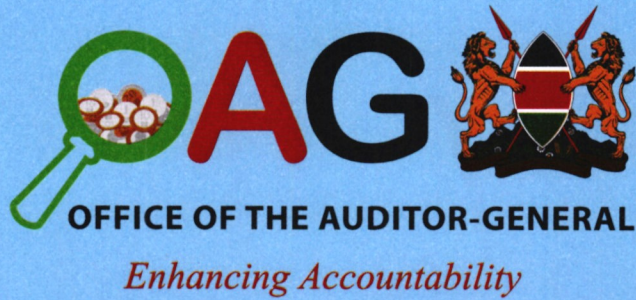


25
REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 07 DEC 2023

OF

Handwritten notes: *Hon Owen Sanyal, CBS MP Deputy majority leader miriam*

THE AUDITOR-GENERAL

ON

KAKONENI GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

KILIFI COUNTY

Revised 30th June 2022.

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

13 JUL 2023

RECEIVED



**KAKONENI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

**KAKONENI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**



**KAKONENI GIRLS SECONDARY SCHOOL
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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 12th October, 2012 as Public boarding school under registration number PU/S/2/6017/12 and it was further re-registered as follows;

On 26th September, 2019 it was also re-registered under registration number 03S3000/0155 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 625 students as at 30th June 2022. It has 4 streams and 33 teachers of which 15 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	Kenneth Mulewa Katana	Chairman	04/07/2019
2	Peninah B.W. Munyi	Secretary- Principal	04/07/2019
3	Cynthia Munanie Manyeti	Member	04/07/2019
4	Taura Masha Mweni	Member	04/07/2019
5	Raphael Kithi Charo	Member	04/07/2019
6	Ziro Kahindi Samuel	Member	04/07/2019
7	Stephen Mulwa Musyoki	Member	04/07/2019
8	William Katana Nyanje	Member – Rep CEB	04/07/2019
9	Jared Ondigo Mayaka	Member Rep Teachers	04/07/2019
10	Rev. Catherine Shukran Kitsao	3 Members - Sponsor	04/07/2019
11	Emmanuel Ngua Mwadenge	Member - Community	04/07/2019
12	Stephen Kenga Karisa	MemberSpecial Needs	04/07/2019

**KAKONENI GIRLS SECONDARY SCHOOL
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Key School Information and Management (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule per 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	Mr. Kenneth M. Kalama	Chairman	1/3
		Mr. Joseph Ngumi	SCDE	
		Md. Peninah Munyi	Secretary/Principal	
		Mr. Emmanuel N. Mwadenge	Member	
		Rev. Catherine N. Musau	Member	
2	Audit Committee	Mr. Stephen Karisa	Chairman	1/3
		Mr. Stephen Musyoki	Member	
		Mr. William Katana	Member	
		Md. Peninah Munyi	Member	
3	Finance, procurement and general purposes Committee	Mr. William Katana	Chairman	1/3
		Mr. Kenneth M. Kalama	Member	
		Mr. Michael Kitsao	Member	
		Md. Peninah Munyi	Member	
4	Academic Committee	Rev. Catherine N. Musau	Chairperson	1/3
		Mr. Samuel Ziro	Member	
		Md. Peninah Munyi	Member	
		Mr. Mayaka Jared	Member	

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Key School Information and Management (Continued)

		Mr. Raphael Kithi	Member	
		Mr. Emmanuel N. Mwadenge	Member	
		Mr. Kenneth M. Kalama	Member	
5	SIC Committee	Rev. Catherine N. Musau	Chairperson	4/4
		Md. Hellen Maluku	Secretary	
		Mr. Kenneth M. Kalama	Member	
		Md. Peninah Munyi	Member	
		Mr. Emmanuel N. Mwadenge	Member	
		Mr. Joseph Ngumu	SCDE	
		Mr. Taura Masha	Member	
6	Discipline and welfare Committee	Rev. Catherine N. Musau	Chairperson	1/3
		Mr. Emmanuel N. Mwadenge	PA chairman	
		Md. Peninah Munyi	Secretary/Principal	
		Mr. Kenneth M. Kalama	BOM Chairperson	
7	Human Rights and Students Welfare	Rev. Catherine N. Musau	Chairperson	1/3
		Mr. Taura Masha	Member	
		Md. Cyntjia Manyeti	Member	
		Mr. Raphael Kithi	Member	
		Mr. Mayaka Jared	Member	

(d) School operation Management

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

Ref:	Designation	Name	TSC/ID Number
1	Principal	Md. Peninah Munyi	351436
2	Deputy Principal	Md. Emily Mukoyani	337259
3	Accounts Clerk	Thomas Kenga Chengo	-
4	Accounts Clerk	Sylvester Safari Yaa	-

Key School Information and Management (Continued)

(e) Schools contacts

Post Office Box: 5903 – 80200 MALINDI
Telephone: 0704 324 835
E-mail: kakonenigirlsmalindi@yahoo.com
Website: -
Facebook: -
Twitter: -

(f) School Bankers

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

1. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1137518405– Main Account**
2. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1104197286 – Operation Account**
3. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1107986834 – Tuition Account**
4. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1213400392 – Infrastructure Account**
5. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1103080911 – PTA Account**
6. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1137518529 – School Bus Account**
7. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Malindi
Account Number: **1103173219- Examination Account**

Key School Information and Management (Continued)

(g) Independent Auditors

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

**KAKONENI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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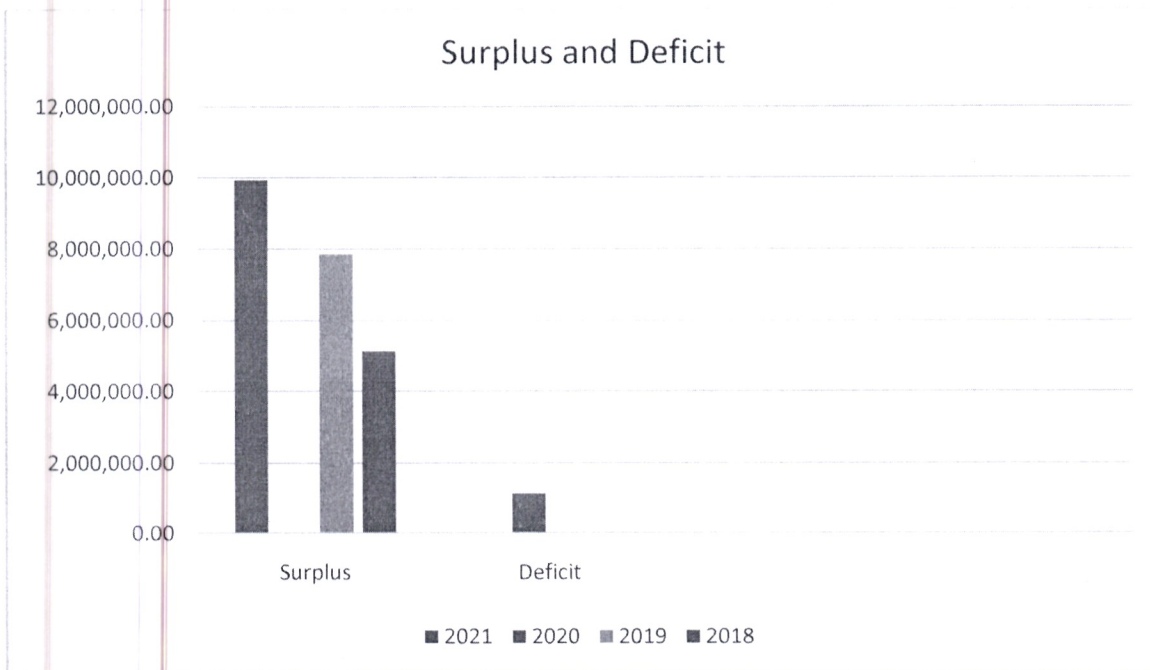
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

Surplus and Deficit for the year ended 30th June 2021 and for the last three years

Particular	As at 30th June, 2022	As at 30th June, 2021	As at 31st December, 2020	As at 31st December, 2019
Surplus	9,933,548.55	-	7,853,879.23	5139,538.41
Deficit	-	1,141,823.05	-	-
Total	9,933,548.55	1,141,823.05	7,853,879.23	5139,538.41

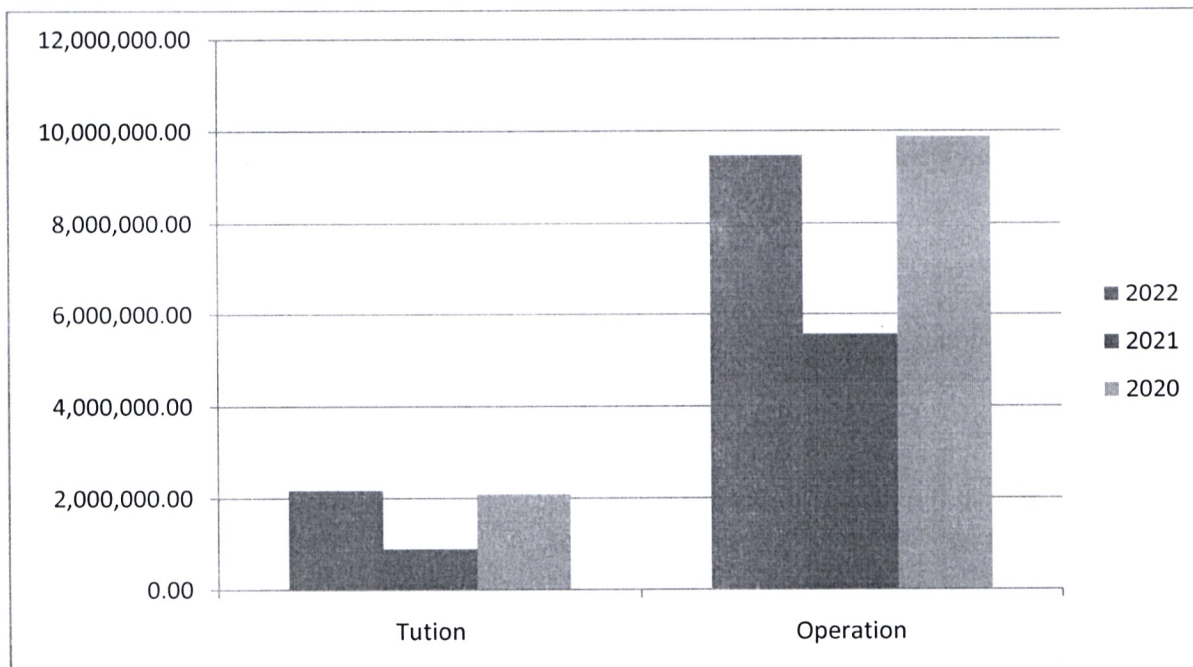


**KAKONENI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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Summary report of performance of the school (continued)

Capitation Grants from the Ministry of Education

Account	2022	2021	2020
Tuition	2,173,977.40	890,782.25	2,088,985.60
Operation	9,467,211.20	5,570,191.10	9,878,496.00
Total	11,641,188.60	6,460,973.35	11,967,481.60



Ratio of Capitation grant per student over the last three years

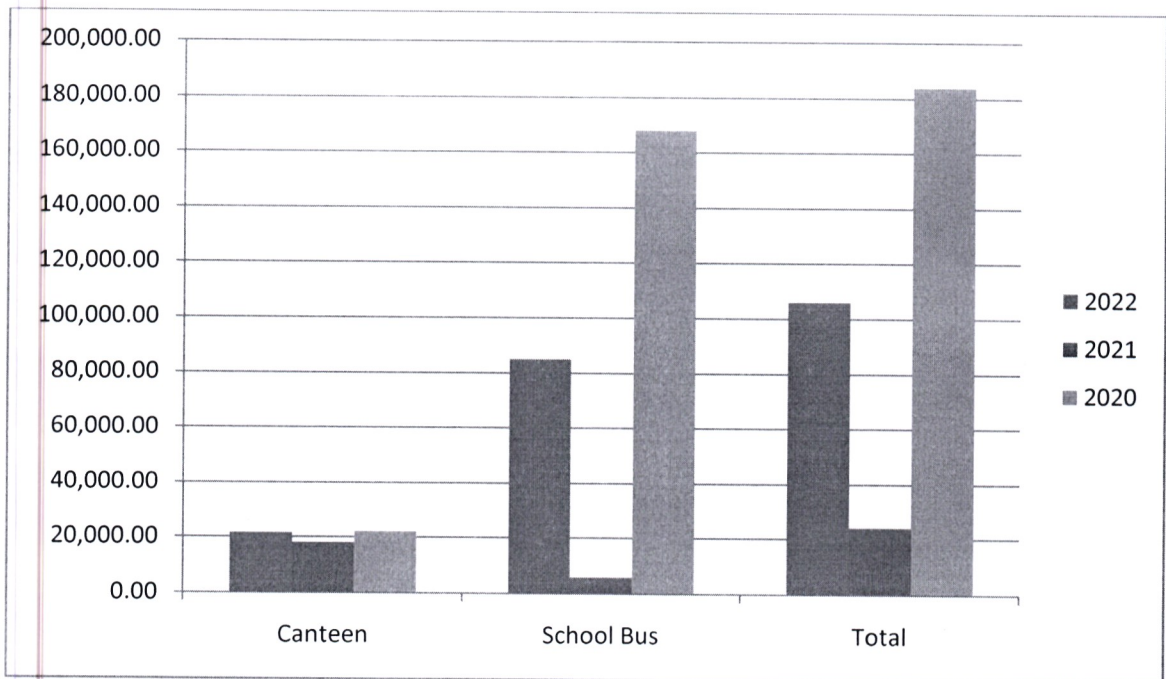
AccountS	2022	2021	2020
Tuition	2,173,977.40	890,782.25	1,177,247.00
Operation	9,467,211.20	5,570,191.10	10,170,375.00
Total Capitation	11,641,188.60	6,460,973.35	11,347,622.00
Enrolment	625	654	608
Ratio	1:18,625.90	1:9,879.16	1:18,663.85

**KAKONENI GIRLS SECONDARY SCHOOL
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Summary report of performance of the school (continued)

A three year overview of growth of other income earned by the school

Year	2022	2021	2020
Canteen	21,500.00	18,030.00	22,000.00
School Bus	85,000.00	6,000.00	168,000.00
Total	106,000.00	24,030.00	184,000.00



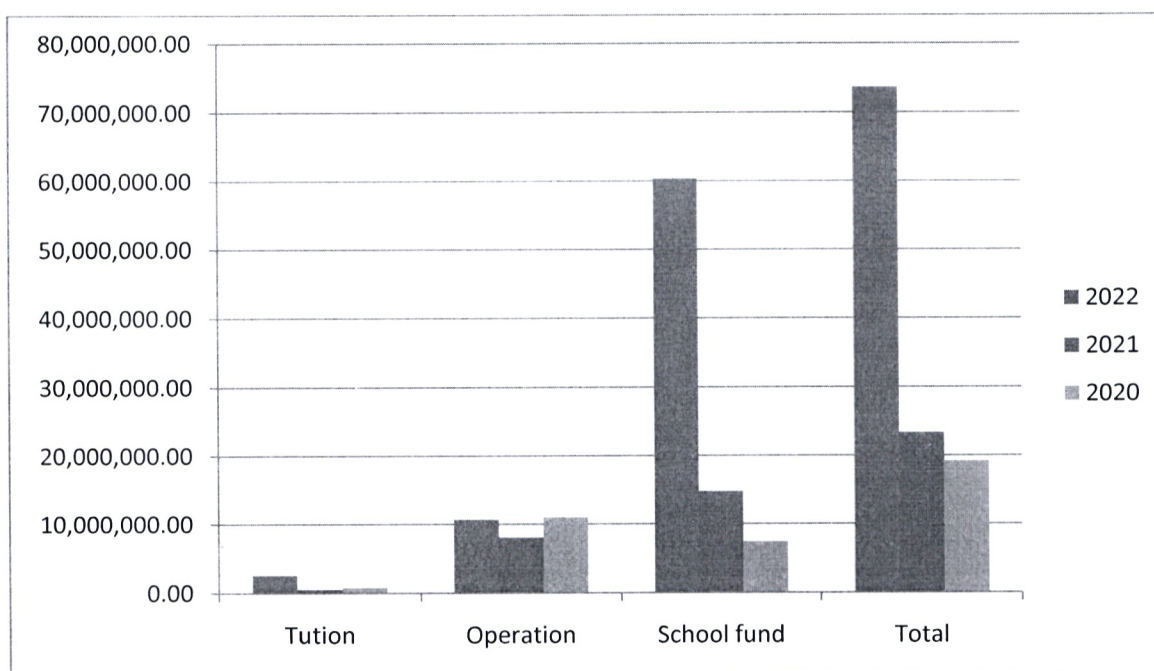
**KAKONENI GIRLS SECONDARY SCHOOL
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Summary report of performance of the school (continued)

A three year overview of growth in expenditure of the school

Year	2022	2021	2020
Tuition	2,598,441.00	559,131.00	809,779.00
Operation	10,677,177.75	8,051,620.00	10,969,148.00
School fund	60,350,059.46	14,773,192.00	7,435,161.00
Total	73,625,678.21	23,383,943.00	19,214,088.00

A three year representation of growth in expenditure of the school

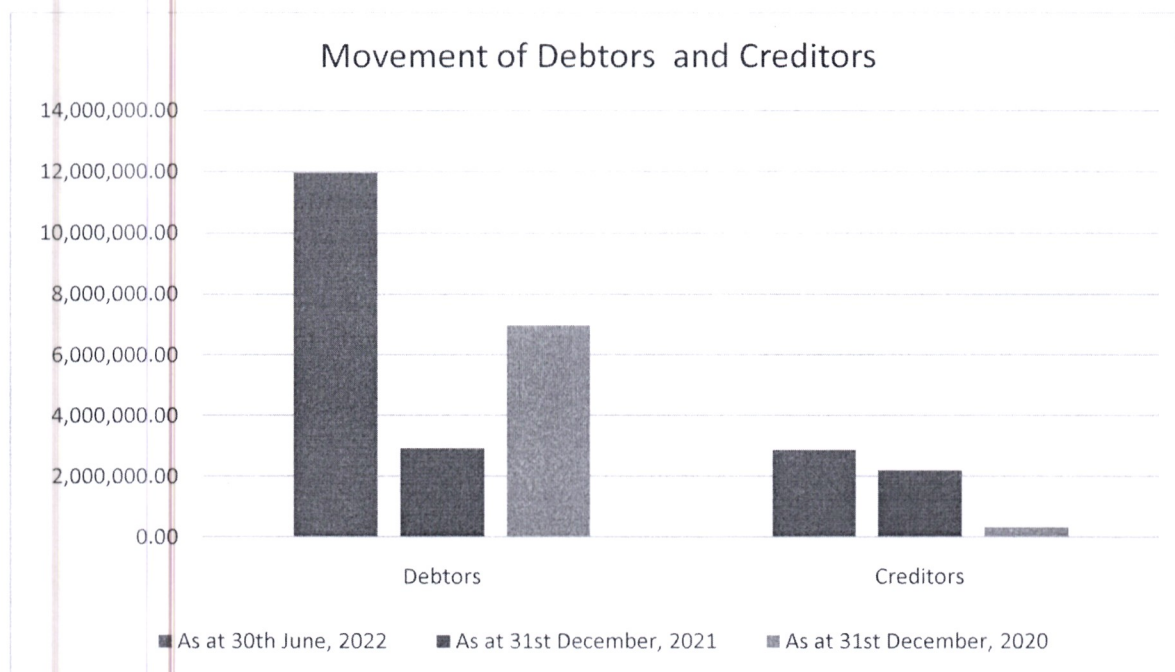


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Summary report of performance of the school (continued)

Movement of Debtors and Creditors of the school over the last three years

	As at 30th June, 2022	As at 31st December, 2021	As at 31st December, 2020
Debtors	11,959,829.00	2,932,560.00	6,975,904.00
Creditors	2,874,743.00	2,211,460.00	334,384.00

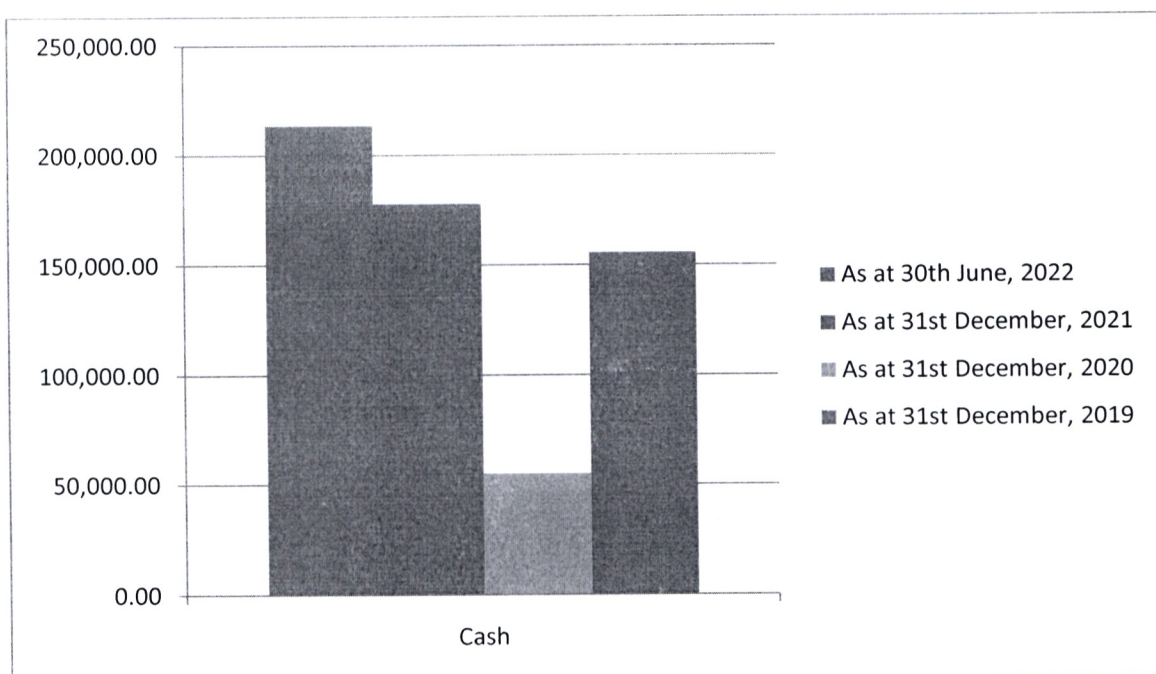


Summary report of performance of the school (continued)

Movement of Cash and Bank balances over the last three years

	As at 30th June, 2022	As at 31st December, 2021	As at 31st December, 2020	As at 31st December, 2019
Cash	213,552.00	178,011.00	54,964.00	155,696.00
Bank	14,773,169.77	13,969,703.25	11,732,661.27	4,579,757.83
Total	14,986,721.77	14,147,714.25	11,787,625.27	4,735,453.83

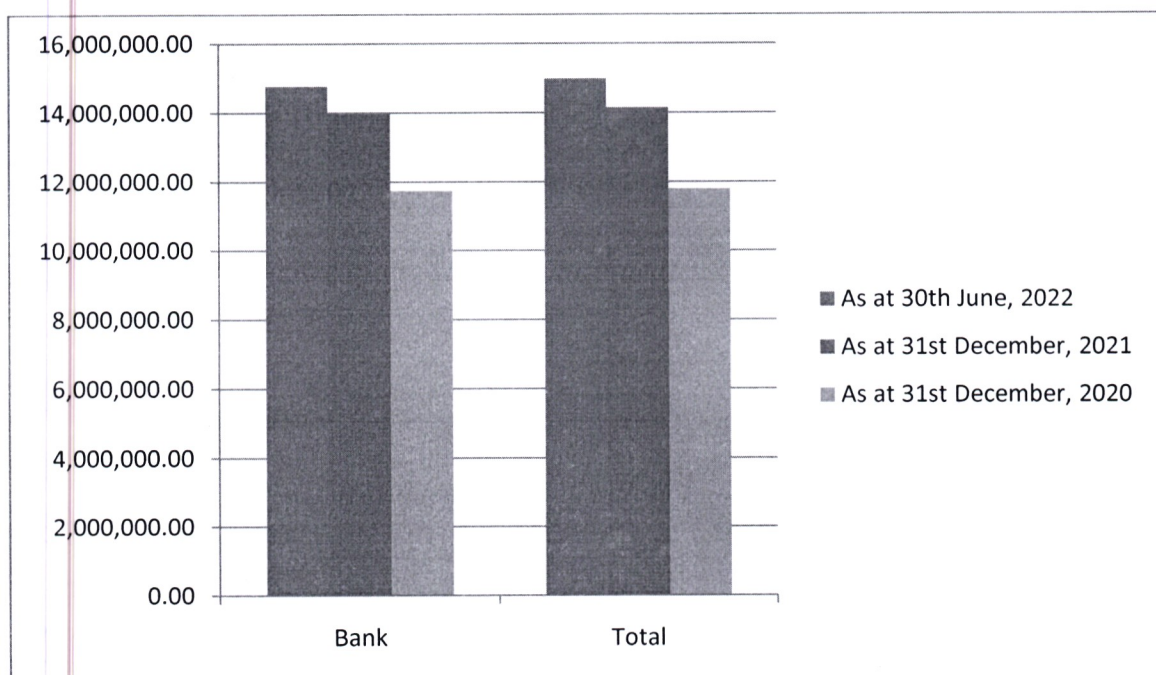
• *Movement of Cash balances over the last three years*



**KAKONENI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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Summary report of performance of the school (continued)

• *Movement of Bank balances over the last three years*



b) **Teacher Student ratio:**

	2022	2021	2020
Students	625	654	608
Teacher (TSC)	19	18	17
Teacher (BOM)	14	14	15
Total	33	32	32
Ratio	1:18	1:20	1:19

**KAKONENI GIRLS SECONDARY SCHOOL
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Summary report of performance of the school (continued)

c) Mean score in the year 2021,2020 and 2019 KCSE:

YEAR	ENTRY	A-	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M.G	M.S	IMP. INDEX
2021	176	0	0	0	2	1	8	17	27	54	42	21	0	D+	4.087	-0.127
2020	105	0	0	0	1	0	3	12	22	32	28	5	0	D+	4.214	+0.259
2019	113	0	0	0	0	2	2	10	16	35	39	8	0	D+	3.955	+0.715

Placement summary		2021	2020		2019		
			%	%	%		
DEGREE	C+ and above	11	6.40	4	3.88	4	3.57
DIPLOMA	C- and C	44	25.58	34	33.01	26	23.22
CRAFT CERTIFICATE	D+ and D	96	55.81	60	58.25	74	66.07
ARTISAN	D- and E	21	12.21	5	4.86	8	7.14

d) Number of Candidates in the year 2021,2020 and 2019 KCSE:

Year	Entry/Candidates
2021	176
2020	105
2019	113

e) Capacity of the school:

S/no.	Description	Quantity
1	Students	625
2	Dormitories	5
3	Dining hall	1
4	Toilets	51
5	Classes	16
6	Laboratories	1
7	Administration block (D/Principal & Principal's office)	1
8	Computer lab	1

**KAKONENI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**


**Annual Report and Financial Statements
For the year ended 30th June 2022**

Summary report of performance of the school (continued)

f) Development project (s) carried out by the school during the year 2022:

S/No.	Projects	Source of Funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected Completion Time
1	64No. Capacity Dormitory	MOE	Complete	3,402,989.20	3,398,183.00	30/6/2021
2	Dining hall	NG-CDF MALIDI	70% Complete	14,800,000.00	10,360,000.00	31/8/2022

Sign


.....

School Principal

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

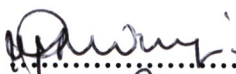
The Board of Management of Kakoneni Girls Sec School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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, 2022, and of the school's financial position as at that date.

For 

Name: *Emmanuel Ngunah*
Designation: Chairman, School Board of Management

Date: *06/07/23*


Name: *Principal*

Designation: School Principal & Secretary to Board of Management

Date: *06/07/2023*


Name: *Deva Danda*

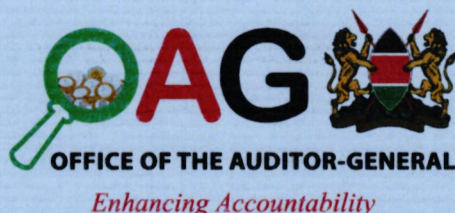
Designation: Accounts clerk

Date: *06/07/2023*



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KAKONENI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KILIFI COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kakoneni Girls Secondary School - Kilifi County set out on pages 20 to 40, which comprise the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution

of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kakoneni Girls Secondary School - Kilifi County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The financial statements presented for audit had the following inaccuracies;

Item	Closing Balance (Kshs.)	Computed Balance (Kshs.)	Difference (Kshs.)
Total Payments	18,500,442	19,043,776	543,334
Accumulated Funds	38,242,845	30,338,966	7,903,879

Further, the statement of financial assets and financial liabilities reflects total cash and cash equivalents balance of Kshs.1,986,722 while casting resulted to a balance of Kshs.14,986,722 resulting to an unexplained variance of Kshs.13,000,000. Similarly, the statement of cash flows reflects cash and cash equivalents at the end of the year balance of Kshs.14,986,721 while casting resulted to a balance of Kshs.16,765,559 resulting to an unexplained variance of Kshs.1,778,838.

In addition, the statement of cash flows reflects the 2020/2021 cash and cash equivalent at end of the year balance of Kshs.14,188,144 while casting revealed an amount of Kshs.15,538,809 resulting to an unexplained variance of Kshs.1,350,665.

2. Discrepancies Between the Financial Statements and Notes

The following variances between the financial statements and the notes to financial statements were noted;

Note	Details	Financial Statements (Kshs.)	Notes (Kshs.)	Variance (Kshs.)
1	Capitation Grants for Tuition	2,123,977	2,250,825	(126,848)
4	School Fund Income – Other Receipts	29,843,725	30,838,720	(994,995)
5	Payments for Tuition	2,561,511	2,598,441	(36,930)
7	Boarding and School Fund Payments	33,394,444	33,320,698	73,747
10	Accounts Receivables	32,989,963	34,630,099	(1,640,136)

Note	Details	Financial Statements (Kshs.)	Notes (Kshs.)	Variance (Kshs.)
11	Accounts Payables	(8,795,994)	4,887,370	(13,683,364)
12	Accumulated Fund	29,247,143	30,653,284	(1,406,142)

Further, schedules or ledgers to support the components reflected in the financial statements were not provided for audit.

In the circumstances, the accuracy and completeness of the balances could not be confirmed.

3. Unsupported Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.32,989,963 being outstanding student debtors. However, detailed schedules to support this amount were not provided for audit. Further, the amounts have been outstanding for more than twelve months and evidence of their recoverability was not provided.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.32,989,963 could not be confirmed.

4. Unsupported Payments

Examination of expenditure records revealed that an amount of Kshs.220,000 was incurred on motivational speaker and Malindi assessment KESSHA. However, the purpose of the payments, approval and criteria used in selecting the motivational speaker were not explained or supported. This was contrary to Regulation 104(1) of the Public Finance Management Regulations, 2015 which states that all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, the accuracy of the payment of Kshs.220,000 could not be confirmed.

5. Unsupported Cash and Cash Equivalentents

The statement of financial assets and financial liabilities reflects a cash and cash equivalentents balances of Kshs.14,986,722 which, as disclosed in Note 8 and Note 9 to the financial statements includes an amount of Kshs.213,552 and Kshs.14,773,170 in respect of cash balance and bank balance, respectively. However, the balances were not supported by Board of Survey reports, cashbooks, bank confirmation certificates and reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalentents balances of Kshs.14,986,722 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects a final budgeted receipt of Kshs.20,321,070 against actual receipts of Kshs.14,613,074 resulting to a revenue shortfall of Kshs.5,707,996 or 28% of the budget. Similarly, the statement reflects final budgeted payments of Kshs.20,656,410 and actual payments of Kshs.9,890,274 resulting to under expenditure of Kshs.10,766,136 or 52% of the budget.

In the circumstances, the under collection of revenue and underperformance on expenditure may have impacted negatively on service delivery.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of an Annual Procurement Plan

During the year under review, the School did not have an approved Procurement Plan. This was contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

2. Unsatisfactory Procurement of Infrastructure Projects

Examination of the expenditure records revealed that the School incurred Kshs.4,585,496 on construction of twin science laboratories. However, the following noncompliance with the Public Procurement and Asset Disposal Act, 2015 were noted:

- i. The School did not have a list of prequalified suppliers.
- ii. The Tender Opening and Evaluation Committees were not appointed formally by Accounting Officer.
- iii. The School did not provide Tender opening minutes.
- iv. Evaluation criteria had not been set in the tender document and there were no evaluation reports and Professional opinion.

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

3. Non-Adherence to Minimum Wage Regulations

Verification of the payroll data revealed that various non-teaching staff were being paid wages below the minimum indicated in the Legal Notice Number Two (2) of 2018 which stipulates the minimum wages that an employee should be paid.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Approved Risk Management Policy

During the year under review, Management had not established a risk management policy. Further, there was no evidence that the School has documented, identified and assessed risks and therefore controls to respond to risks identified have not been developed.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

2. Lack of Approved Business Continuity Plan

Review of the School's internal controls revealed that there was no approved data backup, recovery and business continuity strategy to enable it continue operating in cases of major disruption or system failure.

In the circumstances, the effectiveness of controls on data backup, recovery and business continuity could not be confirmed.

3. Weaknesses in Governance

During the year under review, only two (2) Board of Management meetings were held. This was contrary to the fourth schedule of Basic Education Act, 2013 on conduct of business and affairs of the board of management which requires minimum of three (3) meetings per year. In addition, there was no Board work plan or schedule of activities in the year under review to guide its operations. Further, the finance procurement and general-purpose committee, the academic standards committee and the discipline, ethics and integrity committee have not been established.

In the circumstances, the effectiveness of overall governance could not be confirmed.

4. Incomplete Fixed Assets Register

The fixed assets register provided for audit lacked details such as dates of purchase, the historical costs and the book values of the assets. The register omitted additions and disposals and there was no evidence of depreciating assets.

In the circumstances, the effectiveness of internal controls on fixed assets could not be confirmed.

5. Lack of School Improvement Plan

In the year under review, there was no School Improvement Plan to clearly define the planned improvement, growth and to address development challenges and seize opportunities. This was contrary to provisions of Section 2.2. of the Operation Manual from the Ministry of Education which describes the context of preparation and content of a School Improvement Plan (SIP).

In the circumstances, the effectiveness of internal controls and general growth direction of the School 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 October, 2023

VIII. STATEMENT OF RECEIPTS AND PAYMENT PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2022 Kshs	2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	2,173,977.40	890,783.00
Capitation grants for operations	2	12,991,711.20	5,570,191.30
School Fund Income- Parents' Contributions	3	15,351,395.00	3,442,417.00
School Fund Income- Other receipts	4	29,843,725.00	7,998,562.00
TOTAL RECEIPTS		60,360,808.60	17,901,953.30
PAYMENTS			
Payments for Tuition	5	2,497,836.00	559,131.00
Payments for operations	6	14,421,304.75	6,204,971.00
Boarding and school fund payments	7	33,320,697.50	12,279,674.35
TOTAL PAYMENTS		50,239,838.25	18,500,442.00
SURPLUS/DEFICIT		10,129,970.35	1,141,823.05

The school financial statements were approved 30th June 2021, and signed by:

For *[Signature]*
Sign:

Name: *EMMANUEL N SUWA*

Sign *[Signature]*
Name: *[Signature]*

Sign *[Signature]*
Sign:

Name: *DEVI DANDI*

Chair BOM

Date: *06/07/23*

School Principal/
Secretary to BOM

Date: *06/07/23*

Accounts Clerk

Date: *06/07/2023*



**KAKONENI GIRLS SECONDARY SCHOOL
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IX. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2022 Kshs	2021 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	14,773,169.77	14,010,133.22
Cash Balances	9	213,552.00	178,011.00
Short term Investment	10	-	-
Total Cash and cash equivalent		<u>14,986,721.77</u>	<u>14,188,144.22</u>
Accounts receivables	11	34,630,099.05	20,687,082.05
TOTAL FINANCIAL ASSETS		49,616,820.82	34,875,226.27
FINANCIAL LIABILITIES			
Accounts Payables	12	(4,887,370.00)	(5,628,083.50)
NET FINANCIAL ASSETS		44,729,450.32	29,247,142.77
REPRESENTED BY			
Accumulated Fund b/fwd 1 st July 2022	13	29,247,142.77	38,242,845.05
Surplus/Deficit for the year		10,120,970.35	1,141,823.05
NET FINANCIAL POSSITION		44,729,450.32	29,247,142.77

The School's financial statements were approved on 06 JUL 2023 2021 and signed by:



For *[Signature]*
Sign:

Name: *Esther Njau*

Chair BOM

Date: *06/07/23*

Sign: *[Signature]*
Sign:

Name: *Pemah Njau*

School Principal/
Secretary to BOM

Date: *06/07/2023*

Sign: *[Signature]*
Sign:

Name: *Denis Banda*

Accounts Clerk

Date: *06/07/2022*

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X. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2022	2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	2,173,977.40	890,783.20
Capitation grants for operations	2	9,467,211.20	5,570,191.10
School fund income- Parents contributions/ fees	3	45,990,731.00	18,316,653.00
Total receipts		57,708,767.60	24,777,627.30
Payments			
Payments for Tuition	4	2,497,836.00	559,131.00
Payments for operations	5	10,490,236.75	4,744,231.00
Boarding and school fund payments	6	41,923,593.50	14,773,192.00
Total payments		54,911,666.25	20,076,554.00
Net Cash flow from operating activities		2,797,101.35	4,701,073.30
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts from investing activities			
Maintenance & Improvement funds		3,524,500.00	2,357,500.00
Proceeds from sale of assets		-	-
Proceeds from investments		-	-
Total Receipts		3,524,500.00	2,357,500.00
Payments from investing activities			
Acquisition of Assets (Classroom)		(3,744,187.00)	(3,307,389.00)
Total payments		(3,744,187.00)	(3,307,389.00)
Net cash flow from Investing activities		(219,687.00)	(949,889.00)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from financing activities			
Proceeds from borrowing/loans		-	-
Total receipts		-	-
Payments from financing activities			
Repayment of principal borrowings/loans		-	-
Total payments		-	-
Net cash flow from Investing activities		-	-
Net increase in cash and cash equivalents		2,577,414.35	3,751,184.30
Cash and cash equivalent at beginning of the year		14,188,144.22	11,787,625.27
Cash and cash equivalent at end of the year		14,986,721.77	14,188,144.22

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XI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
RECEIPTS						
(1)						
CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	891,000.00	-	891,000.00	707,904.00	183,096.30	79.45%
Laboratory equipment	671,880.00	-	671,880.00	533,937.00	137,943.00	79.47%
Internal exams	471,240.00	-	471,240.00	374,461.40	96,778.60	79.46%
Teaching / learning materials	355,080.00	-	355,080.00	282,241.00		
Chalks	129,360.00	-	129,360.00	102,722.00	72,839.00	79.49%
Exams and assessment	216,480.00	-	216,480.00	172,712.00	26,638.00	79.41%
Teachers guides	-	-	-	-	43,768.00	79.78 %
					-	-
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	3,027,420.00	-	3,027,420.00	2,859,611.35	167,808.65	94.45%

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Receipt	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a Kshs	b Kshs	c=a+b	d	e=c-d Kshs	f=d/c % Kshs
Repairs and maintenance	3,300,000.00	-	3,300,000.00	3,240,000.00	60,000.00	98.18%
Local transport / travelling	1,074,480.00	-	1,074,480.00	1,111,265.53	(36,78553)	103.42%
Electricity and water	396,000.00	-	396,000.00	400,440.82	(4,440.82)	101.12%
Medical	1,320,000.00	-	1,320,000.00	-	-	-
Administration costs	1,706,100.00	-	1,706,100.00	1,724,093.50	(17,993.30)	101.05%
Activity	990,000.00	-	990,000.00	-	-	-
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	3,300,000.00	-	3,300,000.00	5,191,726.00	(1,891,726.00)	157.32%
Repairs and maintenance	1,320,000.00	-	1,320,000.00	2,249,699.00	(929,699.00)	170.43%
Local transport / travelling	660,000.00	-	660,000.00	1,574,107.00	(914,107.00)	238.50%
Electricity and water	3,234,000.00	-	3,234,000.00	2,765,199.00	468,801.00	85.50%
Medical	-	-	-	-	-	-
Administration costs	1,320,000.00	-	1,320,000.00	3,050,566.00	(1,730,566.00)	231.10%
Activity	165,000.00	-	165,000.00	520,098.00	(355,098.00)	315.21%
SMASSE	-	-	-	-	-	-

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Receipt	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a Kshs	b Kshs	c=a+b	d	e=c-d Kshs	f=d/c % Kshs
Fee on Boarding Equipment and Stores	16,754,100.00	-	16,754,100.00	23,584,593.00	(6,830,493.00)	140.76%
OTHER INCOME						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
TOTAL INCOME	20,321,070.00		20,321,070.00	14,613,074.35	7,446,705.00	
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						

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Receipt	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Exercise books	891,000.00	-	891,000.00	537,600.00	353,400.00	60.33%
Laboratory equipment	671,880.00	-	671,880.00	1853177.00	(1,181,297.00)	275.81%
Internal exams	471,240.00	-	471,240.00	20,000.00	451,240.00	4.24%
Teaching / learning materials	355,080.00	-	355,080.00	69,527.00		
Chalks	129,360.00	-	129,360.00	74,568.00	285,553.00	19.58%
Exams and assessment	216,480.00	-	216,480.00	0.00	54,792.00	57.64%
Teachers guides	-	-	-	-	-	0.00%
Administration costs	-	-	-	-	-	-
Bank Charges	2,427.00	-	2,427.00	-	-	-
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	3,027,420.00	-	3,027,420.00	2,604,486.00	422,934.00	86.02
Repairs, maintenance & improvements	3,300,000.00	-	3,300,000.00	-	3,300,000.00	-
Local transport / travelling	1,074,480.00	-	1,074,480.00	251,720.00	822,760.00	23.43%
Electricity, water and conservancy	396,000.00	-	396,000.00	580,166.00	(186,166.00)	146.51%

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Receipt	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a Kshs	b Kshs	c=a+b	d	e=c-d Kshs	f=d/c % Kshs
Medical	1,320,000.00	-	1,320,000.00	-	1,320,000.00	-
Bank Charges	.00	-	2,913.00	5,095.00	-	-
Administration costs	1,706,100.00	-	1,706,100.00	2,745,231.00	(1,039,131.75)	160.91%
Activity Expenses	900,000.00	-	900,000.00	-	90,000.00	-
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,300,000.00	-	3,300,000.00	1,660,994.00	1,639,006.00	50.33%
Repairs, maintenance and improvements	1,320,000.00	-	1,320,000.00	384,655.00	935,345.00	29.14%
Local transport / travelling	660,000.00	-	660,000.00	1,007,290.00	347,290.00	152.62%
Electricity, water and conservancy	3,234,000.00	-	3,234,000.00	424,210.00	2,809,790.00	13.12%
Medical Expenses	-	-	-	-	-	-
Administration costs	1,320,000.00	-	1,320,000.00	3,338,105.00	(2,108,105.00)	252.88%
Activity	165,000.00	-	165,000.00	493,500	(328,500)-	299,.01%
Boarding Equipment and Stores	16,754,100.00	-	16,754,100.00	16,002,532.00	751,567.00	95%
Bank Charges	-	-	-	42,225.00	-	-

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TOTALS	20,656,410.00	20,656,410.00	9,890,274.00	10,542,301.00	-
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The percentage of capitation was below 90% for the following vote heads i.e. exercise books, Lab equipments, Internal exams, Teaching and learning materials, Chalk, Exams and assessment, Personal emoluments, Repair and maintenance, Local transport and travelling, Electricity, water and conservancy, Administration costs, Activity Boarding equipments and stores. Because the amount received was below the number of student who were in the Nemis.

For the expenditure side, the percentage of utilization was below 90% for the following vote heads i.e. exercise books, Lab equipments, Teaching and learning materials, Exams and assessment, Personal emoluments, Repair and maintenance, Local transport and travelling, , Electricity, water and conservancy, Boarding equipments and stores. Because we received less amount than what we had budget for.

The percentage of capitation was above 100% for the following vote heads i.e. Repair and maintenance, Local transport and travelling, Electricity, water and conservancy, Administration costs. Because the amount received was less than budgeted amount.

For the expenditure side, the percentage of utilization was above 100% for the following vote heads i.e. Electricity, water and conservancy and Administration costs. Because the amount received was less than budgeted amount.

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprestor AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

XII. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION GRANT FOR TUITION

	2022	2021
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	707,904.00	289,253.00
Laboratory equipment	533,937.00	218,553.00
Internal exams	374,461.40	153,196.00
Teaching / learning materials	282,241.00	115,701.00
Chalks	102,722.00	41,782.00
Reference	172,712.00	72,298.00
Total	2,173,977.40	890,783.00

2. CAPITATION GRANT FOR OPERATIONS

	2022	2021
	Kshs	Kshs
Personnel emoluments	2,859,611.35	1,085,551.90
Repairs and maintenance	3,240,000.00	284,499.70
Local transport / travelling	1,111,265.53	672,477.60
Electricity and water	400,440.82	220,782.70
Medical	131,800.00	-
Administration costs	1,724,093.50	949,379.40
Activity	-	-
Acquisition Of Assets	3,524,500.00	2,357,500.00
Total	12,991,711.20	5,570,191.30

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2022	2021
	Kshs	Kshs
Personnel emoluments	5,191,726.00	1,279,704.00
Repairs and maintenance	2,249,699.00	515,158.00
Local transport / travelling	1,154,107.00	256,176.00
Electricity and water	2,765,199.00	814,326.00
Income from Bus Hire	-	-
Administration costs	3,050,566.00	512,903.00
Activity	520,098.00	64,150.00
Total	15,351,395.00	3,442,417.00

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Notes To The Financial Statements (Continued)

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Fee on Boarding Equipment and stores	23,584,593.00	6,190,908.00
Income from farming activities	-	-
Insurance compensation	-	-
Rent income	21,500.00	2,500.00
Income from Posho mill	-	-
B.O.M Teachers	6,086,429.00	1,648,737.00
Canteen sales	-	10,650.00
Tender	85,000.00	-
Imprest	10,000.00	-
Rd Cheques	30,000.00	-
School students ID	66,203.00	145,767.00
Total	29,843,725.00	7,998,562.00

(Include an explanation on the kind and source of grants/ donations received by the school.)

5. PAYMENTS FOR TUITION

Textbooks and reference materials	-	-
Exercise books	537,600.00	300,000.00
Laboratory equipment	1,752,572.00	159,708.00
Internal exams	20,000.00	-
Teaching / learning materials	69,527.00	92,636.00
Chalks	74,568	-
Exams and assessment	-	4,360.00
Maintenances & Improvement	36,930.00	-
Bank Charges	6,639.00	2,427.00
Total	2,497,836.00	559,131.00

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Notes To The Financial Statements (Continued)

6. PAYMENTS FOR OPERATIONS

	2022	2021
	Kshs	Kshs
Personnel emoluments	2,604,486.00	741,860.00
Administration Cost	2,745,231.00	1,498,643.00
Repairs and maintenance & improvements	3,524,500.00	25,310.00
Local transport / travelling	251,720.00	203,300.00
Electricity and water	580,166.00	239,873.00
Other Expenses	965,919.00	185,683.00
Activity Expenses	-	-
Insurance Cost	-	-
Bank Charges	5,095.00	2,913.00
Acquisition of Assets	3,744,187.00	3,307,389.00
TOTAL	14,421,304.75	6,204,971.00

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7. BOARDING AND SCHOOL FUND PAYMENTS

	2022	2021
	Kshs	Kshs
Personnel emoluments	1,660,994.00	1,314,420.00
School bus	-	710,080.00
Repairs and maintenance & Improvements	384,655.00	6,850.00
Local transport / travelling	1,007,290.00	178,220.00
Electricity and water	424,210.00	242,133.00
Other Expenses	352,004	863,866.35
Transfer to Gratuity Account	1,249,308.00	
Administration costs	3,338,105.00	1,332,042.00
B.O.M Teachers	3,735,582.00	1,762,952.00
Bank Charges	47,311.00	42,225.00
Tender	36,000.00	4,000.00
Fees on Boarding Equipment and Stores	16,002,532.50	5,604,886.00
Staff house	2,182,768.00	218,000.00
Activity	493,500.00	-
School students ID	150,700.00	
School fence	1,853,600.00	
Insurance for school Bus	53,753.00	
Staff toilets	143,150.00	
RD Cheque	30,000.00	
Refunds	67,235.00	
ICT Levy	108,000.00	
TOTAL	33,320,697.50	12,279,674.35

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8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2022	2021
		Kshs	Kshs
Tuition Account	1107986834	64,441.19	388,299.79
Operations Account	1104197286	655,917.63	1,677,933.18
School Fund Account/Boarding	1137518405	10,312,603.79	8,075,455.29
Exam Account	1103173219	1,737.55	1,737.55
Parent Association Development Account	1103080911	3,168.60	3,039.40
School Bus account	1137518529	123,749.97	40,429.97
Infrastructural Account	1213400392	3,611,551.04	3,823,238.04
Total		14,773,169.77	14,010,133.22

9. CASH IN HAND

Description	2022	2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	149.00	1,159.00
School Fund account	213,403.00	176,852.00
Total	213,552.00	178,011.00

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Notes To The Financial Statements (Continued)

10. ACCOUNTSRECEIVABLE

Description	2022	2021
	Kshs	Kshs
Fees arrears	34,630,099.05	20,687,082.05
Other non-fees receivables	00	00
Salary advances	00	00
Imprest	00	00
Total	34,630,099.05	20,687,082.05

Description	2022	2021
	Kshs	Kshs
Fees arrears for current year	11,959,829.00	2,932,560.00
Fees arrears for the previous year	2,932,560.00	6,975,904.00
Fees arrears for prior periods (over two years)	22,357,218.05	15,381,314.05
Less fees recovered	(2,619,508.00)	(4,602,696.00)
Total	34,630,099.05	20,687,082.05

11. ACCOUNTS PAYABLE

Description	2022	2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,586,228.00	2,750,293.00
Prepaid fees	1,213,219.00	1,361,832.00
Retention monies	-	36,930
NSSF	65,058.00	60,738.00
NHIF	19,500.00	18,300.00
PAYE	1,863.00	1,246.00
HELB	1,502.00	3,538.00
Total	4,887,370.00	4,232,877.00

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Description	2022	2021
	Kshs	Kshs
Trade creditors for current year	2,874,743.00	2,211,460.00
Trade creditors for the previous year	2,211,460.00	334,384.00
Trade creditors for prior periods (over two years)	870,217.00	535,833.00
Less creditors paid	(2,370,192.00)	(331,384.00)

12. FUND BALANCE BROUGHT FORWARD

Description	2022	2021
	Kshs	Kshs
Bank balances	14,021,068.22	14,010,133.22
Cash balances	178,011.00	178,011.00
Short Term Investments	-	-
Receivables	34,630,099.05	20,687,082.05
Payables	(4,232,877.00)	(5,628,083.50)
Total	44,794,450.32	29,247,142.77

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Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities

13. Stock/ Inventory

Description	2022	2021
	KShs	KShs
a) Inventory		
Stock/ inventory at beginning of the year	60,000.00	48,000.00
Stock/ inventory purchased during the year	10,940,000.00	5,150,000.00
Stock/ inventory issued during the year	10,875,200.00	5,090,000.00
Balance at end of the year	124,800.00	60,000.00

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1. Progress on Follow up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MOE/DSAS/S1/125	1.Sundry Creditors –KSH 1,419,372.00	All sundry creditors has been paid and there was a decrease in the sundry creditors compared to year 2019.	Resolved	N/A
MOE/DSAS/S1/125	2.Sundry Debtors- KSH.22,357,218.05	These comprise outstanding fees from previous years. Measures agreed upon in regard to recovery of this debt included; parents association, class representative and class teachers were sensitised on their role of encouraging parents to pay school fees at the right time, fees payment in kind is welcomed especially firewood and a school policy of 50:30:20 ratio of fees payment was shared with the parents.	In progress and continuing	Parents to clear fees before learners graduate to the next level(end of academic year clearance of fees)

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MOE/DSAS/S1/125	3.Funded Accounts- 2,266,870.50	Funded accounts were no more active since there objective had been met. i.e. PTA/Development fund was for collecting funds for the purchase of school bus and caution money is not charged anymore as per MOE guideline hence BOM requested for the closing these accounts.	Resolved	N/A
MOE/DSAS/S1/125	4.Income And Expenditure Accounts – Operation account had a deficit – ksh.263,636.00	MOE Guideline to be strictly followed especially on the funded account i.e. tuition and operation accounts. Make use of the budget to guide on expenditure.	Resolved	N/A

[Handwritten Signature]

26/07/2023

Sign and Date
Principal



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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

S/no.	Supplier of Goods or Services	Original Amount a Kshs	Date Contracted from b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance as at 30/06/2021 d=a-c Kshs	Commer
a	Construction of buildings					
	Infrastructure Account	-	-		-	
b	Supply of goods					
	Operation Account					
1.	Toptext Stationers	107,650.00	1/1/2021	-	107,650.00	
2.	Zinga Enterprises	15,840.00	1/1/2021	-	15,840.00	
3.	Computer for School Kenya	50,000.00	1/1/2021	-	50,000.00	
4.	Bonstech Computers	12,000.00	1/1/2021	-	12,000.00	
5.	Scantech Solutions	41,000.00	1/1/2021	-	41,000.00	
	Sub-Total	226,490.0		-	226,490.0	
	Boarding Account					
6.	Gerald K. Munugu	115,060.00	1/1/2021	-	115,060.00	
7.	HadijaAbdulkadirWeckam	109,300.00	1/1/2021	-	109,300.00	
8.	Amir MakdonaldKazungu	48,000.00	1/1/2021	-	48,000.00	
9.	Mulwa Cereals & Gen stores	658,050.00	1/1/2021	-	658,050.00	
10.	Kwema Stationers & general supplies	152,700.00	1/1/2021	-	152,700.00	
11.	Lenya power & lighting Co. Ltd	49,771.00	1/1/2021	-	49,771.00	
12.	BOM Employees	645,330.00	1/1/2021	-	645,330.00	
	Sub-Total	1,778,211.00			1,778,211.00	
	Supply of services					
13.	Postal corporation of Kenya	7,725.00	1/1/2021	-	7,725.00	
14.	Aficio Kenya Enterprises	118,750.00	1/1/2021	-	118,750.00	
15.	National Social security fund	60,738.00	-	-	60,738.00	

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S/no.	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-Date	Outstanding Balance as at 30/06/2021	Commer
16.	National hospital insurance fund	18,300.00	-	-	18,300.00	
17.	KRA-Income tax	1,246.00	-	-	1,246.00	
	Sub-Total	206,759.00			206,759.00	
	Grand Total	2,211,460.00			2,211,460.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land		Kakoneni	2,400,000.00	-	-	2,400,000.00
Buildings and structures		Kakoneni	38,200,000.00	-	-	38,200,000.00
Motor vehicles -School Bus		Kakoneni	5,800,000.00	-	-	5,800,000.00
Office equipment, furniture and fittings		Kakoneni	13,500,000.00	-	-	13,500,000.00
ICT Equipment, and Other ICT Assets		Kakoneni	1,300,000.00	-	-	1,300,000.00
Tools and apparatus		Kakoneni	1,800,000.00	-	-	1,800,000.00
Textbooks		Kakoneni	8,600,500.00	-	-	8,600,500.00
Other Machinery and Equipment - Generator		Kakoneni	900,000.00	-	-	900,000.00
Heritage and cultural assets			-	-	-	-
Intangible assets- soft ware -Accounts SCHACCS Programme	2017	Kakoneni	200,000.00	-	-	200,000.00
- Zeraki Programme	2021	Kakoneni	96,000.00	-	-	96,000.00

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Total			72,796,500.00			72,796,500.00