

REPUBLIC OF KENYA



Enhancing Accountability



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

ICACIRI SECONDARY SCHOOL

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

KIAMBU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 MAR 2025	DAY: Wednesday
TABLED BY:	Hon. Naomi Wago MP Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	A. Shilaka



ICACIRI SECONDARY SCHOOL.
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021.

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

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Contents

I.	KEY SCHOOL INFORMATION AND MANAGEMENT	iii
II.	SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	vii
III.	STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	xvi
IV.	REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF ICACIRI SECONDARY SCHOOL FOR THE YEAR ENDING 30 TH JUNE 2021	xvii
V.	STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2021.....	1
	STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2021	2
VI.	STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2021.....	3
VII.	STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021.....	4
VIII.	SIGNIFICANT ACCOUNTING POLICIES	9
IX.	NOTES TO THE FINANCIAL STATEMENTS.....	11

ICACIRI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021.

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 KIAMBU County, GATUNDU SOUTH Sub-County.

The school was registered in 21/4/1983 under registration number H/A/418/83 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a boarding school and has 470 number of students as at 30th June 2021. It has 2 streams and 19 teachers of which 3 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	DR .DAVID MUTURI	Chairperson/sponsor	16/05/2019
2	MARY KINUTHIA	Secretary- Principal	13/02/2019
3	DAVID MWIHIA	Member	16/05/2019
4	FRANCIS KARUGU	Member	16/05/2019
5	MARY WARIGIA	Member	16/05/2019
6	GEORGE KIBIRU	Member	16/05/2019
7	DR WAIRIMU MUOHI	Member	16/05/2019
8	BONFACE NGANGA	Member – Rep CEB	16/05/2019
9	ISAAC GICHUNA	Member Rep Teachers	16/05/2019
10	JOSEPH KARUGO	Sponsor	16/05/2019
11	RUTH KAMAU	sponsor	16/05/2019
12	ELIZABETH GITAU	Member Special Needs	16/05/2019
13	HANNAH NJERI	Rep Students	16/05/2019

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	DAVID MWIHIA GEORGE KIBIRU DR ESTHER MARIMA DAVID MWANIKI MARY KINUTHIA	MEMBER MEMBER MEMBER MEMBER PRINCIPAL	2
2	Audit Committee	FRANCIS KARUGU JOSEPH KARUGO CAROLINE MUIBU .DANIEL NGUGI	MEMBER MEMBER MEMBER MEMBER	2

**ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

3	Finance, procurement and general purposes Committee	GEORGE KIBIRU DAVID MWIHIA BONFACE NGANGA RACHAEL WANJIRU	MEMBER MEMBER MEMBER MEMBER	2
4	Academic Committee	DAVID MWANIKI DR RUTH KAMUNYU ELIZABETH GITAU RUTH NJERI	MEMBER MEMBER MEMBER MEMBER	2
5	Development Committee			
6	Discipline and welfare Committee	FRANCIS KARUGU JOSEPH KARUGO CAROLINE MUIBU DANIEL NGUGI	MEMBER MEMBER MEMBER MEMBER	2
7	Adhoc Committee (if any during the year)			-

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	MARY WAITHIRA KINUTHIA	347351
2	Deputy Principal	RUTH WAIRIMU MUTERU	372794
3	School Bursar	DENNIS MBUGUA GICHURU	26436358

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 66-01030
Telephone: 0781409000
E-mail: Icacirisecschool@yahoo.com
Website: -
Facebook:
Twitter:

(f) SchoolBankers

The following school operated 4 number of bank accounts in the following banks

1. Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000002515.
2. Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000017602
3. Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000016724
4. Name of Bank: KCB BANK
Branch: GATUNDU BRANCH
Account Number: 1106754689.

(g) Independent Auditors

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

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

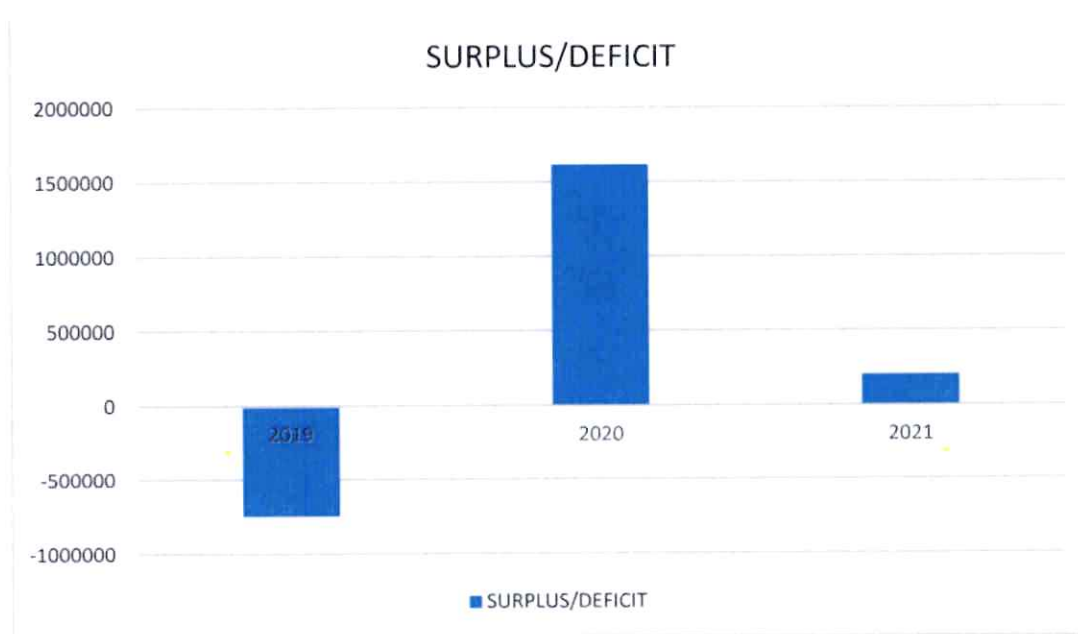
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

1.0 SURPLUS/DEFICIT.

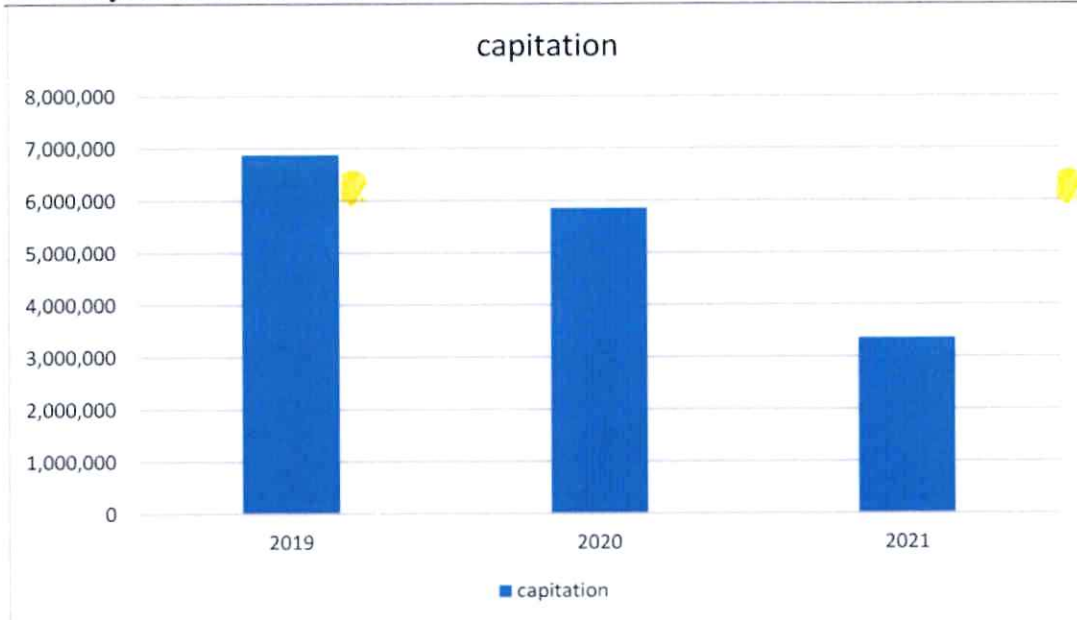
YEAR	2019	2020	2021
<i>Boarding Account</i>	207,022	2,109,874	(61,766)
<i>Operation Account</i>	(308,469)	(673,071)	403,045
<i>Tuition Account</i>	(641,804)	182,013	(132,350)
Total	(743,252)	1,618,816	208,929



1.1 CAPITATION

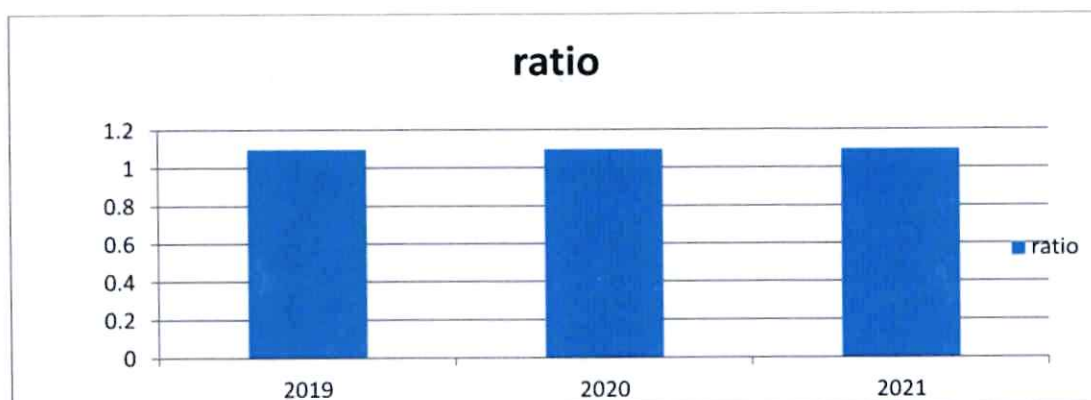
YEAR	2019	2020	2021
<i>OPERATION</i>	5,683,795	5,055,200	2,950,679
<i>TUITION</i>	1,200,081	805,237	412,309
TOTAL	<u>6,883,876</u>	<u>5,860,437</u>	<u>3,362,988</u>

**ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**



1.2 RATIO OF CAPITATION PER STUDENT

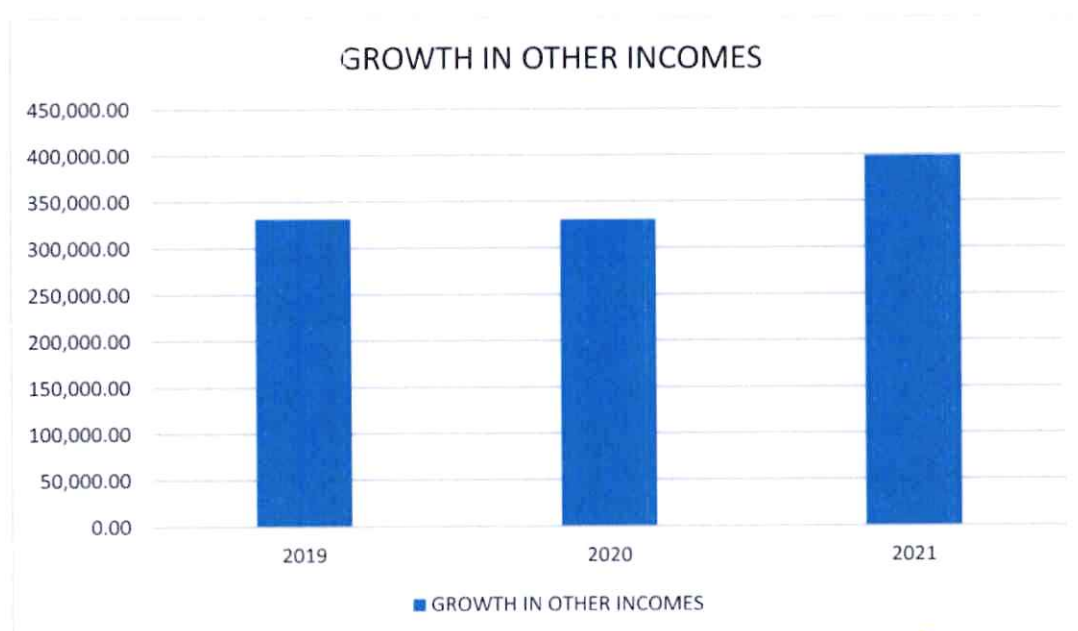
<i>YEAR</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>Capitation received</i>	<i>6,883,875</i>	<i>5,860,437</i>	<i>3,362,988</i>
<i>No. of students</i>	<i>439</i>	<i>432</i>	<i>461</i>
<i>Amount per student</i>	<i>15,681</i>	<i>13,566</i>	<i>7,295</i>
<i>MOEST FUNDS</i>	<i>22,224</i>	<i>22,224</i>	<i>11,112</i>
<i>RATIO</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>



ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

1.3 GROWTH OF OTHER INCOMES IN THE SCHOOL.

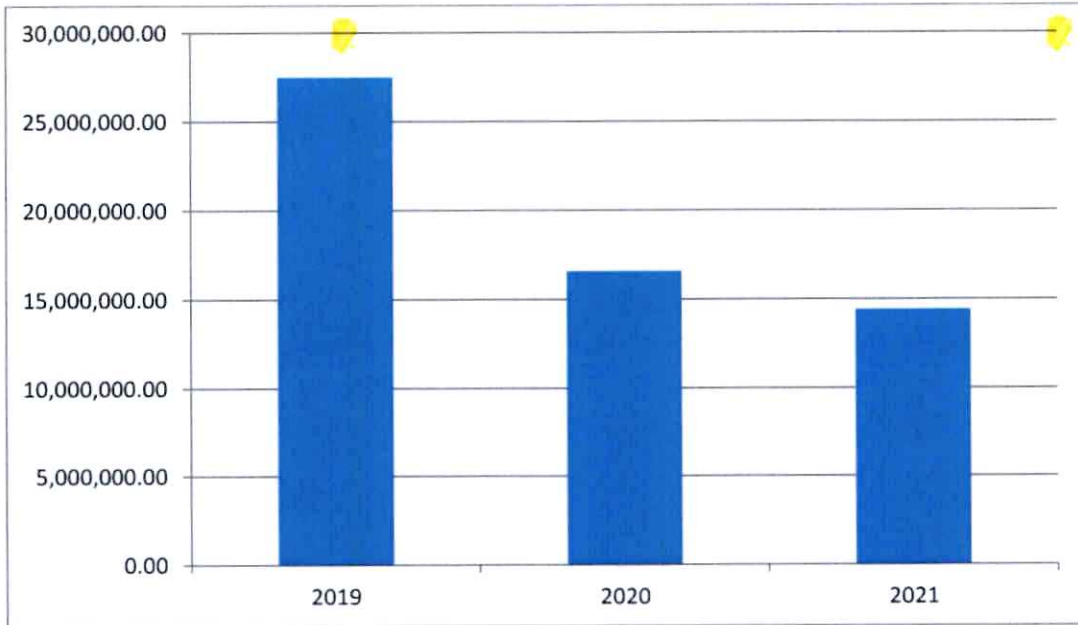
<i>year</i>	2019	2020	2021
<i>farm</i>	318,807	331,035	399,028
<i>tender</i>	13,000	-	-
<i>TOTAL</i>	331,807	331,035	399,028



1.4 GROWTH IN EXPENDITURE.

<i>year</i>	2019	2020	2021
<i>School fund</i>	18,539,362	10,147,850	11,363,627
<i>operation</i>	7,069,065	5,848,271	2,547,634
<i>tuition</i>	1,923,085	623,174	544,659
<i>total</i>	27,531,512	16,619,295	14,455,920

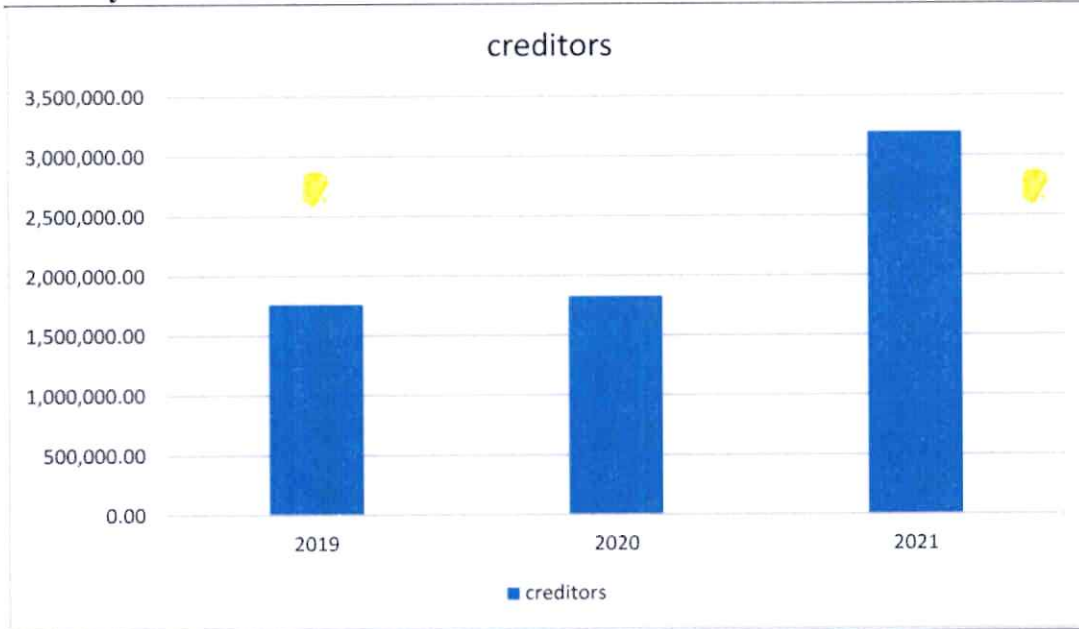
ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021



1.5 MOVEMENT OF CREDITORS

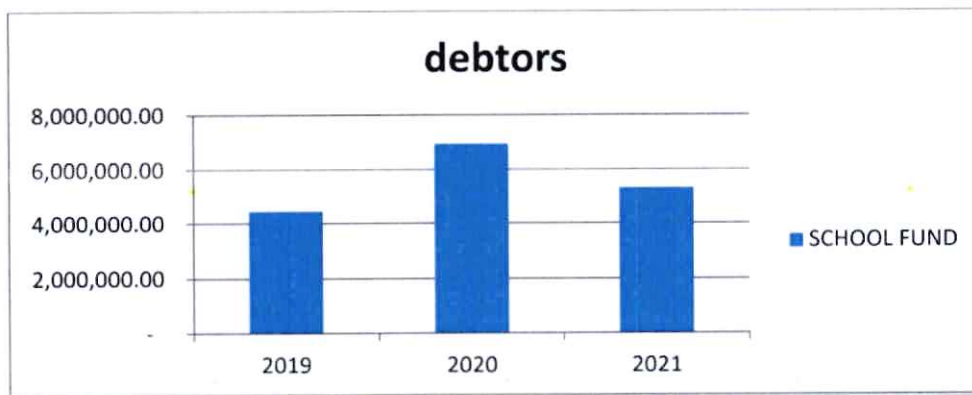
<i>year</i>	2019	2020	2021
<i>School fund</i>	734,699	964,520	2,456,163
<i>Operation a/c</i>	404,210	469,480	213,936
<i>Tuition a/c</i>	624,460	396,674	529,039
TOTAL	1,763,369	1,830,674	3,199,138

**ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**



1.6 MOVEMENT OF DEBTORS

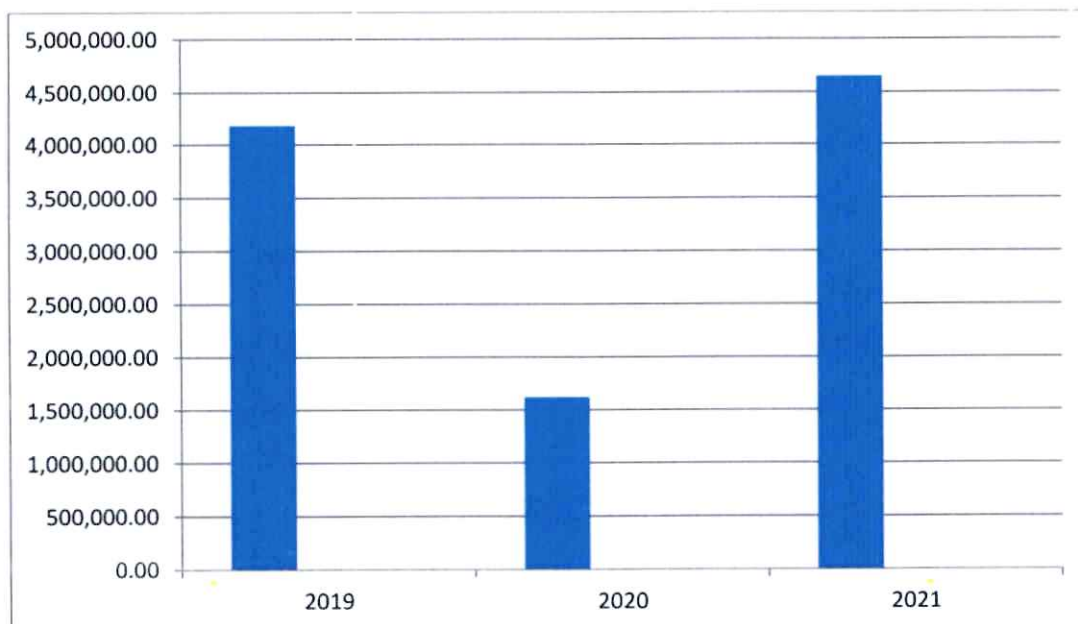
<u>year</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
debtors	4,474,292	6,968,531	5,368,762



**ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

1.7 MOVEMENT IN BANK BALANCES

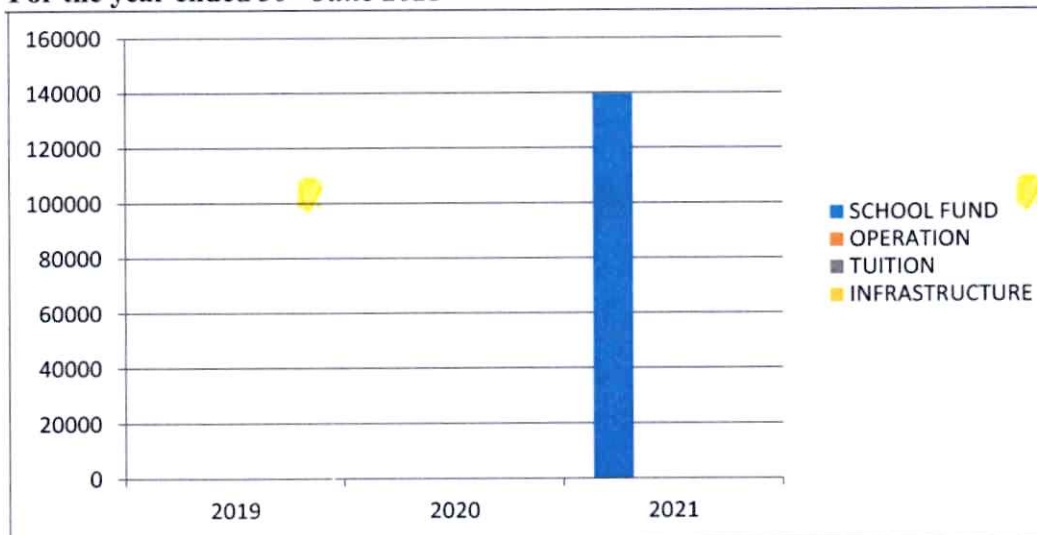
<i>year</i>	2019	2020	2021
<i>School fund</i>	551,695	317,372	3,087,316
<i>Tuition a/c</i>	46,131	357	3,176
<i>Operation a/c</i>	1,774,303	1,021,029	266,734
<i>Infrastructure a/c</i>	1,812,324	277,118	1,296,234
TOTAL	4,184,453	1,615,876	4,653,460



1.8 MOVEMENT IN CASH BALANCES

<i>year</i>	2019	2020	2021
<i>School fund</i>	303	0.0	139,578
<i>Tuition a/c</i>	-	-	-
<i>Operation a/c</i>	-	-	-
<i>Infrastructure a/c</i>	-	-	-
total	303	-	139,578

**ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**



b) Teacher Student ratio:

<i>c) TEACHER STUDENT RATIO</i>	<i>19 teachers</i>	<i>470 students</i>	<i>1;25</i>
<i>Teachers recruited and posted to the school.</i>	<i>1</i>		
<i>Transferred teachers/retired.</i>	<i>1</i>		
<i>Teachers employed by the BOM</i>	<i>3</i>		

<u>SUBJECT.</u>	<u>TEACHERS.</u>	<u>SHORTAGE.</u>
MATHS	4	1
ENGLISH	2	1
KISWAHILI	2	1
GEOGRAPHY	3	0
BUSINESS STUDIES	2	0
CRE	2	1
HISTORY	2	1
BIOLOGY	2	1

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

<i>PHYSICS</i>	2	0
<i>CHEMISTRY</i>	3	0
<i>AGRICULTURE</i>	2	0
<i>HOME SCIENCE</i>	1	1

c) Mean score in the 2021 KCSE

YEAR	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>MEANSCORE</i>	4.156	4.667	4.54
<i>SET SCORE</i>	5.0	5.0	5.0

<i>STUDENTS TRANSITIONED TO HIGHER LEARNING.</i>	64	71	72
--	----	----	----

d) Number of Candidates in the 2021 KCSE:

YEAR	2019	2020	2021
STUDENTS	96	87	94

e) Capacity of the school:

470 <i>STUDENTS</i>	4 <i>DORMITORIES</i>	<i>Are adequate with the current population.</i>
	1 <i>DINING HALL</i>	<i>It's adequate with the current population.</i>
	2 <i>LABORATORIES</i>	<i>We are in need of biology lab.</i>
	35 <i>TOILETS</i>	<i>They are adequate for the current population.</i>

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

f) Development projects carried out by the school:

<i>DEVELOPMENT PROJECT</i>	<i>FUNDS SOURCE</i>	<i>cost</i>	<i>STATUS</i>
<i>Painting of dorm</i>	<i>Government</i>	<i>92,000.0</i>	<i>complete</i>
	<i>parents</i>	<i>119,440.0</i>	
<i>Branding entrance wall</i>	<i>Government</i>	<i>53,000.0</i>	<i>complete</i>
<i>Classroom painting</i>	<i>Government</i>	<i>11,400.0</i>	<i>complete</i>
<i>Purchase of box shelves for the new dormitory.</i>	<i>parents</i>	<i>398,400.0</i>	<i>complete</i>

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: DR ESTHER MARIMA
Designation: Chairman, School Board of Management
Sign: *EWM*
Date: *01/2/24*

Name: IRENE MAINA
Designation: School Principal & Secretary to Board of Management
Sign: *Irene Maina*
Date: *9/6/2023*

Name: PETER KARANJA
Designation: Bursar/ Finance Officer
Sign: *Peter Karanja*
Date: *9/6/2023*

REPUBLIC OF KENYA



Enhancing Accountability

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON ICACIRI SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Icaciri Secondary School – Kiambu County set out on pages 1 to 18, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Icaciri Secondary School – Kiambu County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in Analysis of Pending Accounts Payable

Annex 1 to the financial statements on analysis of pending accounts payable reflects Kshs.2,102,337 in respect to sub-total for outstanding balance for supply of services. However, a re-computation results to Kshs.2,010,231 resulting to a variance of Kshs.92,106.

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

2. Inaccuracies in Capitation Grants

The statement of receipts and payments and as disclosed in Note 1 to the financial statements for the year ended 30 June, 2021 reflects Kshs.412,309 in respect to capitation grants for tuition. However, National Education Management Information System (NEMIS) records relating to the disbursement of capitation grants for tuition and the school bank account statements reflect disbursements of Kshs.566,317 resulting to unexplained and unreconciled variance of Kshs.154,008.

Further, Note 2 to the financial statements reflects Kshs.2,950,680 in respect to capitation grants for operations. However, National Education Management Information System (NEMIS) records relating to the disbursement of capitation grants for operations and the school bank account statements reflect disbursements of Kshs.3,554,615 resulting to unexplained and unreconciled variance of Kshs.603,935.

In the circumstances, the accuracy of capitation grants could not be confirmed.

3. Unsupported Financial Statements Comparative Balances

Review of presentation and disclosure of the financial statements for the year ended 30 June, 2021 revealed that the School prepared the six months financial statements with

unaudited comparative balances of the previous year closing balances. It was therefore not possible to ascertain the authenticity and accuracy of the balances presented in the financial statements.

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

4. Biological Assets

Note 15 to the financial statements reflects Kshs.288,000 in respect to biological assets as at 30 June, 2021. It was noted that four cows were disclosed, however, there were no supporting documents including the tags, register showing historical costs and dates the cows were purchased. This is contrary to Section 23(1) of Part 1 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management of a public institution of basic education shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the institution.

In the circumstances, the accuracy of biological assets could not be confirmed.

5. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,368,762 as disclosed in Note 11 to the financial statements. However, included in the balance are receivables in respect to fees arrears amounting to Kshs.4,159,756 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.5,368,762 could not be confirmed.

6. Non-Disclosure of Income from Bursaries/Scholarships

It was observed that the school received bursaries from various National Government Constituency Development Funds (NGCDF's) during the year under review. However, the list of all students issued with bursaries together with their admission numbers, status of the students whether active or dropped and acknowledgements by the School was not provided for audit review.

In the circumstances, the amount of money received as bursaries by the School during the year could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Icaciri 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 qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts for the year ended 30 June, 2021 reflects a final receipts budget and actual on a comparable basis of Kshs.29,602,760 and Kshs.14,664,850 respectively resulting to an underfunding of Kshs.14,937,910 or 50% of the budget.

The under-funding may have affected planned activities and may have impacted negatively on operations of School.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Adherence to School Fees Guidelines

The statement of receipts and payments and as disclosed in Note 3 to the financial statements for the year ended 30 June, 2021 reflects Kshs.10,902,833 in respect to school fund income - parents contributions which further includes Kshs.2,698,688 in respect to income from grants and donations paid by parents for parent's association projects. However, the levies were deviations from the school fees structure issued by the Ministry of Education (MOE) as detailed below;

Class	Term 1 Fees (Kshs)	Term 2 Fees (Kshs)	Term 3 Fees	Annual Fees Charged (Kshs)	Fees as per MOE Guidelines (Kshs)	Variance (Kshs)
Form 1	20,265	12,145	8,125	40,535	35,000	5,535
Form 2	20,265	12,145	8,125	40,535	35,000	5,535

Class	Term 1 Fees (Kshs)	Term 2 Fees (Kshs)	Term 3 Fees	Annual Fees Charged (Kshs)	Fees as per MOE Guidelines (Kshs)	Variance (Kshs)
Form 3	20,265	12,145	8,125	40,535	35,000	5,535
Form 4	20,265	12,145	8,125	40,535	35,000	5,535

No written authority was provided from the Cabinet Secretary to allow the Management to charge an extra amount of Kshs.5,535. The Management therefore acted contrary to Regulation 45 of the Basic Education Regulations, 2015 which states that no person or Board of Management in a public institution of basic education and training shall alter or increase fees without written authority from the Cabinet Secretary.

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

2. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 26 June, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements

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

3. Failure to Transfer Infrastructure Funds from Operational Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.2,950,680 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.868,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, Management did not transfer the infrastructure funds within fifteen (15) days. This was contrary to The Ministry of Education Circular Ref: No.MOE HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the law

4. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify

in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Authority for Approving Rates for Board Allowances

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.11,363,627 in respect to boarding and school fund payments which further includes Kshs.144,000 paid to Board members. However, no evidence was provided to show that the rate used to pay the Board allowances had been approved as required under Section 14 of the Basic Education Act, 2013 which provides that Members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the regularity of the expenditure amounting to Kshs.144,000 could not be confirmed.

2. Lack of an Approved Salary Structure and Scheme of Service

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.2,547,634 in respect to payment for operations which further includes Kshs.1,350,266 in respect to personnel emoluments. However, review of the payment vouchers and payrolls for the entire year revealed that the Management had not developed and approved a salary structure for the staff showing how much each employee should be paid based on how long the employee has worked

at the School, their rank, merit and the type of work they do. In addition, the School did not have an approved staff establishment.

Further, the School had not developed an approved scheme of service for Board of Management teachers with a well-defined job description and standards for recruitment. In the circumstances, the regularity and validity of the expenditure could not be confirmed.

3. Lack of Recoverability Policy on Trade Receivables

It was observed that the School had not developed a recoverability policy on trade receivables approved by the Board. It was therefore not possible to confirm how the School intended to recover the fee arrears of Kshs.5,358,762 or the course of action the Management had put in place in recovering the said fee arrears.

In the circumstances, the recoverability of the outstanding balances is doubtful.

4. Failure to Conduct Quarterly and Annual Stock Take

Note 17 to the financial statements reflects a balance of Kshs.688,732 in respect to stock/inventory. However, quarterly and annual stock take was not conducted as envisaged in Section 162(2) of the Public Procurement and Assets Disposal Act, 2015.

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

5. Unsupported Text books

Audit of the textbooks carried out on 20 June, 2024 revealed the following anomalies;

a) Lack of Text Books Register and Text Book Management Policy

It was observed that the School did not keep up to date text books register both in hard and soft copy, contrary to Regulation 140 of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer should be responsible for the proper custody, care and use of Government inventories under their control.

b) Students to Text Book Ratio

It was not established the number of text books issued to the students, the lost text books and those in the library in the financial year 2020/2021. Further, the students to textbook ratio could not be confirmed.

6. Lack of a Risk Management Policy

Review of records maintained by the School revealed that Management had not developed a Risk Management Policy, including Fraud Management Policy to guide Management and the Board in dealing with instances of fraud or record falsification.

In the circumstances, the effectiveness of strategies instituted by Management to attain strategic, operational, reporting and compliance objectives could not be confirmed.

7. Lack of Data Backup System

Review of the records revealed that Management failed to secure a backup location to protect data from the risk of loss thus putting the school's data and information at great risk of loss in the event of a disaster or malicious damage. In addition, the School lacked policies on ICT and disaster and recovery which are vital in effective and efficient management of the School's IT resources.

In the circumstances, the security of the School's data to safeguard confidential, financial and operational information could not be confirmed.

8. Summary of Fixed Asset Register

8.1 Lack of Land Ownership Documents

The summary of fixed assets register for the year ended 30 June, 2021 reflects nil balance on two pieces of land (Land 1 and Land 2) and Kshs.3,700,000 for motor vehicle. The same register does not indicate the acreages, locations, and cost and title numbers. Further, review of the documents provided revealed that the School is in the process of acquiring the land titles. However, the title documents had not been obtained as at time of audit in June, 2024.

In the circumstances, the ownership of the land and motor vehicle could not be confirmed.

8.2 Disclosure of Assets

The fixed assets register which was provided for audit review lacked the information on the cost, date purchased, asset coding, location and serial numbers of the assets.

In the circumstances, the valuation and ownership of the fixed assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the 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 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 Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 January, 2025

ICACIRI SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021.

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	412,309	-
Capitation grants for operations	2	2,950,679	-
School Fund Income- Parents' Contributions	3	10,902,833	-
School Fund Income- Other receipts	4	399,028	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		14,664,849	-
PAYMENTS			
Payments for Tuition	5	544,659	-
Payments for operations	6	2,547,634	-
Boarding and school fund payments	7	11,363,627	-
TOTAL PAYMENTS		14,455,920	-
SURPLUS/DEFICIT		208,929	-

The school financial statements were approved on 9/6/2023 2023 and signed by:

Sign: EWM

Name ESTHER MATRIMIA

Chair BOM

Date 01/2/24

Sign [Signature]

Name IRENE MAINA

School Principal/
Secretary to BOM

Date 9/6/2023

Sign [Signature]

Name Peter Karanja

Bursar/
Finance Officer

Date 9/6/2023

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

• **STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	4,653,460	1,615,876
Cash Balances	9	139,578	-
Short term Investment	10	-	-
Total Cash and cash equivalent		4,793,038	1,615,876
Account's receivables	11	5,368,762	6,968,531
TOTAL FINANCIAL ASSETS		10,161,800	8,584,407
FINANCIAL LIABILITIES			
Accounts Payables	12	3,199,138	1,830,674
NET FINANCIAL ASSETS		6,962,662	6,753,733
REPRESENTED BY			
Accumulated Fund b/fwd	13	6,753,733	6,753,733
Surplus/Deficit for the year		208,929	-
NET FINANCIAL POSITION		6,962,662	6,753,733

The School's financial statements were approved on 9/6/2023 and signed by:

Name: ESTHER MARUMA
 Chairman, BoM

Sign: EUM

Date: 01/2/24

Name: IDENE MAINA
 School Principal/Secretary
 to BoM

Sign: [Signature]

Date: 9/6/2023

Name:
 Bursar/Finance

Sign:

Date:

ICACIRI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021.

VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021.

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	412,309	-
Capitation grants for operations	2	2,950,679	-
School fund income- Parents contributions/ fees	3	10,902,833	-
School fund income- other receipts	4	399,028	-
Total receipts		14,664,849	-
Payments			
Payments for Tuition	5	544,659	-
Payments for operations	6	2,390,730	-
Boarding and school fund payments	7	11,363,627	-
Total payments		14,299,016	-
Net cashflow from operating activities		365,833	-
CASHFLOW FROM INVESTING ACTIVITIES			
Adjusted for:			
Changes in receivables	11	1,599,769	
Change in payables	12	1,368,464	
Proceeds from Sale of Assets		-	-
Acquisition of Assets	6	(156,904)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(156,904)	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,177,162	-
Cash and cash equivalent at BEGINNING of the year		1,615,876	-
Cash and cash equivalent at END of the year		<u>4,793,038</u>	<u>1,615,876</u>

ICACIRI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021.

VII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	2,043,360		2,043,360	412,309	1,631,051	20%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	1,300,200	-	1,300,200	880,299	419,901	68 %
Repairs and maintenance	2,640,000		2,640,000	1,526,500	1,113,500	58%
Local transport / travelling	806,520	-	806,520	146,895	659,625	18%
Electricity and water	677,600	-	677,600	231,268	446,332	34%
Medical	880,000	-	880,000	-	880,000	-
Administration costs	691,680	-	691,680	165,718	525,962	24 %
Activity	660,000	-	660,000	-	660,000	-

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
SMASSE	88,000	-	88,000	-	88,000	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	2,596,000	-	2,596,000	1,200,564	1,395,436	46%
Repairs and maintenance	880,000	-	880,000	496,508	383,492	56%
Local transport / travelling	286,000	-	286,000	233,499	52,501	82%
Electricity and water	1,980,000	-	1,980,000	805,608	1,174,392	41%
Medical	-	-	-	-	-	-
Administration costs	814,000	-	814,000	384,207	429,793	47%
Activity	110,000	-	110,000	90,648	19,352	82%
P.A Project	1,980,000	-	1,980,000	2,698,688	(718,688)	136%
Fee on Boarding Equipment and Stores	11,169,400	-	11,169,400	4,993,111	6,176,289	45%
OTHER INCOME						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	399,028	(399,028)	-
Insurance compensation	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	29,602,760	-	29,602,760	14,664,850	14,937,910	50 %

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	9,000	(9,000)	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	2,043,360	-	2,043,360	529,039	1,514,321	26 %
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	6,500	(6,500)	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	120	(120)	-
						-
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,300,200	-	1,300,200	1,350,266	(50,066)	104 %
Repairs, maintenance & improvements	2,640,000	-	2,640,000	200,015	2,439,985	8 %
Local transport / travelling	806,520	-	806,520	-	806,520	-
Electricity, water and conservancy	677,600	-	677,600	162,640	514,960	24%
Medical	880,000	-	880,000	308,384	571,616	35%
Administration costs	691,680	-	691,680	53,360	638,320	8%
Activity Expenses	660,000	-	660,000	-	660,000	-
Gratuity	-	-	-	472,465	(472,465)	-
SMASSE	88,000	-	88,000	-	88,000	-
Bank Charges	-	-	-	504	(504)	-

ICACIRI SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	2,596,000	-	2,596,000	135,440	2,460,560	5%
Repairs, maintenance and improvements	880,000	-	880,000	579,736	300,264	66%
Local transport / travelling	286,000	-	286,000	697,895	(411,895)	244%
Electricity, water and conservancy	1,980,000	-	1,980,000	285,375	1,694,625	14.4%
Medical Expenses	-	-	-	164,858	(164,858)	-
Administration costs	814,000	-	814,000	723,604	90,396	89%
Activity	110,000	-	110,000	145,378	(35,378)	132%
Gratuity	-	-	-	528,870	(528,870)	-
Bom Teachers	-	-	-	104,400	(104,400)	-
Boarding Equipment and Stores	11,169,400	-	11,169,400	6,291,546	4,877,854	56%
Expenditure for Income Generating Activity	-	-	-	241,410	(241,410)	-
Insurance costs	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
p.a project	1,980,000	-	1,980,000	1,465,115	514,885	74%
Acquisition of Assets	-	-	-	-	-	-
TOTALS	29,602,760	-	29,602,760	14,455,920	15,146,840	48.83%

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

The school had prepared a budget from January to December 2021 but the financial year income & expenditure for year 2021 are for six months from 1st January 2021 to 30th June 2021 hence the differences between budget and actual income & expenditures.

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 imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

IX. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	412,309	-
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	412,309	-

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	880,299	-
Repairs and maintenance	1,526,500	-
Local transport / travelling	146,895	-
Electricity and water	231,268	-
Medical	-	-
Administration costs	165,718	-
Activity	-	-
Total	2,950,680	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,200,564	-
Repairs and maintenance	496,508	-
Local transport / travelling	233,499	-
Electricity and water	805,608	-
Fee on Boarding Equipment and Stores	4,993,111	-
Income from grants and donations*	2,698,688	-
Administration costs	384,207	-
Activity	90,648	-
Total	10,902,833	-

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Income from farming activities	399,028	-
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		-
Total	399,028	-

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	9,000	-
Internal exams	-	-
Teaching / learning materials	529,039	-
Chalks	-	-
Exams and assessment	6,500	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	120	-
Total	544,659	-

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,350,266	-
Service Gratuity	472,465	-
Administration Cost	53,360	-
Repairs and maintenance & improvements	43,615	-
Local transport / travelling	-	-
Electricity and water	162,640	-
Medical	308,384	-
Activity Expenses	-	-
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition of Assets	156,904	-
TOTAL	2,547,634	-

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	135,440	-
Service Gratuity	528,870	-
Repairs and maintenance & Improvements	579,736	-
Local transport / travelling	697,895	-
Electricity and water	285,375	-
Medical Expenses	164,858	-
Administration costs	723,604	-
Activity	145,378	-
Bom teachers	104,400	-
Expenses on Income Generating Activities-farm	241,410	-
Fee on Boarding Equipment and Stores	6,291,546	-
P.A project	1,465,115	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	11,363,627	-

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	004000016724	3,176	357
Operations Account	004000017602	266,734	1,021,029
School Fund Account/Boarding	004000002515	3,087,316	317,372
Savings Account	-	-	-
Parent Association Development Account	-	-	-
Income generating activities Account	-	-	-
Infrastructural Account	1106754689.	1,296,234	277,118
Total		4,653,460	1,615,876

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	139,578	-
Total	139,578	-

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	5,358,762	6,968,531
Other non-fees receivables	-	-
Salary advances	10,000	-
Imprest	-	-
Total	5,368,762	6,968,531

[Include an ageing of the fees / non fees arrears below]

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	788,782	2,808,775
Fees arrears for the previous year	410,224	249,845
Fees arrears for prior periods (over two years)	4,159,756	3,909,911
Total	5,358,762	6,968,531

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,329,873	866,154
Prepaid fees	831,645	954,400
Retention monies	37,620	10,120
Total	3,199,138	1,830,674

[Include an ageing of the creditor's arrears below]

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,327,069	
Prepaid fees	2,804	866,154
Retention monies	-	-
Total	2,329,873	866,154

ICACIRI SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	
Bank balances	1,615,876	4,184,292
Cash balances	-	-
Short Term Investments	-	-
Receivables	6,968,531	4,474,292
Payables	(1,830,674)	(1,763,369)
Total	6,753,733	6,895,678

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.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	
Cattle	4	240,000	-
Goats		-	-
Trees	8	48,000	-
Coffee or tea plantation		-	-
Poultry		-	-
Total	12	288,000	-

ICACIRI SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	705,950	-
Stock/ inventory purchased during the year	3,688,250	-
Stock/ inventory issued during the year	(3,705,468)	-
Balance at end of the year	688,732	-

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

18 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)

ICACIRI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021.

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2021 d=a-c Kshs	Outstanding Balance 2020 Kshs	Comments
Construction of buildings						
Sub-Total						
Supply of goods						
1. Kenafric bakery	92,106.0	01/6/2021	-	-	-	To be paid in July 2021
2. John karanjangugi	62,815.0	01/6/2021	-	62,815.0	-	To be paid in July 2021
3. Mary njerichege	11,550.0	01/6/2021	-	11,550.0	-	To be paid in July 2021
4. Evans mwangikaranja	17,160.0	01/6/2021	-	17,160.0	-	To be paid in July 2021
5. Asirosibaibrahim	90,600.0	01/6/2021	-	90,600.0	-	To be paid in July 2021
6. CIC insurance	162,478.0	01/6/2021	-	162,478.0	-	To be paid in July 2021
7. Joseph Njugunagicheha	180,510.0	01/6/2021	-	180,510.0	-	To be paid in July 2021
8. Peter kiarie	51,720.0	01/6/2021	-	51,720.0	-	To be paid in July 2021
9. Luey Wangarikirubi	12,700.0	01/6/2021	-	12,700.0	-	To be paid in July 2021
10. Luey mutharikuria	350,000.0	01/6/2021	-	350,000.0	-	To be paid in July 2021
11. Roynes enterprise	426,340.0	01/6/2021	-	426,340.0	-	To be paid in July 2021
12. Namotech services	69,000.0	01/6/2021	-	69,000.0	-	To be paid in July 2021
13. Dalugion enterprises	1,415.0	01/6/2021	-	1,415.0	-	To be paid in July 2021
14. Nearer general supplier	10,700.0	01/6/2021	-	10,700.0	-	To be paid in July 2021
15. Godfrey kenju	6,400.0	01/6/2021	-	6,400.0	-	To be paid in July 2021
16. KPPLC	25,000.0	01/6/2021	-	25,000.0	-	To be paid in July 2021
17. Mutaraho books & stationers	467,168.0	01/6/2021	-	467,168.0	-	To be paid in July 2021
18. Dajohn enterprises	64,675.0	01/6/2021	-	64,675.0	-	To be paid in July 2021
Sub-Total	2,102,337.0			2,102,337.0		
Supply of services						
19. Bom teachers	45,000.0	01/6/2021-	-	45,000.0	-	To be paid in July 2021
20. Support staff	182,536	01/6/2021-	-	182,536.0	-	To be paid in July 2021
21. Support staff welfare	37,620.0	01/6/2021-	-	37,620.0	-	To be paid in December 2021

ICACIRI SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
22. Prepaid fees	831,645.0	01/6/2021-	-	831,645.0	-	To be received in July 2021
23.						
Sub-Total	1,096,801		-	1,096,801	-	
Grand Total	3,199,138.0		-	3,199,138.0	-	

ICACIRI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021.

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1-0.4 hectares	12-5-1976	Icaciri	6,000,000.0	-	-	6,000,000.0
Buildings and structures		Icaciri	123,652,189	Shelves for dormitory 398,400	-	124,050,589
Motor vehicles School bus 1	22/5/2024	Icaciri	3,700,000	-	-	3,700,000
Office equipment, furniture and fittings		Icaciri	1,361,000	-	-	1,361,000
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks		Icaciri	6,241,200	-	-	6,241,200
Other Machinery and Equipment	-	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-	-

ICACIRI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Intangible assets- soft ware	-	-	-	-	-	-
Total			140,954,389.00	398,400	-	141,352,789

