REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KIRIMARA HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

NYERI COUNTY

KIRIMARA HIGH 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)

(Leave this it Blank)

Table of Contents Page

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 Nyeri County, Mathira East Sub-County

The school was registered in 2.2.2017 under registration number 19S00300079 and is currently categorized as a*n Extra County,* public school established, owned or operated by the Government.

The school is boarding school and had 930 students as at *30th June 2021*. It has 4 streams and 36 teachers of which 5 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	Mr Peter Kamau	Chairman	May 2019
2	Mr Nicholas Muchemi	Secretary - Principal	May2019
3	Mr Edwin Mwangi	Member	May 2019
4	Mrs Nancy Beko	Member	May 2019
5	Mrs Mary Wachira	Member	May 2019
6	Mr James Gitinga	Member	May2019
7	Mr Charles Mwai	Member	May2019
8	Mr Kariuki	Member – Rep CEB	May2019
9	Mr paul mwangi	Member Rep Teachers	May 2019
10	Mrs Ann wanjigi	3 Members - Sponsor	May2019
11	Mrs Mary Muriuki	Member - Community	May2019
12	Mr Muriuki Nungo	MemberSpecial Needs	May2019
13`	Clinton Wachira	Rep Students	May 2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	**Executive Committee**	Mr Peter Kamau Mr Nicholas Muchemi Mr Edwin Mwangi Mrs Nancy Beko Mrs Mary Wachira Mr Paul Mundia	BOM chairman BOM sec/ Principal Member Member Member Member	**6 out of 8**
2	Audit Committee	Mr Peter Kamau MrNicholas Muchemi Mr Edwin Mwangi	BOM chairman BOM sec/ principal Member	2 out of 4
3	Finance,procurement and general purposes Committee	Mr Peter Kamau M Nicholas muchemi Mr Edwin Mwangi Mrs Nancy Beko Mr Charles Mwai Mr George Nyamu	BOM chairman BOM sec/ principal Member Member Member Deputy principal	4 out of 6
4	Academic Committee	Mrs Mary Muriuki Mr Muriuki Nungo Mr Nicholas Muchem Mr George Nyamu	Member Member Member Deputy principal	4 out of 6
5	Development Committee	Mr Charles Mwai Mr NichoasMuchemi	Member BOM sec/Principal	4 out of 6

		Mr Pau l Mundia Mr Joshua Kamondo Mr George Nyamu	Member Member Member	
6	Discipline and welfare Committee	M Nichola Muchemi Mr George Nyamu Mr Paul Mwangi	BOM sec/principal Deputy principal Member	4 out of 6
7	Adhoc Committee (if any during the year)	Mr George Nyamu Mrs Milka Kagure Mrs Virginia Mwikali Mr Wycliffe Tali Mr Geoffrey Muhoro	Chairman Secretary Member Member Member	2 0ut of 3

(d) School operation Management

For the financial year ended *30th June 2022* the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr Nicholas Muchemi	352730
2	Deputy Principal	Mr George Nyamu	374578
3	School Bursar	Mrs Milka Kagure	21776357

(e) Schools contacts

Post Office Box:	51 – 10101 Karatina
Telephone:	0757 279 705
E-mail:	kirimarahigh@gmail.com
Website:	www.kirimaraghschool.ac.ke

(f) School Bankers

The school operated the following bank accounts in the following banks:

			TYPE
	SCHOOL FUND A/C		
1.	Name of Bank:	KCB	
	Branch:	KARATINA	
	Account Number:	1106162161	Current account
	OPERATIONS A/C		
2.	Name of Bank:	KCB	
	Branch:	KARATINA	
	Account Number:	110552578	Current account
	INFRASTRUCTURE A/C		
3.	Name of Bank:	KCB	
	Branch:	KARATINA	
	Account Number:	1270901974	Current account
	TUITION A/C		
4.	Name of Bank:	KCB	
	Branch:	KARATINA	
	Account Number:	1105550524	Current account
	PTA A/C		
5.	Name of Bank:	CO-OPERATIVE	
	Branch:	KARATINA	
	Account Number:	114105927640	Current account
	FARM A/C		
6.	Name of Bank:	TAIFA SACCO	
	Branch:	KARATINA	
	Account Number:	8010101523	Savings account
7.	Name of Bank:	CDF	
	Branch:	KARATINA	
	Account Number:	0011417711400300	Current account

8. MPESA Pay Bill No. Business Number: 522123
Account Number: 39422K
Attached to KCB account number 1106162161

(g) Independent Auditors
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

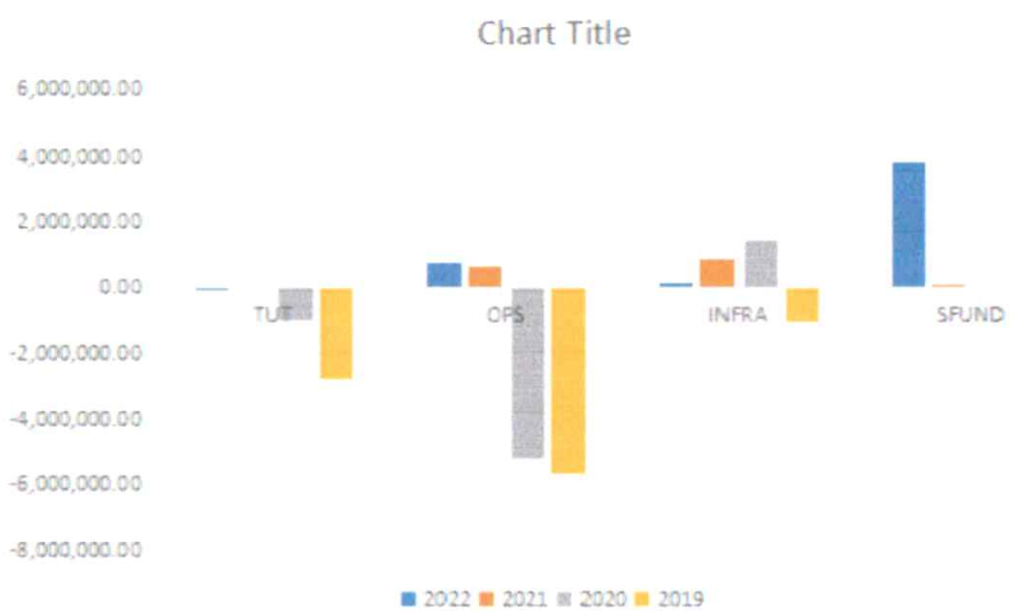
II. Summary Report Of Performance Of The School

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

a) **Financial performance**:

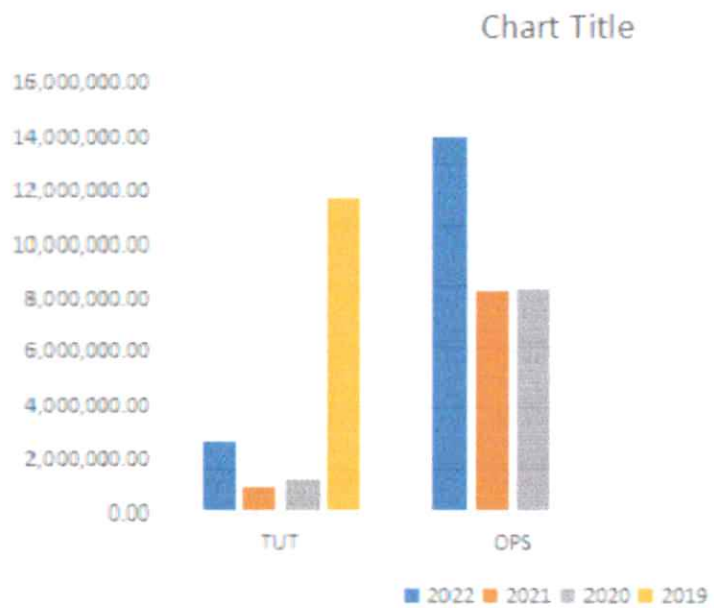
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

SURPLUS/DEFICIT				
ACCOUNTS	***2022***	***2021***	***2020***	***2019***
TUITION ACCOUNT	*(6,252.00)*	*7,530.00*	*(974,370.00)*	*(2,785,792)*
OPERATIONS ACCOUNT	*820,608.00*	*707,796.00*	*(5,193,172.00)*	*(5,642,279)*
INFRASTRUCTURE	*147,370.00*	*916,900.00*	*1,452,796.00*	*(1,084,449)*
SCHOOL FUND ACCOUNT	*3,822,173.00*	*124,319.00*	*0*	
TOTAL	***4,783,899.00***	***1,756,455.00***	***(4,714,746.00)***	**(-9,512,520)**



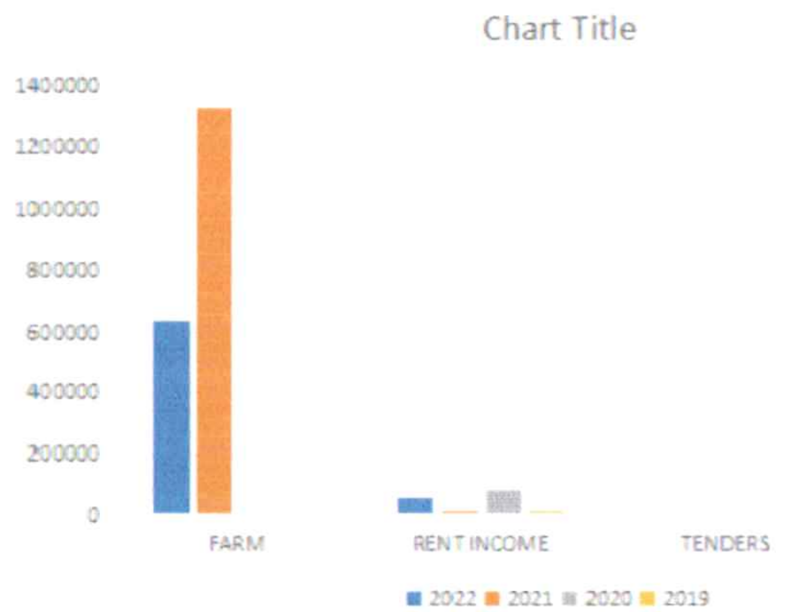
- *Capitation grants from the Ministry of Education for the last three years*

ACCOUNTS	***2022***	***2021***	***2020***	***2019***
TUITION ACCOUNT	*2,701,651.00*	*961,430.00*	*1,276,500.00*	*2,819,159*
OPERATIONS ACCOUNT	*14,033,798.00*	*8,274,821.00*	*8,349,919.00*	*11,719,737*
TOTAL	**16,735,449.00**	**9,236,251.00**	**9,626,419.00**	**14,538,896**



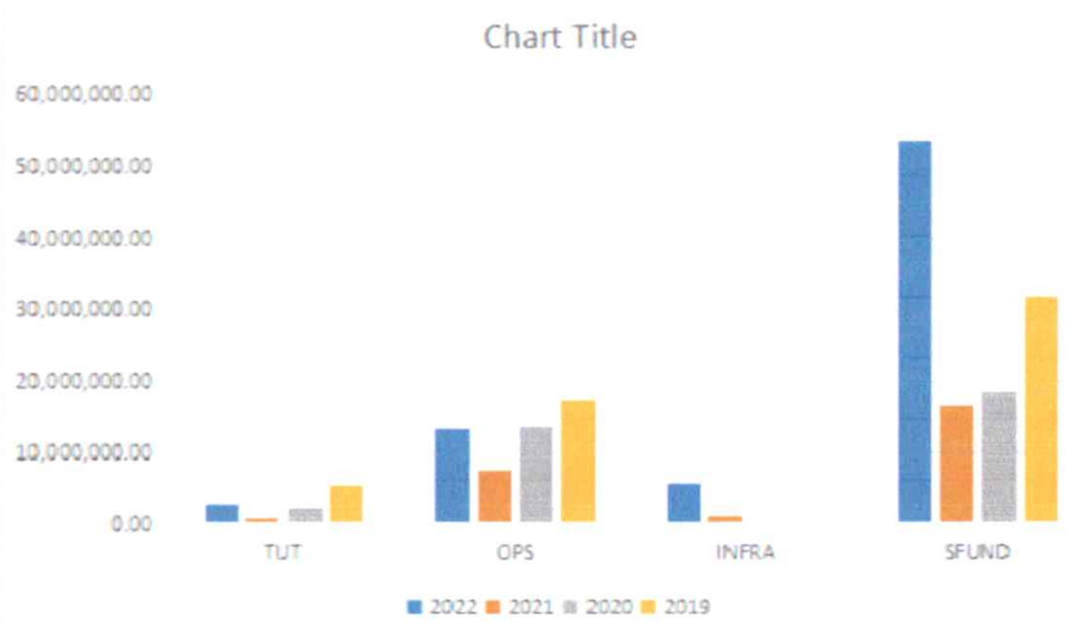
- *A three-year overview of growth of other income(s) earned by the school.*

OTHER INCOMES				
ACCOUNTS	***2022***	***2021***	***2020***	***2019***
FARM	*638,744*	*1,329,600*	*-*	*-*
RENT INCOME	*56,700*	*14,200*	*84,530*	*16,800*
TENDERS	-	-	-	-
TOTAL	695,444	1,343,800	84,530	16,800



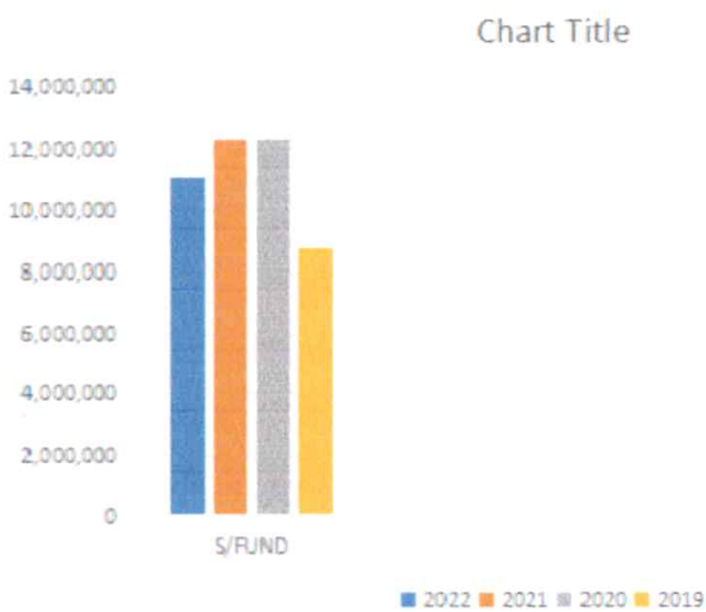
- *A three-year overview of growth in expenditure of the school*

ACCOUNTS	***2022***	***2021***	***2020***	***2019***
TUITION ACCOUNT	*2,707,903.00*	*953,900.00*	*2,250,870.00*	*5,604,951*
OPERATIONS ACCOUNT	*13,213,190.00*	*7,567,115.00*	*13,543,091.00*	*17,362,015*
INFRASTRUCTURE	*5,663,580.00*	*1,147,060.00*	*-*	*-*
SCHOOL FUND ACCOUNT	*53,431,854.00*	*16,652,165.00*	*18,354,048.00*	*31,763,980*
TOTAL	**75,016,527.00**	**26,320,240.00**	**34,148,009.00**	**54,730,946**



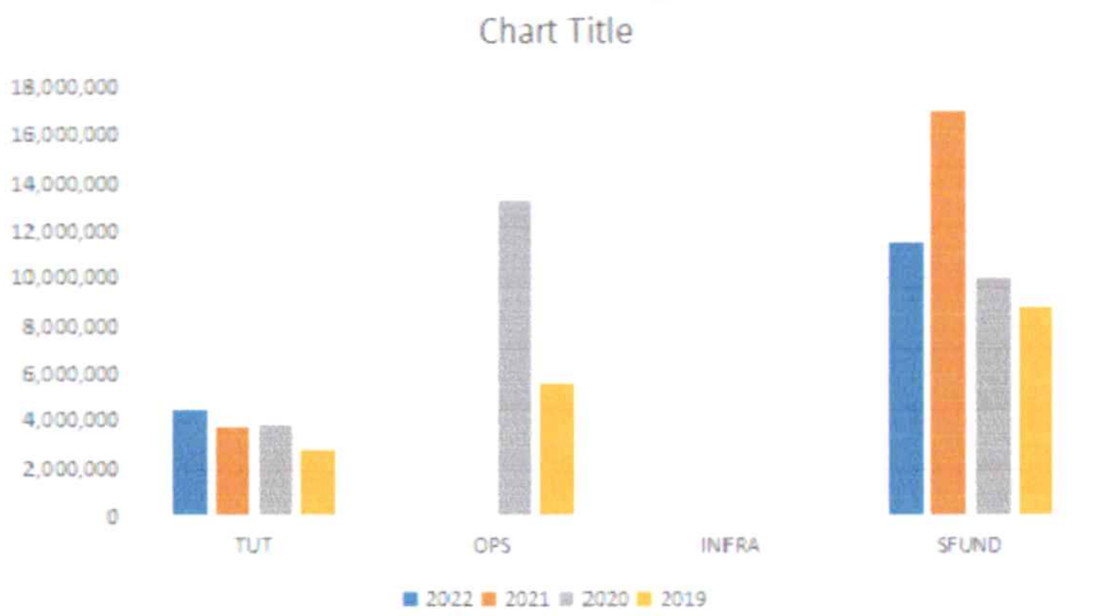
- *Movement of debtors of the school over the last three years*

DEBTORS				
ACCOUNTS	***2022***	***2021***	***2020***	***2019***
SCHOOL FUND ACCOUNT	*11,109,756*	*12,359,402*	*12,359,402*	*8,754,833*
TOTAL	***11,109,756***	***12,359,402***	***12,359,402***	***8,754,833***



- *Movement of creditors of the school over the last three years*

CREDITORS				
ACCOUNTS	**2022**	**2021**	**2020**	**2019**
TUITION ACCOUNT	4,450,008	3,780,944	3,850,539	2,884,229
OPERATIONS	0	0	13,264,044	5,613,467
INFRASTRUCTURE	0	0	0	0
SCHOOL FUND	11,548,448	17,044,142	9,984,113	8,886,267
TOTAL	**15,998,456**	**20,765,302**	**27,098,696**	**17,383,963**



b) **Teacher Student ratio**:

The current population of 945 students with 34 teachers, TSC 29 while 5 are under BOM.

Teacher student ratio is 26:1

c) **Mean score in the 2020, 2021 and 2022 KCSE:**

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN SCORE	MEAN GRADE
2020	184	0	1	11	23	25	31	52	33	6	1	1	0	**6.7990**	C+
2021	186	0	0	1	6	12	21	37	40	50	17	2	0	**5.2903**	C-
2022	148	0	0	2	4	12	13	42	41	25	8	1	0	**5.5811**	C

d) **Number of Candidates in the 2021 KCSE:**

YEAR	ENTRY
2020	184
2021	186
2022	148

e) **Capacity of the school**:

Number of students	-	*945*
Number of dormitories	-	*8*
Number of Laboratories	-	*4*
Number of classrooms	-	*17*
Dining hall	-	*1*
Toilets	-	*45*

Summary Report of the Performance of the School (Continued)

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

CONSTRUCTION OF NEW DORMITORY & 3 BEDROOM RENOVATIONS

	KSH	*KSH*
BANK BALANCE		*3,911,290*
DORM CONTRUCTION MATERIALS	*2,174,030*	
SINGLE BEDROOM MATERIALS	*644,760*	
LABOUR	*1,090,500*	
TOTAL EXPENDITURE		*(3,909,290)*
BANK BALANCE		*2,000*

***Nicholas Muchemi*……………………………………………**

School Principal

PRINCIPAL
KIRIMARA HIGH SCHOOL
17 SEP 2024
SIGN:……………………
TEL: 0757 279 705
P. O. Box 51 - 10101, KARATINA

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

The Board of Management of *Kirimara High 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.

....

Name: Peter Kamau
Designation: Chairman, School Board of Management
Date: 20/09/2024

PRINCIPAL
KIRIMARA HIGH SCHOOL
17 SEP 2024
SIGN:...............
TEL: 0757 279 705

....

Name:Nicholas muchemi
Designation: School Principal& Secretary to Board of Management
Date:

....

Name: Milkah Kagure
Designation: Bursar/ Finance Officer
Date: 16/9/2024

REPUBLIC OF KENYA

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

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KIRIMARA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NYERI 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 the Government achieves value for money and that such funds are applied for the intended purpose.

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 Kirimara High School -Nyeri County set out in pages 1 to 14 which comprise of the statement of financial assets and 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, 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 the Kirimara High School - Nyeri 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

i) The statement of receipts and payments reflects parents' contribution fee and fee on boarding equipment of Kshs.24,725,912 and Kshs.30,307,313 respectively. However, system generated report reflects Kshs.55,136,495 resulting in an unexplained difference of Kshs.103,271.

ii) The statement of financial assets and financial liabilities reflects accumulated fund brought forward balance of Kshs.3,842,589. However, the fund balance did not agree with total of the bank, receivables and payables balances brought forward from the previous year of Kshs.10,862,809 resulting in an unexplained variance of Kshs.7,020,220.

iii) The statement of financial assets and financial liabilities reflect previous year balance of account receivables balance of Kshs.9,124,867. However, a re-computation of the accounts receivable in Note 13 to the financial statement indicates a total balance of 9,178,337 resulting in unexplained variance of Kshs.53,470.

iv) The re-computation of the amounts recorded in the statement of budgeted versus actual amounts revealed variances between the recorded balance and the recalculated amounts resulting to a variance of Kshs.5,242,396 as detailed below;

Item	Statement of budget versus actual amount figure Kshs.	Re-calculated Amount Kshs.	Variance
Electricity and water	508	98,009	97,501
Administration costs - budget utilization difference	508	100,509	(100,001)

Item	Statement of budget versus actual amount figure Kshs.	Re-calculated Amount Kshs.	Variance
Local transport/travelling – Budget utilization difference	-1,455,836	-855,827	(600,009)
Administration costs-budget utilization difference	-534,170	4,741,704	4,207,534
Total expenditure for operations – budget utilization difference	156	8,664,700	8,664,544
Refund-Budget utilization	0	557,580	(557,580)
Prepayment-Budget utilization	0	248,259	(248,259)
Salary advance-Budget utilization	0	141,000	(141,000)
Administration costs-Budget utilization	(248,745)	(2,481,743)	(2,232,998)
Activity-Budget utilization	425,900	288,400	137,500
Creditors BES-Budget utilization	0	(13,041,515)	(13,041,515)
Expenditure for income generating activity-Budget utilization	0	(1,353,850)	(1,353,850)
Service Gratuity	0	(300,000)	(300,000)
Total expenditure for Boarding and school fund payments-Budget utilization difference	17,554,741	(17,329,004)	225,737
Total			**5,242,396**

v) The statement of financial assets and liabilities reflects bank balance of Kshs 6,418,162 and as disclosed in note 10 to the financial statements. However, cash book balances reflected balances that differed with the respective balances reflected in the Notes to the financial statements as indicated below;

Bank Account	Financial Statement Amount (Kshs.)	Cash book Amount (Kshs.)	Variance (Kshs.)
Tuition	5,272	(186,227)	180,955
School fund account	4,220,896	11,094,214	6,873,318
Total	**4,226,168**	**10,907,987**	**7,054,273**

In the circumstances, the accuracy and completeness of the amounts and balances in the financial statements could not be confirmed.

2. Variance in Capitation Amounts Disbursed

The statement of receipts and payments reflects capitation grants for tuition and operations of Ksh. 2,701,651 and Kshs.14,033,797 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School revealed total disbursement of Kshs.13,100,309 resulting to a variance of Kshs. 3,635,139.

In the circumstances, the accuracy and completeness of the capitation grants for tuition and operations of Kshs 16,735,448 could not be confirmed.

2.1. Overdrawn (Negative) Cash Book Balances

The statement of financial assets and financial liabilities reflects bank balance of Kshs. 6,418,162 and as disclosed in Note 10 to the financial statements, the balance includes an overdrawn cash book amount of Kshs.186,227 for tuition This is contrary to IAS 1.32 which states that assets and liabilities, and income and expenses, may not be offset.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.6,418,162 could not be confirmed.

3. Unsupported Income from Farming Activities

The statement of receipts and payments reflects other receipts of Kshs. 32,528,116 as disclosed in Note 4 to the financial statements. The receipts include an amount of Kshs.638,744 relating to income from farming activities. However, detailed supporting schedule and ledger were not provided for audit verification.

In the circumstances, the accuracy and completeness of income from farming activities of Kshs.638,744 could not be confirmed.

4. Inconsistencies in the Revenue Management System

The School uses an automated Revenue Management System which has several modules. However, the system-generated reports for the financial year under audit revealed inconsistencies as detailed below:

i. Receipts totalling to Kshs.4,439,385 had receipts with the same number which had been issued to different individuals hence duplicated receipt.
ii. The receipt numbers generated by the system were not sequential. Further, receipt numbers 2244, 2460, 2250, 6677-6846, 7120, 7388, 7420, 7566, 7707, 7713, 7822, 7845, 8036, 8042, 8384, 8388 and 8573 were missing in the system and could not be traced in the system hence the total revenue reported could not be confirmed.
iii. The Software did not have a trail of the receipts deleted from the system and as a result the reported revenue could be misstated.
iv. The Bursar uses the Software to maintain the cash book, however, the cash book and the system amounts had an unexplained difference in the reported receipts amounts as indicated below;

No	Description	Amount in Cash book (Kshs)	Amount from System Report (Kshs)	Variance (Kshs)
1.	Receipts 2238-2514	1,248,925	1,197,985	50,940
2.	Receipts 3795-3800	1,049,700	1,661,670	(611,970)
3.	Receipts 3462-3546	522,640	529,870	(7,230)

In the circumstances, the accuracy and completeness of parents' contribution/fees of Kshs. 24,725,911 could not be confirmed.

5. Long Outstanding Student Accounts Receivable

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.11,170,556 as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.7,990,590 which had been outstanding for more than two (2) years. Further, no concrete efforts appear to have been made towards the recovery of the long outstanding balances.

In the circumstances, the recoverability of the receivables balance of Kshs.11,170,556 could not be confirmed.

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

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

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 19 April, 2024 instead of the statutory deadline of 30 September 2022. 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 which 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.

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

The statement of receipts and payments reflects payments for operations of Kshs.14,033,797 as disclosed in Note 2 to the financial statements. Included in the expenditure is an amount of Kshs. 317,620 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.317,620 could not be confirmed.

3. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

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

i. Annex 1 to the financial statements on Analysis of Pending Accounts Payable has not been duly filled according to the reporting template.
ii. The financial statements exclude the disclosure on stock/inventory listing as required by the reporting template.
iii. The notes to the financial statements are not aligned to the statement of financial assets and liabilities for the period ended 30 June, 2022.
iv. The explanation for significant variances in the Statement of Budgeted versus Actual was not provided according to the reporting template.
v. Statement of receipts and payments reflect period to 30th June 2022, rather than for the year ended 30th June 2022.
vi. Statement of cashflows reflect period ended 30th June 2023, rather than for the year ended 30th June 2022.
vii. It was noted that Douglas Nyambane appointed under Section 56 1(a) of the Basic Education Act, 2013 through letter reference CDE/NYI/BOM/3/VOL.1/1 dated 9th February 2022 was duly appointed by the County Education Board, however, he was not included in the list of board members disclosed in the financial statements submitted for audit.
viii. During the financial year under review, the School procured stationeries, foodstuff, laboratory chemicals and apparatus which were recorded in stores ledger. Further, audit inspection of ledger records revealed that the School was holding inventories of undetermined value as at 30 June, 2022 which were not disclosed in the financial statements.
ix. The summary report of the school's performance shows debtors of Kshs. 11,109,756 in 2022, while the statement of assets and liabilities reflects Kshs.11,170,556, resulting to understatement of Kshs. 60,800. Further,the statement the summary report of the school's performance shows debtors of Kshs. 12,359,402 in 2021, while the statement of assets and liabilities reflects Kshs.9,124,867 resulting to overstatement of Kshs.3,234,535.
x. The summary report of the school's performance shows creditors of Kshs. 15,998,456 in 2022, while the statement of assets and liabilities reflects Kshs.17,036,161 resulting to understatement of Kshs.1,037,705.Further,the statement The summary report of the school's performance shows creditors of Kshs. 20,765,302 in 2021, while the statement of assets and liabilities reflects Kshs.21,845,327 resulting to understatement of Kshs.1,080,025.
xi. Annex 2 to the financial assets reflects summary of fixed assets register of Kshs.446,588,000. However, a recast shows Kshs.452,680,000 resulting to a variance of Kshs.6,092,000.

xii. Note 17 to the financial assets reflects biological assets of kshs.1,012,000. However, the recomputed balance is kshs.1,014,760 resulting to a variance of kshs.2,760.

xiii. The page numbers in the financial statements are not sequential.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

4. Failure to Transfer Infrastructure Funds from the Operations Bank Account.

The statement of receipts and payments reflects operations grants amount of Kshs.14,033,797 as disclosed in Note 2 to the financial statements. The grants were received from the Ministry of Education and credited in the operations bank account. Included in the grant infrastructure grants amounting Kshs.4,080,000 which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.3,405,000 was transferred to infrastructure account, leaving a balance of Kshs.675,000 as at 30 June, 2022. 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.

5. Failure to Develop 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.

6. Long Outstanding Payables

The statement of financial assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payable balance of Kshs. 17,036,161. However, included in the balance are trade payables balance of Kshs. 10,983,497 which had been outstanding for more than two years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which provides that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE 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 governance were not effective.

Basis for Conclusion

1. Land Without Ownership Documents

Review of documents and records related to land matters revealed that the school occupies seventy-eight (78) parcels of land of different sizes. Out of this the school has secured title deeds for 12.7 acres. No evidence was provided to demonstrate efforts to acquire title deeds for the remaining pieces of land to avoid the invasion by unauthorized persons.

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

2. Inadequate Infrastructure and Lack Maintenance of Buildings

Audit inspection conducted on 7 June, 2024 revealed that the school computer laboratory, the sanatorium, the library, and some of the classrooms had worn-out roofs and some sections of the roofs always leak when raining. The roofs need an overhaul and be replaced with new iron sheets. In addition, inspection of the school infrastructure revealed that the school did not have an administration block. Further, some classrooms had been converted into offices despite the increasing number of students enrolled into the school following 100% transition directive by the Government.

In the circumstances, the safety of students and the existence of a conducive learning environment could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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 control.

- 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 control 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
<u>AUDITOR-GENERAL</u>

Nairobi

16 September, 2024

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	2,701,651	961,430
Capitation grants for operations	2	14,033,797	8,274,821
School fund income- parents' contributions	3	24,725,911	3,555,775
School fund income- other receipts	4	32,528,116	14,013,290
Infrastructure	5	5,810,950	1,271,379
Total Receipts		79,800,426	**28,076,695**
Payments			
Payments for tuition	6	2,707,903	953,900
Payments for operations	7	13,213,190	7,567,115
Boarding and school fund payments	8	53,431,854	16,652,165
Infrastructure	9	5,663,580	1,147,060
Total Payments		**75,016,527**	**26,320,280**
Surplus/Deficit		**4,783,899**	**1,765,415**

The school financial statements were approved on 16/9/24 and signed by:

....	....	....
Name: Peter Kamau	**Name:Nicholas Muchemi**	**Name:Milkah kagure**
Chair BOM	***School Principal/ Secretary to*** **BOM**	**Bursar/ Finance Officer**
Date: 20/09/2024	**Date:**	**Date:** 16/9/24

PRINCIPAL
KIRIMARA HIGH SCHOOL
17 SEP 2024
SIGN:.........................
TEL: 0757 279 705
P. O. Box 51 - 10101, KARATINA

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	6,418,162	1,464,739
Cash balances	11	388,753	392,912
Short term investment	12		-
Total cash and cash equivalent		**6,806,915**	**1,857,651**
Account's receivables	13	11,170,556	9,124,867
Total financial assets		**17,977,471**	**10,982,518**
Financial liabilities			
Accounts payables	14	(17,036,161)	(21,845,327)
Net financial assets		**941,310**	**(10,862,809)**
Represented by			
Accumulated fund b/fwd	14	(3,842,589)	12,619,224
Surplus/deficit for the year		4,783,899	(1,756,415)
Net financial position		**941,310**	**10,862,809**

The school's financial statements were approved on 16/9/2024 and signed by:

…………………………………	…………………………………	…………………………………
Name:Peter kamau	**Name: Nicholas muchemi**	**Name:Milkah Kagure**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 20/09/2024	**Date:**	**Date:** 16/9/2024

PRINCIPAL
KIRIMARA HIGH SCHOOL
17 SEP 2024
SIGN:……………
TEL 0757 279 705
P. O. Box 51 - 10101, KARATINA

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	2,701,651	961,430
Capitation grants for operations	2	14,033,798	8,274,821
School fund income- parents contributions/ fees	3	24,725,911	3,555,774
School fund income- other receipts	4	32,528,116	14,013,290
Infrastructure	5	5,810,950	1,271,379
Total receipts		**79,800,426**	**28,076,695**
Payments			
Payments for tuition	6	2,707,903	953,900
Payments for operations	7	13,213,190	7,567,155
Boarding and school fund payments	8	53,431,854	16,652,165
Infrastructure	9	5,663,580	1,147,060
Total payments		75,016,527	**26,320,280**
Net cash flow from operating activities		**4,783,899**	**1,756,415**
Proceeds from sale of assets			
Acquisition of assets			
Proceeds from investments			
Purchase of investments		165,365	
Net cash flows from investing activities		**4,949,264**	
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		**4,949,264**	**1,756,415**
Cash and cash equivalent at beginning of the year		1,857,651	101,236
Cash and cash equivalent at end of the year		6,806,915	1,857,651

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment				448,000		
Internal Exams						
Teaching / Learning Materials	3,936,800		3,936,800	2,253,651	1,683,149	57%
Chalks						
Teachers Guides						
TOTAL	**3,936,800**		**3,936,800**	**2,701,651**	**1,683,149**	**57%**
(2) Capitation Grant on Operations						
Personnel Emoluments	2,332,500		2,332,500	2,333,009	508	99%
Repairs And Maintenance	4,750,000		4,750,000	5,085,410	-335,410	107%
Local Transport / Travelling	2,232,500		2,232,500	1,903,361	329,139	85%
Electricity And Water	2,235,000		2,235,000	2,333,009	508	99%
Administration Costs	2,232,500		2,232,500	2,333,009	508	
Rent				21,000		
Clearance A/C				25,000		
TOTAL	**13,782,500**		**13,782,500**	**14,033,798**	**-4,747**	**90%**
(3) Fees Charged on Parents						

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
Personnel Emoluments	2,771,625		2,771,625	3,938,651	-1,167,025	142%
Repairs And Maintenance	1,900,000		1,900,000	2,948,640	-1,048,634	155%
Local Transport / Travelling	2,771,625		2,771,625	3,627,452	-1,455,836	167%
Electricity And Water	2,771,625		2,771,625	5,188,637	-2,416,537	187%
Medical						
Administration Costs	2,771,625		2,771,625	7,513,329	-534,170	345%
Activity	475,000		475,000	644,312	-169,312	132%
Tender forms				27,000		
Fee On Boarding Equipment and Stores	19,789,450		19,789,450	30,307,313	-10,517,863	153%
Other Income						
Fees arrears				970,981		
Rent Income				56,700		
Income From Farming Activities				638,744		
PTA				864,891		
Savings				131,878		
Salary advance				171,000		
Infrastructure				224,500		
Interest Income						
Income From Any Other Investment						
TOTAL	**33,250,950**		**33,250,950**	**57,254,028**	**-17,309,377**	**184%**
(1) Expenditure For Tuition						
Textbooks And Reference Materials				955,023		

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
Exercise Books				402,040		
Laboratory Equipment				350,840		
Internal Exams						
Teaching / Learning Materials	3,936,800		3,936,800	1,000,000	2,936,800	25%
Chalks						
Exams And Assessment						
Teachers Guides						
TOTAL	**3,936,800**		**3,936,800**	**2,707,903**	**2,936,800**	**25%**
(2) Expenditure For Operations						
Personnel Emoluments	2,771,625		2,771,625	4,334,891	-1,563,266	156
Repairs, Maintenance & Improvements	4,750,000		4,750,000	108,500	4,641,500	2
Local Transport / Travelling	2,771,625		2,771,625	554850	2,226,775	19
Electricity, Water and Conservancy	2,771,625		2,771,625	1,558,618	1,213,007	56
Administration Costs	2,771,625		2,771,625	624,941	2,146,684	22
Activity Expenses	1,425,000		1,425,000	49,100		
Transfer to OPS				150,000		
Infrastructure				5,514,440		
Creditors -Admin				290,850		
(TOTAL	**17,261,500**		**17,261,500**	**13,213,190**	**156%**	**41%**
Personnel Emoluments	2,772,100		2,772,100	3,085,002	312,902	111%
Repairs, Maintenance and	1,900,000		1,900,000	4,452,202	-2,552,202	234%

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
Improvements						
Local Transport / Travelling	2,772,100		2,772,100	4,118,650	1,341,550	
Electricity, Water and Conservancy	2,772,100		2,772,100	2,222,555	1,213,482	56%
Refund				557,580		
Prepayment				248,259		
Salary Advance				141,000		
Administration Costs	2,772,100		2,772,100	5,253,843	-248,745	189%
Activity	475,000		475,000	763,400	425,900	10%
P.T.A	2,850,000		2,850,000	787,700	2,062,300	27%
Creditors BES				13,041,515		
Boarding Equipment and Stores	19,789,450		19,789,450	17,106,298	2,683,152	86%
Expenditure For Income Generating Activity				1,353,850		
Service gratuity				300,000		
Totals	**36,102,850**		**36,102,850**	**53,431,854**	**17,554,741**	**89%**

IX. 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 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	254,610.00
Tuition	448,000.00	-
Teaching / Learning Materials	2,253,651.00	706,820.00
Chalks		-
Exams And Assessment		-
Teachers Guides		-
Total	**2,701,651.00**	**961,430.00**

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	2,333,009	1,374,750
Repairs And Maintenance	5,085,410	1,476,000
Local Transport / Travelling	1,903,361	1,616,589
Electricity And Water	2,333,009	2,072,304
Rent	21,000	8,400
Administration Costs	2,333,009	620,658
Other receipts Clearance A/C	25,000	1,063,620
Salary Advance	-	42,500
Total	**14,033,798**	**8,274,821**

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
Personnel emoluments	3,938,651	868,763
Repairs and maintenance	2,948,640	882,152
Local transport / travelling	3,627,452	86,250
Electricity and water	5,188,637	857,030
P.T.A	864,891	-
Administration costs	7,513,329	806,780
Activity	644,312	54,800
Total	**24,725,912**	**3,555,775**

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	30,307,313	8,250,297
Rent Income	56,700	14,200
Income From Farming Activities	638,744	1,329,600
Tender forms	27,000	
Transfer to cooperative savings a/c	131,878	
Prepayments	-	
Fees arrears	970,981	1,252,615
Salary advance	171,000	2,403,065
Clearance A/c		763,513
Infrastructure	224,500	-
Total	**32,528,116**	**14,013,290**

5 INFRASTRUCTURE ACCOUNT

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Operations	5,810,950	1,271,379
TOTAL	**5,810,950**	**1,271,379**

6 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	955,023	-
Exercise Books	402,040	783,900
Laboratory Equipment	-	170,000
Teaching / Learning Materials	-	-
Creditors	1,350,840	-
Exams And Assessment	-	-
Administration Costs	-	-
Bank Charges	-	-
Total	2,707,903	**953,900**

Notes To The Financial Statements (Continued)

7 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	4,334,891	2,379,642
Service Gratuity		-
Administration Cost	624,941	229,500
Repairs And Maintenance & Improvements	108,500	2,140,056
Local Transport / Travelling	554,850	51,900
Electricity And Water	1,558,618	500,000
Activity Expenses	49,100	165,180
Creditors paid	290,850	1,256,000
Transfer to operation	150,000	844,877
Infrastructure	5,541,440	-
TOTAL	**13,213,190**	**7,567,155**

Notes To The Financial Statements (Continued)

8 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	3,085,002	1,674,580
Service Gratuity	300,000	-
Repairs And Maintenance & Improvements	4,452,202	3,973,746
Local Transport / Travelling	4,118,650	1,011,488
Electricity And Water	2,222,555	326,000
Salary Advance	141,000	-
Clearance account	-	807,036
Administration Costs	5,253,843	1,108,615
Expenses for income generating activities	1,353,850	-
Activity	763,400	74,950
Infrastructure	-	121,015
P.T.A	787,700	1,465,297
Fee On Boarding Equipment and Stores	17,106,298	6,088,938
Creditors	13,041,515	-
Refund	557,580	-
Prepayment	248,259	-
Total	**53,431,854**	**16,652,165**

9 INFRASTRUCTURE

Description	2021-2022	2020-2021
	Kshs	Kshs
Project Expenses	5,663,580	1,147,060
TOTAL	**5,663,580**	**1,147,060**

Notes To The Financial Statements (Continued)

10 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	KCB	5,272	11,524
Operations Account	KCB	1,476,464	732,749
School Fund Account/Boarding	KCB	4,220,896	515,672
Savings Account	Taifa Sacco	215,160	89,794
Parent Association Development Account			-
Income Generating Activities Account			-
Infrastructural Account	KCB	500,370	115,000
Total		**6,418,162**	**1,464,735**

11 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Infrastructure Account	1,630	199,630
Operation Account	100,123	23,230
School Fund account	287,000	170,052
Total	**388,753**	**392,912**

12 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

13 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	11,109,756	9,113,367
Rent	60,800	53,470
Salary Advances	-	11,500
Imprest	-	-
Total	**11,170,556**	**9,124,867**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	2,967,370	0
Fees Arrears For The Previous Year	212,596	1,183,577
Fees Arrears For Prior Periods (Over Two Years)	7,990,590	7,929,790
Total	**11,170,556**	**9,113,367**

14 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	15,998,456	20,765,302
Prepaid Fees	1,037,705	1,080,025
Retention Monies	0	0
Total	**17,036,161**	**21,845,327**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	5,014,959	0
Trade Creditors for The Previous Year	9,859,237	10,896,319
Trade Creditors for Prior Periods (Over Two Years)	1,124,260	9,868,983
Total	**15,998,456**	**20,765,302**

Notes To The Financial Statements (Continued)

15 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	1630104	101,072
Cash Balances	392,912	164
Short Term Investments	-	-
Receivables	11,170,556	9,124,867
Payables	(17,036,161)	(21,845,327)
Total	**(3,842,589)**	**12,619,224**

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.

16 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

17 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	8	640,000	
Goats	2	12,000	
Trees	Thousands	Thousands	
Coffee Or Tea Plantation	2,760	2,760	
Poultry	45	360,000	
Total	**2,802**	**1,012,000**	

18 Borrowings

Description	2021-2022	2020-2021
	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

19 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
Balance at end of the year	-	-

20 Progress On Follow Up Of Auditor Recommendations

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

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

Nicholas Muchemi

Sign and Date
Principal

PRINCIPAL
KIRIMARA HIGH SCHOOL
17 SEP 2024
SIGN:.............................
TEL: 0757 279 705
P. O. Box 51 - 10101, KARATINA

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. TUITION VOTEHEAD					4,450,008	
5. BOARDING VOTEHEAD					8,000,220	
6. ADMINISTRATION					650,975	
Sub-Total					**13,101,203**	
Supply Of Services						
7. REPAIR & MAINTENANCE					2,119,340	
8. ELECTRICITY WATER & CONSERVANCY					395,935	
9. PERSONAL EMOLUMENT					381,978	
Sub-Total					**2,897,253**	
Grand Total					**15,998,456**	

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 2022
Land 1		**48 ACRES**	**EST 144,000,000**			**EST 144,000,000**
Land 2		**30 ACRES**	**EST 90,000,000**			**EST 90,000,000**
Buildings and structures			**EST 200,000,000**			**EST 200,00000**
Motor vehicles			**EST 5,800,000**			**EST 5,800,000**
Office equipment, furniture and fittings			**EST 4,000,000**			**EST 4,000,000**
ICT Equipment, and Other ICT Assets			**EST 2,000,000**			**EST 2,000,000**
Tools and apparatus			**EST 1,000,000**			**EST 1,000,000**
Textbooks			**EST 4,000,000**			**EST 4,000,000**
Other Machinery and Equipment			**EST 1,000,000**			**EST 1,000,000**
Heritage and cultural assets			**EST 800,000**			**EST 800,000**
Intangible assets- soft ware			**EST 80,000**			**EST 80,000**
Total			**EST 446,588,000**			**EST 446,588,000**