REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



# REPORT

# OF

# THE AUDITOR-GENERAL



# ON

# KARII KAMBURI SECONDARY SCHOOL

# FOR THE YEAR ENDED 30 JUNE, 2023

# THARAKA-NITHI COUNTY

KARII KAMBURI
SENIOR SCHOOL
ASPIRE TO SHINE
P.O BOX 147-60215 MARIMANTI
kariikamburisec@gmail.com

# KARII KAMBURI SECONDARY SCHOOL

# ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

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

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## Acronyms and Glossary of Terms

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

## Key School Information and Management

### (a) Background information

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

The school was registered in 2010 under registration number 13500300828 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day and boarding school and had 284 students as at 30th June 2023. It has two (2) streams and fourteen (14) teachers of which four (4) 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 | Joseph Mutegi | Chairman | 1st July 2022 |
| 2 | David Mwenda | Secretary - Principal | 1st July 2022 |
| 3 | Paul Muthengi | Vice Chairman | 1st July 2022 |
| 4 | Grace Muthoni | Treasurer | 1st July 2022 |
| 5 | Japhet Mauki | Member | 1st July 2022 |
| 6 | Celina Gacheri | Member | 1st July 2022 |
| 7 | Mary Kajuki | Member | 1st July 2022 |
| 8 | Faith Gatwiri | Member – Rep CEB | 1st July 2022 |
| 9 | Horphin Mwandiki | Member Rep Teachers | 1st July 2022 |
| 10 | Joseph Mutegi | Sponsor | 1st July 2022 |
| 11 | Peter Nkari | Member - Community | 1st July 2022 |
| 12 | Jane Mwende | Member Special Needs | 1st July 2022 |
| 13 | Doris Ngugi | Rep Students | 1st July 2022 |
| 14 | John Kiragu | Special Interest | 1st July 2022 |
| 15 | Lucy Muthoni | Member | 1st July 2022 |

**The functions of the School Board of Management are to:**

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

**(c) Committees of the Board**

| Ref: | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|---|---|---|---|---|
| 1 | Executive Committee | 1. Joseph Mutegi<br>2. David Mwenda<br>3.Grace Muthoni<br>4.Jeremy Mutegi | BOMChairBOM Sec<br>Treasurer<br>PA Chair | 3/3 each |
| 2 | Audit Committee | | | |
| 3 | Finance,procurement and general purposes Committee | 1.Grace Muthoni,<br>2.Joseph Mutegi,<br>3.Jeremy Mutegi | Chairperson<br>Member<br>Member | 3/3 each |
| 4 | Academic Committee | 1.Joseph Mutegi,<br>2.David Mwenda,<br>3.Jeremy Mutegi,<br>4.Celine Gacheri,<br>5.HorphinMwandiki | Ex-official,<br>BOM Chair,<br>PA Chair,<br>Chairperson,<br>Curriculum Chair | 3/3 each |
| 5 | Development Committee | 1.Grace Muthoni,<br>2.Joseph Mutegi,<br>3.David Mwenda,<br>4.Jeremy Mutegi,<br>5.Lawrence Magaju,<br>6.Michael Kariuki | Chairperson, BOM Chair, BOM Sec, PA, Sec, MOE | 3/3 each |

### (d) School operation Management

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

| Ref: | Designation | Name | Identification |
|---|---|---|---|
| 1 | Principal | David Mwenda | TSC No. 348607 |
| 2 | Deputy Principal | Lawrence Magaju | TSC No. 351765 |
| 3 | School Accounts Clerk | Lydiah Kathure | ICPAK No. N/A |
| 4 | Other (specify) | | |

### (e) Schools contacts

Post Office Box: 147- 60215 Marimanti
Telephone: 0721- 597- 186
E-mail: kariikamburisecondary@gmail.com
Website:
Facebook:
Twitter:

### (f) School Bankers

The school operated four (4) bank accounts in the following banks:

1. Name of Bank: Co-operative
   Branch: Chuka
   Account Number: 01139058215901 - Operations Account

2. Name of Bank: Co-operative
   Branch: Chuka
   Account Number: 01139058215900 - Tution Account

3. Name of Bank: Co-operative
   Branch: Chuka
   Account Number: 01139058215902 - Infrastructure Account

4. Name of Bank: Trans-Nation Sacco
   Branch: Marimanti
   Account Number: 6820900006401 – Lunch Account

### (g) Independent Auditors

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

## 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**:

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

| | 2022/2023 | 2021/2022 | 2020/2021 |
|---|---|---|---|
| Surplus | 620,855.45 | 945,094.50 | (265,023.50) |

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

| Account | 2022/2023 | 2021/2022 | 2020/2021 |
|---|---|---|---|
| Tuition | 496,533.00 | 482,678.00 | 167,954.50 |
| Operations | 2,178,671.45 | 2,122,665.50 | 1,051,930.00 |
| **Total** | 2,675,204.45 | 2,605,343.50 | 1,219,884.50 |
| Enrollment | 284 | 184 | 134 |
| Ratio | 9,419.73 | 14,159.47 | 9,103.61 |

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

| Account | 2022/2023 | 2021/2022 | 2020/2021 |
|---|---|---|---|
| Tuition | 345,445.00 | 460,940.00 | 228,125.00 |
| Operations | 1,715,303.00 | 1,756,490.00 | 899,980.00 |
| School Fund | 2,216,706.00 | 1,146,411.00 | 850,503.00 |
| Infrastructure | 450,415.00 | 416,820.00 | |
| **Total** | 4,727,869.00 | 3,780,661.00 | 1,978,608.00 |

### iv. Movement of debtors and creditors of the school over the last three years

| | 2022/2023 | 2021/2022 | 2020/2021 |
|---|---|---|---|
| Debtors | 1,411,920.00 | 652,550.00 | 137,450.00 |
| Creditors | 834,976.00 | 135,200.00 | 603,661.00 |

### v. Movement of cash and bank balances over the last three years

| | 2022/2023 | 2021/2022 | 2020/2021 |
|---|---|---|---|
| Tuition | 221,384.65 | 70,296.65 | 48,558.05 |
| Operations | 527,196.50 | 431,828.05 | 565,652.55 |
| School Fund | 511,992.77 | 114,772.77 | 124,333.77 |
| Infrastructure | 765.00 | 83,180.00 | |
| **Total** | 1,261,338.92 | 700,077.47 | 738,544.37 |

### b) Teacher Student ratio:

| Teachers | Students | Ratio |
|---|---|---|
| 14 | 284 | 1:20 |

| **Description** | Number |
|---|---|
| Teachers recruited and posted to the school | 0 |
| Teachers transferred during the period | 0 |
| Teachers employed by TSC | 10 |
| Teachers employed by BOM | 4 |

| No | Name of the teacher | Subject combination | TSC No. |
|---|---|---|---|
| 1 | David Mwenda | Kisw/ Geo | 348607 |
| 2 | Lawrence Magaiu | Business/ Geo | 351765 |
| 3 | Titus Mukiira | Agri/P.E | 309969 |
| 4 | Horphin Mwandiki | Eng/Lit | 651326 |
| 5 | Dominic Murimi | Cre/Kisw | 462915 |
| 6 | Purity Mukami | Maths/Chem | 724127 |
| 7 | Daniel Murimi | Geo/Bus | 715443 |
| 8 | Jane Kithuka (BOM) | Kisw/Hist | |
| 9 | Alex Murithi (BOM) | Bio/Chem | |
| 10 | Jotham Murithi | Maths/Phy | 683798 |

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

| Year | Entry | Mean Score | Deviation | Mean Grade |
|---|---|---|---|---|
| 2023 | 42 | 3.60 | -0.55 | D |
| 2022 | 20 | 4.15 | +0.55 | D+ |
| 2021 | 18 | 3.47 | +0.07 | D+ |

**d) Number of Candidates in the 2021,2022,2023 KCSE:**

| | 2023 | 2022 | 2( |
|---|---|---|---|
| No. of Students sitting for KCSE | 42 | 20 | 18 |

**e) Capacity of the school:**

| No. | Facility | Units | Capacity | Shortfall |
|---|---|---|---|---|
| 1 | Classrooms | 6 | 270 | 14 |
| 2 | Laboratory | 1 | 60 | 224 |

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

| Projects | Source of funds | Status | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|---|---|---|---|---|---|
| Dormitory | Parents | 85% | 448,613.00 | 448,613.00 | |
| Gate Completion | RMI | Complete | | | |
| Girls' toilets | RMI | Complete | | | |
| Teachers' toilets | RMI | Complete | | | |
| Desks and Chairs | RMI | Complete | | | |
| | | | | | |

28/4/26
.................................................................

**School Principal**

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX

## Statement of School Management Responsibility

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

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

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

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

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**Name: Joseph Mutegi**
**Designation:** Chairman, School Board of Management
**Date:** 28/4/2026

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**Name: David Mwenda Kirangu**
**Designation:** School Principal & Secretary to Board of Management
**Date:** 28/4/26

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX 143 MARIMANTI
Date...........................

L-K
.................................................

**Name: Lydia Kathure**
**Designation:** Bursar/ Finance Officer
**Date:** 28/04/2026

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON KARII KAMBURI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - THARAKA-NITHI COUNTY

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose, and;

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

**Qualified Opinion**

I have audited the accompanying financial statements of Karii Kamburi Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Karii Kamburi Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

**Basis for Qualified Opinion**

**1. Unsupported Cash Withdrawals**

The statement of receipts and payments for the year ended 30 June, 2023 reflects total operations expenditure amounting to Kshs.1,715,303. Review of the bank statement reflects cash withdrawals amounting to Kshs.732,238. Further, the transactions were not supported with the relevant documentation in support of utilization. However, there is no clear policy approved by the Board of Management on petty cash management of the threshold and clearly defined reconciliation of how these amounts were utilized.

In the circumstances, the regularity, accuracy and completeness of the operations amount of Kshs.732,238 could not be confirmed.

**2. Inaccuracies in Cash and Cash Equivalents Balance**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,261,338 in respect of the four (4) banks accounts that the School operates namely tuition account of Kshs.221,385, operations account of Kshs.527,196, school fund account and boarding account of Kshs.551,993, infrastructural account of Kshs.765. However, the four (4) accounts were not supported by bank reconciliation statements and certificate of bank balances. Further, no board of survey was provided to support the cash in hand balance.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.1,261,338 could not be confirmed.

**3. Long Outstanding Accounts Receivables Balance**

The statement of assets and liabilities reflects accounts receivables balance of Kshs.1,411,920 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivables balance of Kshs.652,550 which had been outstanding between one to three (1-3) years. However, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the accuracy and completeness of the outstanding receivables balance of Kshs.1,411,920 could not be confirmed.

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

**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 of my report, there are no other key audit matters to report in the year under review.

**Other Information**

The Management is responsible for the other information set out on pages III to X which comprises, which comprises the Key School Information and Management , Summary Report of School Performance and the Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

**Conclusion**

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

**Basis for Conclusion**

**1. Late Submission of Financial Statements for Audit**

Management submitted the financial statements to the Auditor-General on 2 March, 2026 instead of 30 September, 2023. This was contrary to Section 47(1) of the Public Audit Act, 2015 which required that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

**2. Non-compliance with the Public Sector Accounting Standards Board Reporting Template**

The annual report and financial statements prepared did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

i. The statement of budget and actual amounts did not disclose the total budgeted and actuals income and expenditure as required.

ii. Comparative figures have not been filled on pending payables analysis page

iii. Other disclosures including biological Assets and Stock/Inventory have not been completed.

iv. The Summary of Fixed Assets Register (Annex 2) has not been populated despite the school having various fixed assets.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board Reporting Framework.

**3. Lack of an Approved Budget**

The statement of receipts and payments for the year ended 30 June, 2023 reflects actual income of Kshs.5,348,724 versus the actual expenditure of Kshs.4,727,869 resulting in a surplus of Kshs.620,855. However, Management failed to provide the approved budget by the Board of Management as required by Section 31 of the Public Finance Management Act, 2012 which requires the accounting officer to prepare budget estimates in conformity with the act and regulations. Further, Section 2.1.2 of the Basic Education Act outlines the roles of the board of management in policy implementation. Part (a) states that the Board of Management's role is to facilitate the management and implementation of approved programs and projects. In addition, part b is to discuss and approve the school budget and ensure its implementation.

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

**4. Lack of an Approved Annual Procurement Plan**

The School did not prepare, approve, or maintain an Annual Procurement Plan for the financial year under review. This was in contravention of Regulation 41 of the Public

Procurement and Asset Disposal Regulations, 2020, which mandates that all procurement requirements be planned and consolidated into an annual document to guide the entity's acquisition of goods, works, and services.

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

### 5. Failure or Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.2,178,671 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.689,000 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.438,000 was transferred to infrastructure account, leaving a balance of Kshs.251,000 as at 30 June, 2023. Further, an amount of Kshs.184,000 was transferred on 25/10/2022, an amount of Kshs.184,000 was transferred on 25/20/2022 and an amount of Kshs.70,000 was transferred on 25/07/2023 which was after ninety-one (91) twenty-one (21) and thirty-three (33) days of receipt respectively. This was 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 guidelines.

### 6. Irregular Parental Contributions and Non-Compliant Infrastructure Development

The statement of receipts and payments reflects payments under the School and Boarding fund of Kshs.2,216,706 as disclosed under Note 9. However, the following anomalies were noted:

i. Parents contributed an amount of Kshs.530,350 for construction of dormitories out of which Kshs.355,120 was not supported by payment vouchers and other supporting documents.

ii. The project was funded through mandatory parental contributions without the requisite approval from the Ministry of Education (MoE).

iii. The project was executed without approvals from the National Construction Authority (NCA) and the Ministry of Public Works. The approved Bills of Quantities (BQs) or professional architectural designs. (Note: While PV No. 60 shows a payment for "BQ preparation," no approved BQ was produced for audit. Therefore adherence to the MoE Standard safety specifications for school infrastructure could not be confirmed.

iv. Bed spacing was less than the required 1.2 meters, and the corridor was narrower than the mandatory 2 meters.

v. The girls' sanitation area is exposed to the public road, compromising the students' dignity and privacy. Latrines are located far from the dormitories near a porous perimeter exposing students to external security threats. The expenditure was settled through direct cash withdrawals and payments, and there was no evidence of competitive procurement or engagement of qualified contractors.

In the circumstances, the value for money, and propriety of the School and Boarding Fund expenditure amounting to Kshs.530,350 could not be confirmed.

**7. Irregular Payment to Kenya Secondary Schools Heads Association**

The statement of receipts and payments for the year ended 30 June, 2023 reflects total operational expenditure amounting to Kshs.1,715,303 out of which Kshs.130,000 was transferred to the Kenya Secondary Schools Heads Association and cash withdrawals of Kshs.160,208 as contribution to Tharaka North JA Secondary. The total amount of Kshs.290,208 was contribution to the Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money on funds transferred to KESSHA amounting to Kshs.290,208 could not be confirmed.

**8. Direct Procurement of Foodstuff and Industrial Goods**

Review of payments records revealed that Kshs.928,700 and Kshs.74,945 were made for supply of cereals and industrial goods respectively. However, review of the supporting documents availed for audit disclosed that the payments were not supported by essential procurements documents such as , quotations, records of negotiations, approved local purchase orders, invoices, delivery notes, or inspection and acceptance reports to confirm that the goods were competitively sourced, duly delivered, and verified prior to payment. This was contrary to Section 70(2) of the Public Procurement and Asset Disposal Act, 2025 which requires standard procurement documents to be used in the procurement of goods and services.

In the circumstances, Management was in breach of the law and value for money may not have been achieved on goods procured.

**9. Inaccuracies in Student Enrollment Data**

The statement of receipts and payments reflects Government grants for tuition and capitation grants for operations amount of Kshs.496,533 and Kshs.2,178,671, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, the enrollment used to fund the School varied with the actual enrollment across different terms with the NEMIS enrolment from 184, 183 then 138. The school enrolment varied between 178, 171 then 234. As a result of the variances, the School was under funded by an amount of Kshs.205,228.

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

### 10. Irregularities in Procurement Processes

Review of the School's procurement processes revealed various irregularities contrary to various provisions of the Public Procurement and Asset Disposal Act, 2015 and related Regulations of 2020.The anomalies were as, lack of a functional procurement unit contrary to Section 47(2) of the Act, unstructured procurement processes, weakness in record keeping of procurement records contrary to Section 68 of the Act, absence of a list of pre-qualified suppliers, lack of inspection and acceptance committee

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

### 11. Lack of School Improvement Plan

The school did not have a formal 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 guidelines.

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 Revenue Collection and Banking Controls

Review of the school's revenue management processes established that the institution operates a largely manual school fees collection and banking system, with some fees

received in cash and recorded manually prior to banking. It was noted that part of the revenue collected was expended at source before being banked.
In the circumstances, the weak controls over collection and banking of school funds expose the funds to possible misappropriation and non-remittance to designated accounts.

### 2. Lack of Segregation of Duties

The statement of receipts and payments for the year ended 30 June, 2023 reflects total expenditure amounting to Kshs.4,727,869 of which Kshs.585,266 relates to personnel emoluments. However, a review of the school's operational and financial management structure revealed significant weaknesses in internal controls, particularly in relation to segregation of duties. The school has not employed a bursar or accountant to oversee financial management functions. Instead, the School secretary undertakes all book keeping and accounting responsibilities which include preparation of payment vouchers, collection of school fees and other revenues, receipting, banking of collections, maintenance of accounting records, and participation in financial reporting processes.

In the circumstances, the lack of segregation of duties weakens internal controls and increases the risk of error and misappropriation.

### 3. Lack of a Risk Management Policy

During the year under review, it was noted that the Management had not developed a risk management policy and no formal risk assessments were done during the financial year audited.

In the circumstances, internal controls and exposure to operational and fraud risks could not be confirmed.

### 4. Lack of a Financial Information Processing System

During the year under review, the school's financial information was processed manually hence primary books of account were not adequately maintained. For instance, the school did not maintain a proper general ledger and the ledgers were generated as an analysis of the cashbook.

In the circumstances, lack of proper books of account which may result in errors and incomplete records could not be confirmed.

### 5. Number of Board of Management Meetings Held During the Year

Review of the Board of Management (BOM) minutes revealed that the Board convened only one meeting during the financial year under review. This was contrary to Section 6(1) of the Fourth Schedule to the Basic Education Act 2013, which stipulates that the Board of Management shall meet at least once every four months. This may result in delayed decision-making, inadequate monitoring of internal controls, and potential exposure to financial and administrative irregularities.

In the circumstances, the School will not achieve its strategic objectives and Management was in breach of the law.

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

**Responsibilities of the Management and those Charged with Governance**

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

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

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

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

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

**Auditor-General's Responsibilities for the Audit**

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

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

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

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

**FCPA Nancy Gathungu, CBS**
**AUDITOR-GENERAL**

**Nairobi**

**26 May, 2026**

## Statement Of Receipts and Payments For the Year Ended 30th June 2023

| Description Of Vote Head | Note | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | | Kshs | Kshs |
| **Receipts** | | | |
| Government grants for tuition | 1 | 496,533 | 482,678 |
| Government grants for operations | 2 | 2,178,671 | 2,122,665 |
| Government Grants for infrastructure | 3 | | |
| School fund income- parents' contributions | 4 | 2,673,520 | 2,120,412 |
| Miscellaneous incomes | 5 | | |
| **Total Receipts** | | **5,348,724** | **4,725,755** |
| | | | |
| **Payments** | | | |
| Tuition | 6 | 345,445 | 460,940 |
| Operations | 7 | 1,715,303 | 2,173,310 |
| Infrastructure | 8 | 450,415 | |
| Boarding and school fund | 9 | 2,216,706 | 1,146,411 |
| **Total Payments** | | **4,727,869** | **3,780,661** |
| | | | |
| **Surplus/Deficit** | | **620,855** | **945,094** |
| | | | |

The school financial statements were approved on ___________ 2026 and signed by:

| | | |
|---|---|---|
| .................................. | .................................. | L.K .................................. |
| **Name: Joseph Mutegi** | **Name: David Mwenda** | **Name: Lydia Kathure** |
| **Chair BOM** | **School Principal/ Secretary to BOM** | **Bursar/ Finance Officer** |
| **Date:** 28/4/2026 | **Date:** 28/4/26 | **Date:** 28/04/2026 |

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX 187 MARIMANTI
Date:.........................................

**Statement of Assets and Liabilities As At 30th June 2023**

| Description | Note | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | | Kshs | Kshs |
| **Financial Assets** | | | |
| | | | |
| **Cash and cash equivalents** | | | |
| Bank balances | 10 | 1,261,338 | 700,077 |
| Cash balances | 11 | | |
| Short term investments | 12 | | |
| **Total cash and cash equivalent** | | **1,261,338** | **700,077** |
| | | | |
| Account's receivables | 13 | 1,411,920 | 652,550 |
| | | | |
| **Total financial assets** | | **2,673,258** | **1,352,627** |
| | | | |
| **Financial liabilities** | | | |
| | | | |
| Accounts payables | 14 | 834,976 | 135,200 |
| | | | |
| **Net financial assets** | | **1,838,282** | **1,217,427** |
| | | | |
| **Represented by** | | | |
| | | | |
| **Accumulated fund b/fwd** | 15 | 1,217,427 | 272,333 |
| **Surplus/deficit for the year** | | 620,855 | 945,094.50 |
| | | | |
| **Net financial position** | | **1,838,282** | **1,217,427** |
| | | | |

The school's financial statements were approved on ____________ 2026 and signed by:

| | | |
|---|---|---|
| ................................ | ................................ | LK ................................ |
| **Name: Joseph Mutegi** | **Name: David Mwenda** **School Principal/ Secretary to BOM** | **Name: Lydia Kathure** |
| **Chair BOM** | | **Bursar/ Finance Officer** |
| **Date:** 28/4/2026 | **Date:** 28/4/26 | **Date:** 28/04/2026 |

PRINCIPAL
KARII KAMBURI S...
P. O. BOX 1...

## Statement of Cash Flows for the Year Ended 30th June 2023

| Description | Note | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | | Kshs | Kshs |
| **Cash from Operating Activities** | | | |
| **Receipts** | | | |
| Government grants for tuition | | 496,533 | 482,678 |
| Government grants for operations | | 2,178,671 | 2,122,665 |
| Government grants for infrastructure | | | |
| School fund income- parents contributions/ fees | | 1,778,950 | 1,001,650 |
| Other income | | | |
| **Total receipts** | | **4,454,154** | **3,606,993** |
| **Payments** | | | |
| Cash outflows for tuition | | 345,445 | 460,940 |
| Cash outflows for operations | | 2,165,718 | 2,173,310 |
| Cash outflows Boarding/lunch and school fund payments | | 1,381,730 | 1,011,211 |
| **Total payments** | | **3,892,893** | **3,645,461** |
| **Net cash inflow/outflow from operating activities** | | **561,261** | **(38,467)** |
| | | | |
| **Cash flow from investing activities** | | | |
| Acquisition of assets | | | |
| Proceeds from sale of Assets | | | |
| Proceeds from investments | | | |
| Purchase of investments | | | |
| **Net cash inflow/outflows from investing activities** | | | |
| | | | |
| **Cash flow from Financing activities** | | | |
| Proceeds from borrowings/ loans | 18 | | |
| Repayment of principal borrowings | | | |
| **Net cash inflow/outflow from financing activities** | | | |
| | | | |
| **Net increase/decrease in cash and cash equivalents** | | **561,261** | **(38,467)** |
| Cash and cash equivalent at beginning of the FY | | 700,077 | 738,544 |
| **Cash and cash equivalent at end of the FY** | | **1,261,338** | **700,076** |

The school's financial statements were approved on ____________ 2026 and signed by:

| | | |
|---|---|---|
| ................................ | ................................ | ................................ L. K. |
| **Name: Joseph Mutegi** | **Name: David Mwenda** | **Name: Lydia Kathure** |
| **Chair BOM** | **School Principal/ Secretary to BOM** | **Bursar/ Finance Officer** |
| **Date:** 28/4/2026 | **Date:** 28/4/26 | **Date:** 28/04/2026 |

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O. BOX 14? MA...
Date:..................

## Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

| 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 | | | | | |
| Laboratory Equipment | | | | | |
| Internal Exams | | | | | |
| Teaching / Learning Materials | 350,000 | 350,000 | 329,565 | 20,430 | 94% |
| Exams And Assessment | | | | | |
| | | | | | |
| ***(2) Capitation Grant on Operations*** | | | | | |
| Personnel Emoluments | 650,000 | 650,000 | 585,266.00 | 64,734.00 | 90% |
| Repairs And Maintenance | | | | | |
| Local Transport / Travelling | | | | | |
| Electricity And Water | | | | | |
| Medical | | | | | |
| Administration Costs | | | | | |
| Activity | | | | | |
| 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 | | | | | |
| M&I parents' contribution | | | | | |
| Economic Stimulus Programs | | | | | |
| Transition Infrastructure Grants | | | | | |
| Administration Block | | | | | |
| ***(4) Fees Charged on Parents*** | | | | | |
| Personnel Emoluments | | | | | |
| Repairs And Maintenance | | | | | |
| Local Transport / Travelling | | | | | |
| Electricity And Water | | | | | |
| Medical | | | | | |
| Administration Costs | | | | | |
| Activity | | | | | |
| SMASSE | | | | | |
| Fee On Boarding Equipment and Stores | 3,500,000 | 3,500,000 | 3439,030 | 60,970 | 98% |
| ***5) Miscellenous Income*** | | | | | |
| Loans / Borrowing | | | | | |
| Rent income | | | | | |
| Income From Farming Activities | | | | | |
| 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 | | | | | |
| Fee For Hire of Ground and Equipment | | | | | |
| Interest Income | | | | | |
| Income From Any Other Investment | | | | | |
| **Total Income** | | | | | |
| ***(6) Expenditure For Tuition*** | | | | | |
| Textbooks | | | | | |
| Reference Materials | | | | | |
| Exercise Books | | | | | |
| Laboratory Equipment | | | | | |
| Internal Exams | | | | | |
| Teaching / Learning Materials | | | | | |
| Chalks | | | | | |
| Exams And Assessment | | | | | |
| Teachers Guides | | | | | |
| Administration Costs | | | | | |
| Bank Charges | | | | | |
| | | | | | |
| ***(7) Expenditure For Operations*** | | | | | |
| Personnel Emoluments | | | | | |
| Repairs, Maintenance & Improvements | | | | | |
| Local Transport / Travelling | | | | | |

| 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 |
| Electricity, Water and Conservancy | | | | | |
| Medical | | | | | |
| Administration Costs | | | | | |
| Activity Expenses | | | | | |
| Gratuity | | | | | |
| SMASSE | | | | | |
| | | | | | |
| ***(8) Expenditure For infrastructure*** | | | | | |
| Construction of classrooms | | | | | |
| Construction of LAB | | | | | |
| Construction of DORMS | | | | | |
| Purchase of furniture | | | | | |
| Purchase of equipment | | | | | |
| Purchase of machinery | | | | | |
| ***(9) Expenditure For school fund/lunch/boarding*** | | | | | |
| Personnel Emoluments | | | | | |
| Repairs, Maintenance and Improvements | 50,000 | 50,000 | 37,590 | 12,410 | 75% |
| Local Transport / Travelling | 100,000 | 100,000 | 83,280 | 17,720 | 82% |
| Electricity, Water and Conservancy | 30,000 | 30,000 | 23,640 | 6,360 | 79% |
| Medical Expenses | | | | | |

| 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 |
| Administration Costs | 500,000 | 500,000 | 429,922 | 70,078 | 86% |
| Activity | 700,000 | 700,000 | 566,735 | 133,265 | 81% |
| Gratuity | | | | | |
| Lunch Programme | 3,000,000 | 3,000,000 | 2,697,883 | 302,117 | 90% |
| Boarding Equipment and Stores | | | | | |
| Expenditure For Income Generating Activity | | | | | |
| Insurance Costs | | | | | |
| Other Expenses On Investments | | | | | |
| Rent Expenses | | | | | |
| Bank Charges | | | 2,650 | | |
| Loan Interest Repayment | | | | | |
| Loan Principal Repayment | | | | | |
| Acquisition Of Assets | | | | | |
| **Totals** | | | | | |

## Significant Accounting Policies

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs, and the related cash has actually been paid out by the school. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

## Notes To The Financial Statements

### 1 Government Grants for Tuition

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Reference Materials | | |
| Exercise Books | | |
| Laboratory Equipment | | |
| Internal Exams | | |
| Teaching / Learning Materials | 496,533.00 | 482,678.00 |
| Others *(specify)** | | |
| **Total** | **496,533.00** | **482,678.00** |

### 2 Government Grants for Operations

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Personnel Emoluments | | |
| Repairs And Maintenance | | |
| Local Transport / Travelling | | |
| Electricity And Water | | |
| Medical | | |
| Administration Costs | 2,178,671.45 | 2,122,665.50 |
| Activity | | |
| Other Vote Heads (specify)* | | |
| **Total** | **2,178,671.45** | **2,122,665.50** |

### 3 Government Grants for infrastructure

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Maintenance & Improvement | | |
| Transition infrastructure grants | | |
| Administration Block | | |
| Economic stimulus grants | | |
| Other *(specify)(NGCDF and County govt.* | | |

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| **Total** | | |

**4 School Fund Income - Parents Contribution/Fees**

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Personnel emoluments | | |
| Repairs and maintenance | | |
| Local transport / travelling | | |
| Electricity and water | | |
| Medical | | |
| Administration costs | | |
| Activity | | |
| Fee on Boarding Equipment and stores | 2,673,520.00 | 2,120,412.00 |
| PA Levies* | | |
| Others (specify) | | |
| **Total** | **2,673,520.00** | **2,120,412.00** |

**5 Miscellaneous Incomes**

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Rent Income | | |
| Income From Farming Activities | | |
| Insurance Compensation | | |
| Income From Posho Mill | | |
| Income From Bus Hire | | |
| Fee For Hire of Ground and Equipment | | |
| Income From Grants and Donations* | | |
| Interest Income | | |
| Dividends Income | | |
| Loans/Borrowings* | | |
| Other Income *(specify)** | | |
| **Total** | | |

## 6 Tuition

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Exercise Books | | |
| Textbooks | | |
| Reference materials | | |
| Laboratory Equipment | | |
| Teaching / Learning Materials | 345,445.00 | 460,940 |
| Exams And Assessment | | |
| Teachers Guides | | |
| Bank Charges | | |
| Others *(specify)* | | |
| **Total** | **345,445.00** | **460,940** |

## 7 Operations

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Personnel Emoluments | | |
| Service Gratuity | | |
| Administration Cost | 1,715,303.00 | 2,173,310 |
| Repairs And Maintenance & Improvements | | |
| Local Transport / Travelling | | |
| Electricity And Water | | |
| Medical | | |
| Activity Expenses | | |
| Insurance Cost | | |
| Others (specify) | | |
| **Total** | **1,715,303.00** | **2,173,310** |

## Notes to the Financial Statements (continued)

### 8 Infrastructure

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Construction of classrooms | | |
| Construction of laboratory | | |
| Construction of dormitory | | |
| Purchase of furniture | | |
| Purchase of equipment | | |
| Purchase of apparatus | | |
| Drilling of boreholes | | |
| Others (specify) | 450,415.00 | |
| **Total** | **450,415.00** | |

### 9 Boarding And School Fund

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Personnel Emoluments | | |
| Service Gratuity | | |
| Repairs And Maintenance & Improvements | | |
| Local Transport / Travelling | | |
| Electricity And Water | | |
| Medical Expenses | | |
| Administration Costs | | |
| Lunch Programme | | |
| Bank Charges | | |
| Expenses On Income Generating Activities** | | |
| Fee On Boarding Equipment and Stores | 2,216,706.00 | 1,146,411.00 |
| Rent Expenses | | |
| Insurance Cost (*Life Property*) | | |
| Loan Principal Repayment | | |
| Loan Interest Repayment | | |
| Acquisition Of Assets | | |
| PA expenses | | |
| Others (specify) | | |
| **Total** | **2,216,706.00** | **1,146,411.00** |

## Notes to the Financial Statements (continued)

### 10 Bank Accounts

| Account Name & Currency | Status | Bank Account Number | 2022-2023 | 2021-2022 |
|---|---|---|---|---|
| | Active/Dormant | | Kshs | Kshs |
| Tuition Account | Active | 01139058215900 | 221,384.65 | 70,296.65 |
| Operations Account | Active | 01139058215901 | 527,196.50 | 431,828.05 |
| School Fund Account/Boarding | Active | 6820900006401 | 511,992.77 | 114,772.77 |
| Savings Account | | | | |
| Parent Association Development Account | | | | |
| Income Generating Activities Account | | | | |
| Infrastructural Account | Active | 01139058215902 | 765.00 | 83,180.00 |
| **Total** | | | **1,261,338.92** | **700,077.47** |

### 11 Cash In Hand

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Notes and Coins | | |
| **Total** | | |

### 12 Short Term Investments

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Cooperative Shares | | |
| Treasury Bills | | |
| Fixed Deposit accounts | | |
| Other Investments | | |
| **Total** | | |

## Notes to the Financial Statements (continued)

### 13 Accounts Receivable

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Fees Arrears | 1,411,920.00 | 652,550.00xxx |
| **Other Non-Fees Receivables** | | |
| Salary Advances (list/schedule attached) | | |
| Imprest (list/schedule attached) | | |
| Rent arrears (list/schedule attached) | | |
| **Total** | **1,411,920.00** | **652,550.00xxx** |

### 13 b Ageing Analysis of Accounts Receivable

| Description | 2022-2023 | | 2021-2022 | |
|---|---|---|---|---|
| | *Kshs* | | *Kshs* | |
| | **Current FY** | **% of the total** | **Comparative FY** | **% of the total** |
| Less than 1 year | 759,370 | 53.78% | 515,100 | 78.94% |
| Between 1- 2 years | 515,100 | 36.48% | 137,450 | 21.02% |
| Between 2-3 years | 137,450 | 9.73% | | % |
| Over 3 years | | % | | % |
| **Total (should tie to note 13 a)** | **1,411,920.00** | **%** | **652,550.00** | **%** |

### 14 Accounts Payable

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Trade Creditors (See Ageing Below and Appendix 1) | 834,976.00 | 135,200.00xxx |
| Prepaid Fees | | |
| Retention Monies | | |
| Unpaid salaries and statutory deductions | | |
| Caution money | | |
| Other payables *(specify)* | | |
| **Total** | **834,976.00** | **135,200.00xxx** |

## Notes to the Financial Statements (continued)

### 14a. Ageing Analysis of Accounts Payable

| Description | 2022-2023 *Kshs* | | 2021-2022 *Kshs* | |
|---|---|---|---|---|
| | **Current FY** | **% of the total** | **Comparative FY** | **% of the total** |
| Less than 1 year | 282,076.00 | 100 % | 135,200.00 | 100 % |
| Between 1- 2 years | | % | | % |
| Between 2-3 years | | % | | % |
| Over 3 years | | % | | % |
| **Total (should tie to note 14)** | **282,076.00** | **%** | **135,200.00** | **%** |

### 15 Fund Balance Brought Forward

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Bank Balances | 700,077.47 | 738,544.37 |
| Cash Balances | | |
| Short Term Investments | | |
| Receivables | 652,550.00 | 137,450.00 |
| Payables | 135,200.00 | 603,661.00 |
| **Total** | **1,217,427.47** | **272,333.37** |

## 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 | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Bank Loans | | |
| Outstanding Leases | | |
| Hire Purchase | | |
| Gratuity And Leave Provision | | |
| Others (specify) | | |
| **Total** | | |

### 17 Biological assets

| Description | Numbers | 2022-2023 | 2021-2022 |
|---|---|---|---|
| | | Kshs | Kshs |
| Cattle | | | |
| Goats | | | |
| Trees | | | |
| Coffee Or Tea Plantation | | | |
| Poultry | | | |
| Others (specify) | | | |
| **Total** | | | |

### 18 Borrowings

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| Borrowings at beginning of the year | | |
| Borrowings during the year | | |
| Repayments during the year | | |
| **Balance at the end of the year** | | |

## Other important disclosure notes

### 19 Stock/ Inventory

| Description | 2022-2023 | 2021-2022 |
|---|---|---|
| | Kshs | Kshs |
| Food stuffs | | |
| Lab consumables | | |
| Farm produce | | |
| Medication | | |
| Construction Materials | | |
| 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)* |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |

28/4/26

Sign and Date
Principal

PRINCIPAL
KARII KAMBURI SEC SCHOOL
P. O.
Date:...............................

## Annexes

### Annex I - Analysis of Pending Accounts Payable

| Supplier Of Goods Or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance Current FY | Outstanding Balance Comparative FY | Comments |
|---|---|---|---|---|---|---|
| | A | b | C | d=a-c | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| **Construction Of Buildings** | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| **Sub-Total** | | | | | | |
| **Supply Of Goods** | | | | | | |
| 3. Solar Gratia | 154,000 | | 0.00 | 154,000 | | |
| 4. Purity Gatunga Stores | 352,000 | | 0.00 | 352,000 | | |
| 5. Jik Manyanga | 46,900 | | 0.00 | 46,900 | | |
| 6. Dajohn Lab Chemicals | 282,076 | | 0.00 | 282,076 | | |
| **Sub-Total** | | | | | | |
| **Supply Of Services** | | | | | | |
| 7. | | | | | | |
| **Sub-Total** | | | | | | |
| **Grand Total** | | | | | | |

### Annex 2 – Summary of Fixed Assets Register

| Asset Class | Historical Cost b/f (Kshs) 1st July 2022 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30th June 2023 |
|---|---|---|---|---|
| Land | | | | |
| Buildings And Structures | | | | |
| Motor Vehicles | | | | |
| Office Equipment, Furniture And Fittings | | | | |
| Textbooks | | | | |
| ICT Equipment | | | | |
| Tools And Apparatus | | | | |
| Other Machinery And Equipment | | | | |
| Heritage And Cultural Assets | | | | |
| Intangible Assets- Soft Ware | | | | |
| **Total** | | | | |