
10.	Christine Kendi Murithi		29/7/2019
11.	John Kaume		29/7/2019
12.	Jackin Murithi Kigige		29/7/2019
13.	Nimrod Kimathi Kibere	CEB Representatives	29/7/2019
14.	Rose Njeru	Member special needs	29/7/2019
15.	Albert Mwiti -P.A Chairperson	Rep. P.A	29/7/2019
16.	Rose Ann Nkatha	Rep Students	29/7/2019

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, of 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

S/NO	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION	NUMBER OF MEETINGS ATTENDED DURING THE YEAR
1.	B.O.M Executive committee	Professor George N. Reche	Chairperson	1
		Mercy Karimi Nyaga	Deputy chairperson	
		Gladys N. Kirugi	Secretary /Principal	
		Albert Mwiti	P.A Chair	
		Dorothy Kathomi	1 B.O.M	
2.	Audit Committee	Christine Kendi	Chairperson	1
		Dorothy Kathomi	Member	
		James Mbae George	Member	
3.	Finance, Procurement & General Purpose	Roline Njiru	Chairperson	1
		Christine Kendi	Member	
		Albert Mwiti	Member	
4.	Academic Standards quality & Environment	Nimrod K. Kibere	Chairperson	1
		John Kaume	Member	
		Mark Mbae Muchiri	Member	
5.	Development committee (Sic)	Mercy Karimi Nyaga	Chairperson	1
		Rita M. Magara	Secretary/Deputy Principal	
		Professor George N.Reche	Member	
		Gladys N, Kirugi	Member	
		Dorothy Kathomi	Member	
		Albert Mwiti	Member	
6.	Discipline and welfare committee	James Mbae George	Chairperson	1
		Mercy Karimi Nyaga	Member	
		Rev. James Njoroge	Member	
7.	Adhoc committee (if any during the year)			NONE

(d) School operation Management

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

S/NO	DESIGNATION	NAME	T.S.C NO
1.	Principal	Gladys N. Kirugi	243468
2.	Deputy Principal	Rita Mwendia Magara	348876
3.	Accounts' Clerk	Idah Kainyu	I.D NO.27852360

(e) Schools contacts

Post Office Box: 425 chogoria
Telephone: 0700,889,630
E-mail: ngaitagirlssecschool@yahoo.com
Website:
Facebook: ngaitagirlssecschool@yahoo.com

(f) School Bankers

The following school operated 7 number of bank accounts in the following banks:

1. Name of bank: Kenya commercial bank
   Branch : chogoria
   Account number : 1103774034

2. Name of bank: Kenya commercial bank
   Branch : chogoria
   Account number : 1103524143
3. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01139057785400

4. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01139057785401

5. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01139057785402

6. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01134057785400

7. Name of bank: southern star
   Branch : chogoria
   Account number : 502002338500

(g) Independent Auditors

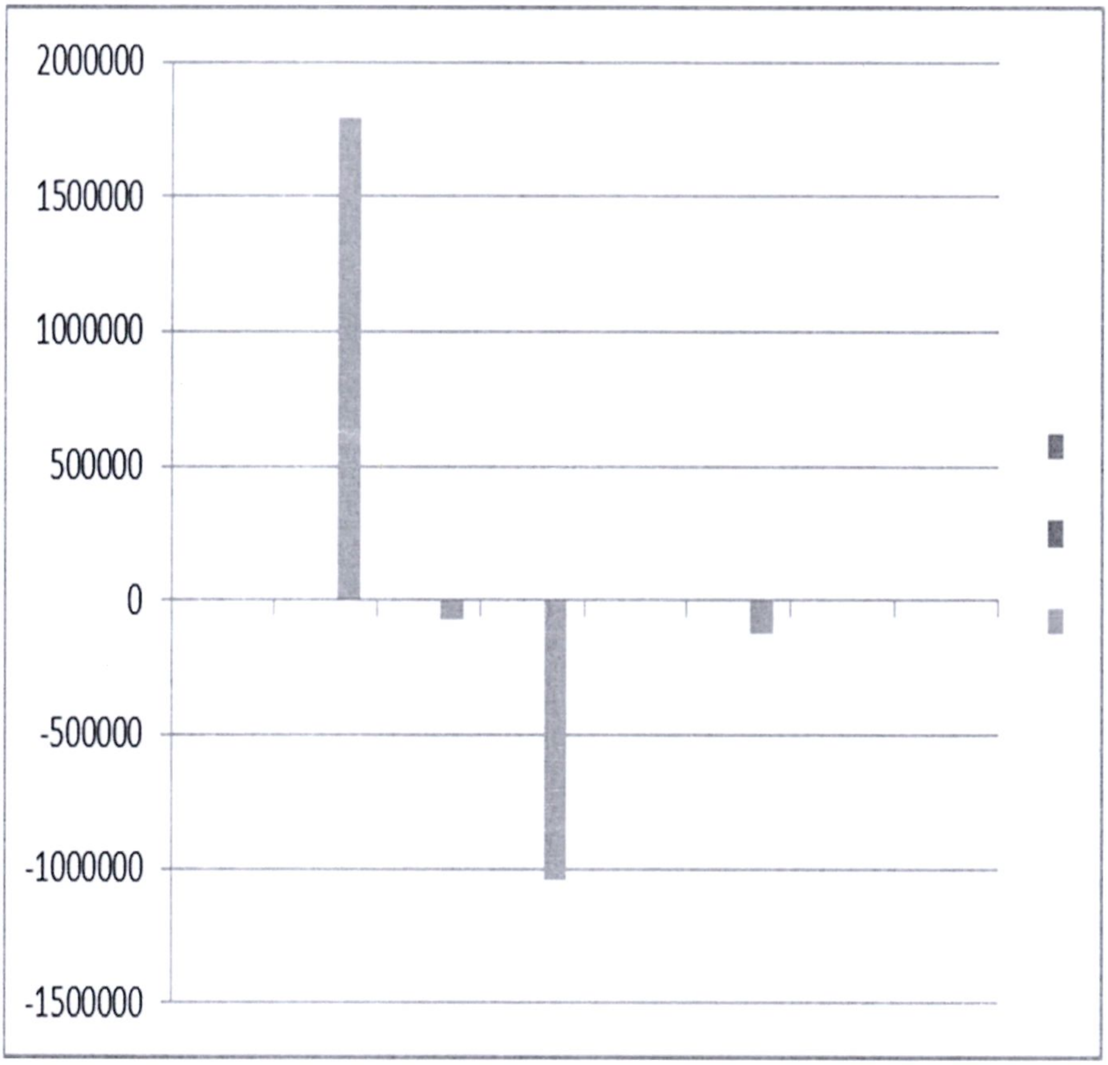
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3.Summary Report of Performance of The School

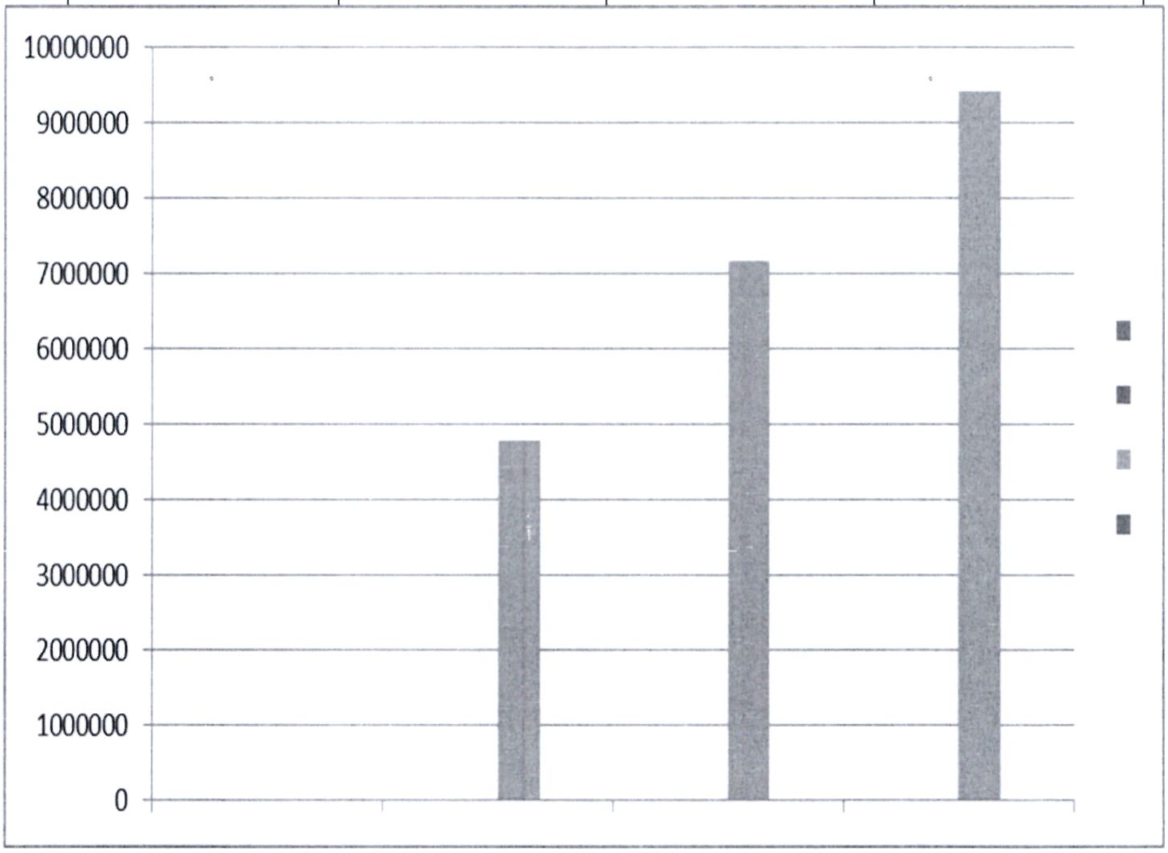
a) Financial performance:

SURPLUS / DEFICIT

YEAR	2021	2020	2019
SURPLUS	1,836,461	-68,004	-1043,944

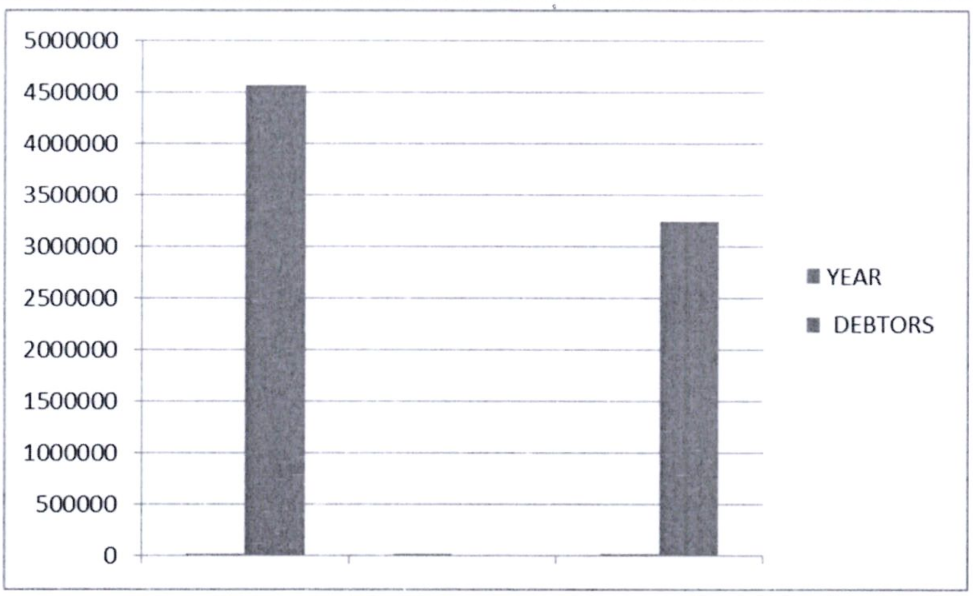


YEAR	2021	2020	2019
CAPITATION	4,764,313	7,163,130	9,419,056

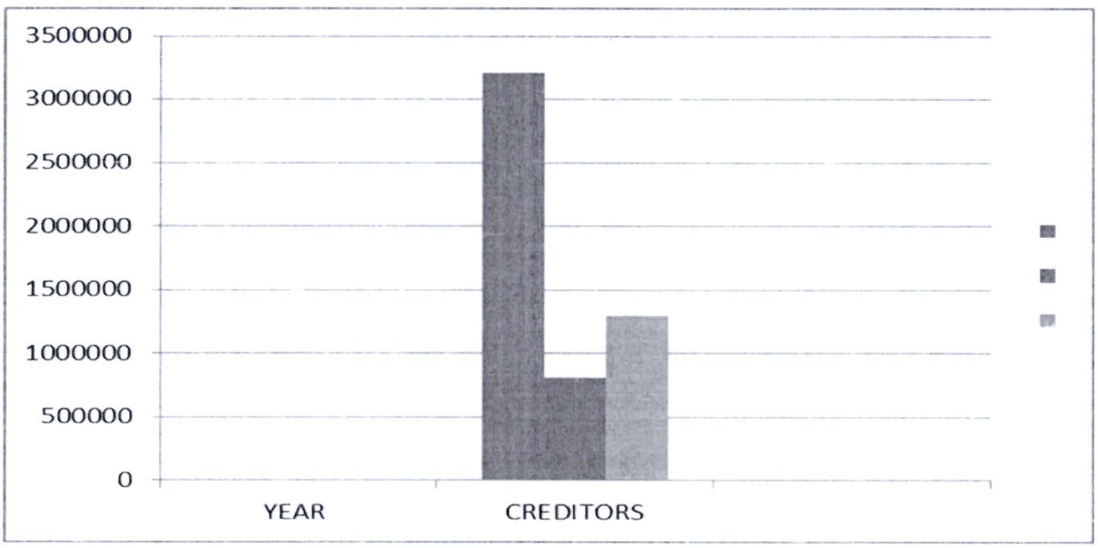


YEAR	2021	2020	2019
Other income	593,120	2,024,435	1,916,049

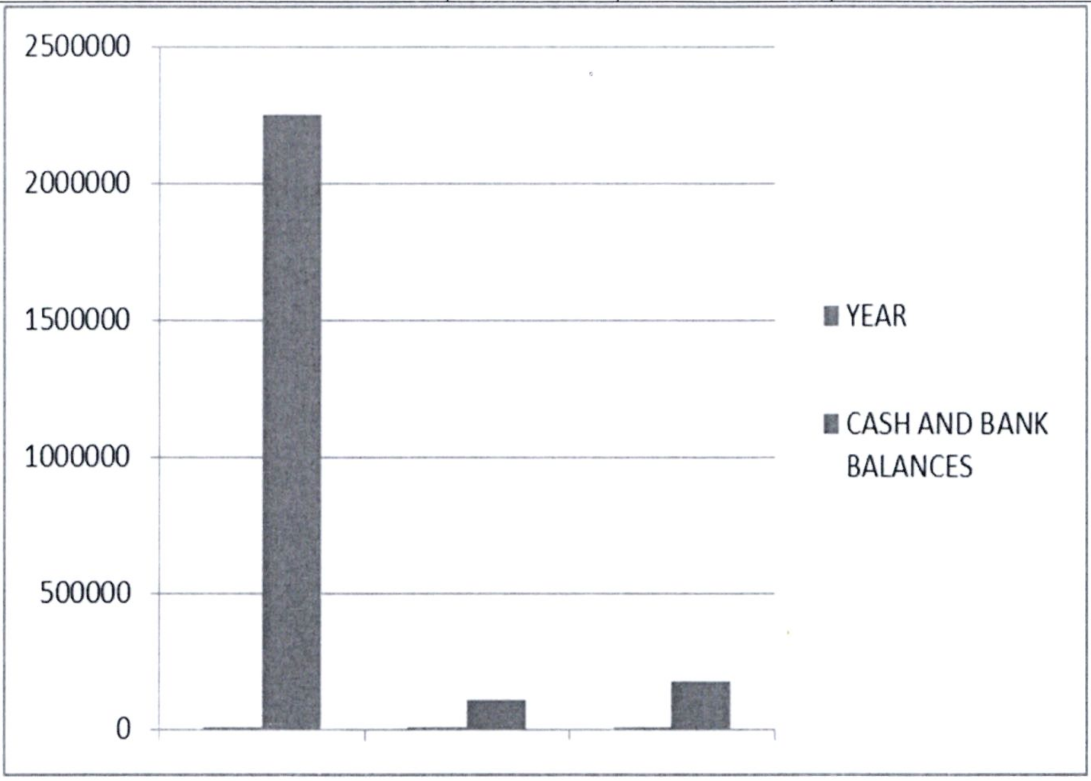
YEAR	2021	2020	2019
RECEIVABLES	4,568,315	0	3,240,198



YEAR	2021	2020	2019
PAYABLES	3,208,825	811,450	1,295,600



YEAR	2021	2020	2019
CASH AND BANK BALANCES	2,251,005	106,449	174,453



b) Teacher Student ratio:

S/NO	teacher to student ratio	number of teachers recruited and posted to the school within the year	number of teachers transferred during the period	number of teachers retired durig the period	number of teachers employed by t.s.c	number of teachers employed by b.o.m
1	1:23	1	2	NONE	20	8

S/NO	SUBJECTS TAUGHT	NO. OF TEACHERS PER SUBJECTS	SHORTAGE /ALLOCATION OF RESOURCES
1.	English /Literature	4	
2.	Kiswahili/C.R.E	2	
3.	Kiswahili / History	1	
4.	Maths / Physics	3	
5.	Maths / Chemistry	2	
6.	Biology / Chemistry	1	
7.	Biology / Agriculrue	1	
8.	Geography / Business studies	2	
9.	History / C.R.E	3	
10.	Home science	1	

c) Mean score in the *2018-2020* KCSE:

YEAR	MEAN SCORE	MEA GRADE	IDEX	NO. OF STUDENTS SCORED C+ AND ABOVE	COMMENT
2020	4.798	C-	-0.199	7	Average performance targeting for a mean of 6.0
2019	4.997	C-	+0.755	15	
2018	4.242	D+	-0.10	10	

d) Number of Candidates registered for KCSE:

YEAR	NO. OF CANDIATES
2020	154
2019	115
2018	124

e) Capacity of the school:

	Item	Number
1	Students	562
2	Dormitories	5
3	*Laboratories*	*2*
4	*Dinning hall*	*1*
5	*Toilets*	*43*
6	*Classrooms*	*12*
7	*Homescince room*	*1*

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
None					

…………………………………………………

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

The Board of Management of **Ngaita Girls 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 six months Period ended 30th June, 2021, and of the school's financial position as at that date.

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Name: NIMROD P. MIRITI

Designation: Chairman, School Board of Management

Date: 17/4/2026

....

Name: GLADYS M. KIRUGI

Designation: School Principal & Secretary to Board of Management

Date: 17/4/26.

....

Name: IDAH KAIPTU

Designation: Bursar/ Finance Officer

Date: 17/4/2026.

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 NGAITA GIRLS SECONDARY 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.

An Unmodified Opinion is issued when the Auditor-General concludes that, 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

Opinion

I have audited the accompanying financial statements of Ngaita Girls Secondary School set out on pages 1 to 18, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, the statement of cash flows and statement of budgeted versus actual amounts, for the 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, the financial statements present fairly, in all material respects, the financial position of Ngaita Girls Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.14,637,000 and Kshs.13,402,093 respectively, resulting to an under-funding of Kshs.1,234,907 or 8% of the budget. However, the school spent Kshs.11,565,632 against actual receipts of Kshs.13,402,093 resulting to an under-utilization of Kshs.1,836,461 or 14% of the actual receipts.

The underfunding and under-utilization may have affected the planned activities of the school and may have impacted negatively on service delivery to the students.

My opinion is however not modified in respect of this matter.

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, I have determined that there are no other key audit matters to report in the period under review.

Other Information

Management is responsible for the Other Information set out on page iii to xii which comprise of the School's Key Information and Management ,Summary Report of School Performance, and the Statement of School's 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Underfunding of Capitation Grants and Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants received for tuition, operations and infrastructure of Kshs.655,015, Kshs.2,534,298 and Kshs.1,575,000 respectively, as disclosed in Notes 1, 2 and 3 to the financial statements. During the financial year, NEMIS reported a total number of 1,258 students while the enrolment records provided by the school indicated a total number of 1,712 students, resulting in an unexplained variance of 454 students. As a result of the variances, the school was under-funded by an amount of Kshs.1,658,900 using a rate of Kshs. 3,653,96 per student. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16/06/2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.2,534,298 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,88,500.00 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.1,575,000.00 was transferred to infrastructure account, leaving a balance of Kshs.313,500 as at 30 June, 2021.

Further, an amount of Kshs.1,010,000.00 was transferred twenty-four (24) days later after receipt of the capitation amount. This was contrary to The Ministry of Education Circular Ref. MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

3. IrregularTransfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)

The statement of receipts and payments reflects boarding and school fund payments of Kshs.8,316,630 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.108,950 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the value for money from the funds transferred to KESSHA amounting to Kshs.108,950 could not be confirmed.

4. Long Outstanding Accounts Payables

The statement of assets and liabilities and Note 14 to the financial statements reflects trade and other payables balance of Kshs.3,208,825. Review of provided documents and ageing analysis revealed that there have been long outstanding payables over two years amounting to Kshs.3,238,188. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that "an accounting officer shall not commence procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in the approved budget estimates".

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Segregation of Duties in Processing Payment Vouchers

Review of payment vouchers for the period ended 30 June, 2021 identified a lack of segregation of duties whereby the principal and the bursar raised and approved payment vouchers in their own names. This was contrary to Regulation 120(1) of the Public Finance Management (National Government) Regulations, 2015 which states that authorization of payments and recording of those payments may not be performed by the same officer. Although management indicated that the payments related to official administrative duties, the process lacked independent authorization and oversight.

In the circumstances, adequacy and effectiveness on internal controls over processing of payments could not be confirmed.

2. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.4,568,315 as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.2,301,783 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 existence of effective mechanisms for debt management could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 May, 2026

6.Statement Of Receipts and Payments for six months Period Ended 30th June 2021

Description Of Vote Head	Note	2021
		Kshs
Receipts		
Government grants for tuition	1	655,015
Government grants for operations	2	2,534,298
Government Grants for infrastructure	3	1,575,000
School fund income- parents' contributions	4	8,044,660
Miscellaneous incomes	5	593,120
Total Receipts		**13,402,093**
Payments		
Tuition	6	649,900
Operations	7	2,599,102
Infrastructure	8	0
Boarding and school fund	9	8,316,630
Total Payments		**11,565,632**
Surplus/Deficit		**1,836,461**

The school financial statements were approved on 17\4\ 2026 and signed by:

....

Name: Nimrod P. Miat **Chair BOM** **Date:** 17/4/2026

Name: Gladys M. Kirugi **School Principal/ Secretary to BOM** **Date:** 17/4/2026

Name: Idah Kainyu **Bursar/ Finance Officer** **Date:** 17\4\2026

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

Description	Note	2021
		Kshs
Financial Assets		
Cash and cash equivalents		
Bank balances	10	2,162,534
Cash balances	11	88,471
Short term investments	12	0
Total cash and cash equivalent		**2,251,005**
Account's receivables	13	4,568,315
Total financial assets (a)		**6,819,320**
Financial liabilities		
Accounts payables	14	3,208,825
Total Financial Labilities (b)		**3,208,825**
Net financial assets (a-b)		**3,610,495**
Represented by		
Accumulated fund b/fwd	15	1,774,034
Surplus/deficit for the year		1,836,461
Net Assets		**3,610,495**

The school's financial statements were approved on 17/4/2026 and signed by:

....
Name: NIMROD P. MIRITI
Chair BOM
Date: 17/4/2026

....
Name: GLADYS N. KIRUGI
School Principal/ Secretary to BOM
Date: 17/4/26.

....
Name: IDAH KAINYU
Bursar/ Finance Officer
Date: 17/4/2026.

8.Statement of Cash Flows for the six months period Ended 30th June 2021

Description	Note	2021
		Kshs
Cash from Operating Activities		
Receipts		
Government grants for tuition		655,015
Government grants for operations		2,534,298
Government grants for infrastructure		1,575,000
School fund income- parents contributions/ fees		8,815,710
Other income		593,120
Total receipts		**14,173,143**
Payments		
Cash outflows for tuition		649,900
Cash outflows for operations		2,599,102
Cash outflows Boarding/lunch and school fund payments		9,128,080
Total payments		**12,377,082**
Net cash inflow/outflow from operating activities		**1,796,061**
Cash flow from investing activities		
Acquisition of assets		0
Proceeds from sale of Assets		0
Purchase of investments		0
Net cash inflow/outflows from investing activities		
Cash flow from Financing activities		
Proceeds from borrowings/ loans	18	0
Repayment of principal borrowings		0
Net cash inflow/outflow from financing activities		
Net increase/decrease in cash and cash equivalents		**1,796,061**
Cash and cash equivalent at beginning of the 2021		454,944
Cash and cash equivalent at end of the 2021		**2,251,005**

The school's financial statements were approved on 17/4/2026 and signed by:

....	....	....
Name: NIMROD P. MIRITI	**Name:** GLADYS N. KIRUGI	**Name:** IDAH KAINYU
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 17/4/2026	**Date:** 17/4/2026	**Date:** 17/4/2026.

9.Statement Of Budgeted Versus Actual Amounts for The six months period Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials					
Exercise Books	280,000	0	280,000	268,515	95%
Laboratory Equipment	250,000	0	250,000	200,000	80%
Internal Exams					
Teaching / Learning Materials	300,000	0	300,000	186,500	62%
Exams And Assessment					
(2) Capitation Grant on Operations					
Personnel Emoluments	1,800,000	0	1,800,000	1,700,847	94%
Repairs And Maintenance					
Local Transport / Travelling	130,000	0	130,000	125,000	96%
Electricity And Water	350,000	0	350,000	304,451	87%
Medical	0	0			
Administration Costs	350,000	0	350,000	319,000	91%
Activity	90,000	0	90,000	85,000	94%
Gratuity					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance &Improvement MoE	1,575,000	0	1,575,000	1,575,000	100%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	1,500,000	0	1,500,000	1,405,921	94%
Repairs And Maintenance	500,000	0	500,000	445,139	90%
Local Transport / Travelling	180,000	0	180,000	155,000	86%
Electricity And Water	800,000	0	800,000	773,547	97%
Medical					
Administration Costs	800,000	0	800,000	629,000	79%
Activity	70,000	0	70,000	56,459	80%
SMASSE					
Fee On Boarding Equipment and Stores	5,000,000	0	5,000,000	4,579,594	80%
5) Miscellaneous Income					
Loans / Borrowing					
Rent income	12,000	0	12,000	10,000	83%
Income From Farming Activities	250,000	0	250,000	200,120	80%
Insurance Compensation					
Income From Posho Mill					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Bus Hire	400,000	0	400,000	383,000	97%
Fee For Hire of Ground and Equipment					
Interest Income					
Total Income	**14,637,000**	**0**	**14,637,000**	**13,402,093**	91%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books	280,000	0	280,000	265,400	95%
Laboratory Equipment	250,000	0	250,000	199,600	80%
Internal Exams					
Teaching / Learning Materials	300,000	0	300,000	184,900	66%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
(7) Expenditure For Operations					
Personnel Emoluments	1,800,000	0	1,800,000	1,794,702	99%
Repairs, Maintenance & Improvements				0	
Local Transport / Travelling	130,000	0	130,000	116,000	89%
Electricity, Water and Conservancy	350,000	0	350,000	298,400	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Medical					
Administration Costs	350,000	0	350,000	310,000	89%
Activity Expenses	90,000	0	90,000	80,000	89%
Gratuity					
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB				0	
Construction of a dormitory	1,575,000	0	1,575,000	0	0%
Purchase of furniture				0	
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	1,500,000	0	1,500,000	1,314,250	88%
Repairs, Maintenance and Improvements	500,000	0	500,000	440,000	88%
Local Transport / Travelling	180,000	0	180,000	148,400	82%
Electricity, Water and Conservancy	800,000	0	800,000	738,755	92%
Medical Expenses					
Administration Costs	800,000	0	800,000	597,000	75%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Activity	70,000	0	70,000	54,600	77%
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	5,000,000	0	5,000,000	4,497,455	90%
Expenditure For Income Generating Activity	662,000	0	662,000	526,170	79%
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals	**14,637,000**	**0**	**14,637,000**	**11,565,632**	**80%**

i. *Operation account and tuition account is below 90% because funds bugdeted was not released by ministry of education*

ii. *School fund acount is below 90% because funds budgeted from parents was not fully paid*

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 various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has 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 an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

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.

5. **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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have 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.

6. **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.

7. **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.

8. **Comparative figures**

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

9. **Subsequent events**

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

11.Notes To the Financial Statements

1 Government Grants for Tuition

Description	*2021*
	Kshs
Reference Materials	
Exercise Books	268,515
Laboratory Equipment	200,000
Internal Exams	0
Teaching / Learning Materials	186,500
Others *(specify)**	
Total	**655,015**

2 Government Grants for Operations

Description	*2021*
	Kshs
Personnel Emoluments	1,700,847
Repairs And Maintenance	0
Local Transport / Travelling	85,000
Electricity And Water	304,451
Medical	0
Administration Costs	319,000
Activity	125,000
Other Vote Heads (specify)*	
Total	**2,534,298**

3 Government Grants for infrastructure

Description	2021
	Kshs
Maintenance & Improvement	1,575,000
Transition infrastructure grants	0
Total	**1,575,000**

4 School Fund Income - Parents Contribution/Fees

Description	2021
	Kshs
Personnel emoluments	1,405,921
Repairs and maintenance	445,139
Local transport / travelling	155,000
Electricity and water	773,547
Medical	0
Administration costs	629,000
Activity	56,459
Fee on Boarding Equipment and stores	4,579,594
PA Levies*	
Others (specify)	
Total	**8,044,660**

5 Miscellaneous Incomes

Description	2021
	Kshs
Rent Income	10,000
Income From Farming Activities	200,120
Insurance Compensation	
Income From Bus Hire	383,000
Fee For Hire of Ground and Equipment	
Income From Grants and Donations*	
Interest Income	
Dividends Income	
Loans/Borrowings*	
Other Income *(specify)**	
Total	**593,120**

6 Tuition

Description	2021
	Kshs
Exercise Books	265,400
Textbooks	
Reference materials	
Laboratory Equipment	199,600
Teaching / Learning Materials	184,900
Exams And Assessment	
Teachers Guides	
Bank Charges	
Others *(specify)*	
Total	**649,900**

7 Operations

Description	2021
	Kshs
Personnel Emoluments	1,794,702
Service Gratuity	
Administration Cost	310,000
Repairs And Maintenance & Improvements	
Local Transport / Travelling	116,000
Electricity And Water	298,400
Medical	
Activity Expenses	80,000
Insurance Cost	
Others (specify)	
Total	**2,599,102**

8 Infrastructure

Description	*2021* Kshs
Construction of classrooms	0
Construction of laboratory	0
Construction of dormitory	0
Purchase of furniture	0
Purchase of equipment	0
Purchase of apparatus	0
Drilling of boreholes	0
Others (specify)	0
Total	**0**

9 Boarding And School Fund

Description	*2021* Kshs
Personnel Emoluments	1,314,250
Service Gratuity	
Repairs And Maintenance & Improvements	440,000
Local Transport / Travelling	148,400
Electricity And Water	738,755
Medical Expenses	
Administration Costs	597,000
Lunch Programme	
Activity	54,600
Expenses On Income Generating Activities**	526,170
Fee On Boarding Equipment and Stores	4,497,455
Rent Expenses	
Insurance Cost (*Life Property*)	
Loan Principal Repayment	
Loan Interest Repayment	
Acquisition Of Assets	
PA expenses	
Others (specify)	
Total	**8,316,630**

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	*2021*
	Active/Dormant		Kshs
Tuition Account	Active	01139057785400	19,769
Operations Account	Active	01139057785402	12,279
School Fund Account/Boarding	Active	1103774034	206,992
Bus buying project Account	Active	1103524143	197,114
Income Generating Activities Account	Active	502002338500	73,679
Infrastructural Account	Active	01139057785401	1,652,701
Total			**2,162,534**

11 Cash In Hand

Description	*2021*
	Kshs
Notes and Coins	88,471
Total	**88,471**

12 Short Term Investments

Description	*2021*
	Kshs
Cooperative Shares	
Treasury Bills	
Fixed Deposit accounts	
Other Investments	
Total	**0**

13 Accounts Receivable

Description	*2021*
	Kshs
Fees Arrears	4,568,315
Other Non-Fees Receivables	
Salary Advances (list/schedule attached)	
Total	**4,568,315**

13 b) Ageing Analysis of Accounts Receivable

Description	*2021 Kshs*	
	Current 2021	**% of the total**
Less than 1 year	2,266,532	50%
Between 1- 2 years	2,301,783	50%
Between 2-3 years		
Over 3 years		
Total (should tie to note 13 a)	**4,568,315**	**%**

14 Accounts Payable

Description	*2021*
	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,208,825
Prepaid Fees	
Retention Monies	
Unpaid salaries and statutory deductions	
Caution money	
Other payables *(specify)*	
Total	**3,208,825**

14a. Ageing Analysis of Accounts Payable

Description	*2021 Kshs*	
	2021	**% of the total**
Less than 1 year	3,208,825	100%
Between 1- 2 years	-	
Between 2-3 years	-	
Over 3 years		
Total (should tie to note 14)	**3,208,825**	**%**

15 Fund Balance Brought Forward

Description	*2021* Kshs
Bank Balances	448,891
Cash Balances	6,053
Short Term Investments	
Receivables	2,130,540
Payables	(811,450)
Total	**1,774,034**

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

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

17 Biological assets

Description	Numbers	2021 Kshs
Cattle	6	300,000
Pigs	7	100,000
Trees	10	50,000
Coffee Or Tea Plantation		
Poultry		
sheep	8	30,000
Total		**480,000**

18 Borrowings

Description	Kshs
Borrowings at beginning of the year	0
Borrowings during the year	0
Repayments during the year	0
Balance at the end of the year	**0**

Other important disclosure notes

19 Stock/ Inventory

Description	2021
	Kshs
Food stuffs	564,636
Lab consumables	329,715
Stationaries	856,795
Medication	0
Construction Materials	**0**
Others (specify)	

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.	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

------------------------------- 17/4/2026

Sign and Date
Principal

12.ANNEXES

ANNEX I - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. Wamo tech services	771,450	24/4/2021	0	771,450	0	
5. Kimka supermarket	192,352	13/5/2021	0	192,352	0	
6. Classic food store and flour mills	779,500	10/5/2021	0	779,500	0	
7. Linus gitonga	54,000	21/5/2021	0	54,000	0	
8. Gichimbo enterprises	857,290	5/5/2021	0	857,290	0	
9. Reiner distributors	255,450	21/5/2021	0	255,450	0	
10. Kenson karani	10,800	17/5/2021	0	10,800	0	
11. Cathrine kaari riungu	31,500	08/6/2021	0	31,500	0	
12. Dpl festive	32,970	31/5/2021	0	32,970	0	
13. Esther mwali	25,000	08/6/2021	0	25,000	0	
14. Assenath gacheri	31,775	15/6/2021	0	31,775	0	
15. Hilder muthoni	40,800	4/6/2021	0	40,800	0	
16. Japhet miriti raiji	67,500	21/5/2021	0	67,500	0	
17. Regina wangui	28,980	24/5/2021	0	28,980	0	
18. Vicom uniforms	14,250	23/4/2021	0	14,250	0	
Sub-Total	**3,193,617**			**3,193,617**		
Supply of services						
19. Antony murithi	15,208	20/5/2021		15,208		
Sub-Total	**15,208**			**15,208**		
Grand Total	**3,208,825**			**3,208,825**		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1ST JANUARY 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	**1993**		9,000,000	**0**	**0**	**9,000,000**
Buildings and structures	**1994**		52,400,000	**0**	**0**	**52,400,000**
Motor vehicles	**2013**		2,500,000	**0**	**0**	**2,500,000**
Office equipment, furniture and fittings	**2020**		1,000,000	**0**	**0**	**1,000,000**
ICT Equipment, and Other ICT Assets	**2019**		1,471,000	**0**	**0**	**1,471,000**
Tools and apparatus	**2015**		4,184,763	**0**	**0**	**4,184,763**
Textbooks	**2015**		8,944,502	**0**	**0**	**8,944,502**
Other Machinery and Equipment	**2019**		10,000,000	**0**	**0**	**10,000,000**
Heritage and cultural assets	**0**		**0**	**0**	**0**	**0**
Intangible assets- soft ware	**29/1/2018**		100,000	**0**	**0**	**100,000**
Total			**89,600,265**	**0**	**0**	**89,600,265**