

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 26 FEB 2025

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**TABLED
BY:**

Hon. Samuel
Chepkonga, MP

OF

**CLERK-AT
THE-TABLE:**

M. Mudo

THE AUDITOR-GENERAL

ON

KIAMAINA SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

NAKURU COUNTY



KIAMAINA 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)



KIAMAINA SECONDARY SCHOOL

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



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I. Acronyms and Glossary of Terms

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

II. 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 Nakuru County, Nakuru North Sub-County

The school was registered in June 1999 under registration number GP/A/1195/99 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 1076 number of students as at 30th June 2022. It has 5 streams and 24 teachers of which 9 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	David Muhoro	Chairman	29/6/2022
2	John Chege	Secretary - Principal	29/6/2022
3	Abraham Oirere	Member	29/6/2022
4	Amos Gikuni	Member - sponsor	29/6/2022
5	Harry Mwangi Gioche	Member special needs	29/6/2022
6	Elizabeth Gatere	Member-	29/6/2022
7	samuel Kamiti	Member	29/6/2022
8	Alice Njeri Kagia	Member	29/6/2022
9	Wangui Safida	Member	29/6/2022
10	Peter Opimo	3 Members - Sponsor	29/6/2022
11	Janet muthoni	Member	29/6/2022
12	Rose nyaga	Member- community	29/6/2022
13	Margaret Waruguru	Member	29/6/2022
14	Felista Ngetho	Teachers rep.	29/6/2022
15	Jane Njambi Kihura	Member	29/6/2022
17	Tabitha Kamau	Students rep.	29/6/2022

c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	<ul style="list-style-type: none"> • David Muhoro • Mr chege john • Amos gikuni • Alice Njeri • Gatere elizabeth 	Chairman Principal/sec Member Member member	1
2	Audit Committee	n/a	n/a	n/a
3	Finance, procurement and general purposes Committee	<ul style="list-style-type: none"> • Mr. Chege John • Mr. Chege S. • David Muhoro • Abraham Oirere • Safida Wangui 	Principal B.O.M Sec D. Principal Chairman Member member	1
4	Academic Committee	<ul style="list-style-type: none"> • Amos Gikuni • Elizabeth Gatere • Rose Nyaga • Mr muriuki 	Chairman Member Member Teacher	1
5	Development Committee	<ul style="list-style-type: none"> • Mr Muhoro • Mr John Chege • Mr. Samuel Kamiti • Alice Njeri • Elizabeth Gatere 	B,O,M chairman B.O.M Secretary Member member Member	2
6	Discipline and welfare Committee	<ul style="list-style-type: none"> • David muhoro • Felister Ngetho 	Chairmain	1

		<ul style="list-style-type: none"> • Wangui safida • Mr. Chege samuel 	D/ principal Member D/principal	
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d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	John Chege	256254
2	Deputy Principal	Samuel Chege	387195
3	School Bursar	Margaret Muthoka	n/a

e) Schools contacts

Post Office Box: 101, 20100
Telephone: 0704-387364
E-mail: kiamainasecondary@gmail.com
Website: n/a
Facebook: n/a
Twitter: n/a

f) School Bankers

The following school Operated **Four** number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: Family Bank Limited
Branch: Nakuru
Account Number: 018000017929
- Name of Bank: Co-operative Bank Kenya Limited
Branch: Nakuru
Account Number: 01129026810700
- Name of Bank: Family Bank Limited
Branch: Nakuru
Account Number: 018000016797
- Name of Bank: Family Bank Limited
Branch: Nakuru
Account Number: 018000080656

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

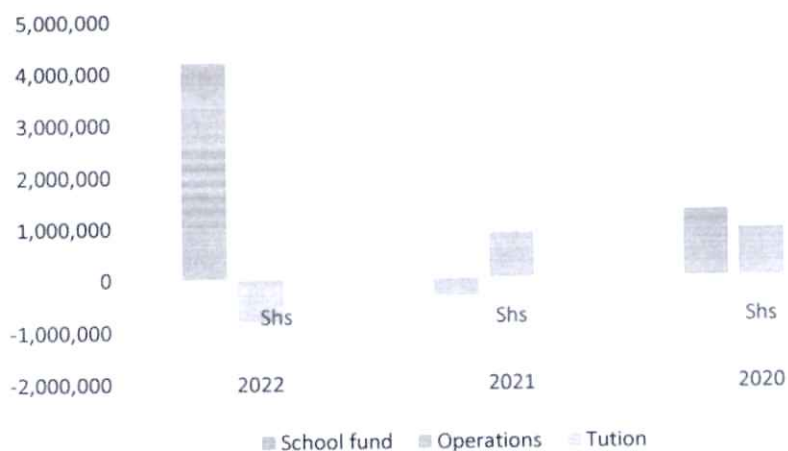
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

SURPLUS/(DEFICIT) FOR THE THREE YEARS

	2021/ 2022	2020/2021	2019/2020
	Shs	Shs	Shs
School fund	4,184,523	1,115,924	1,287,426
Operations	(805,864)	874,528	928,242
Tuition	(54,831)	150,085	(126,862)
TOTAL	3,323,829	2,140,537	2,088,806

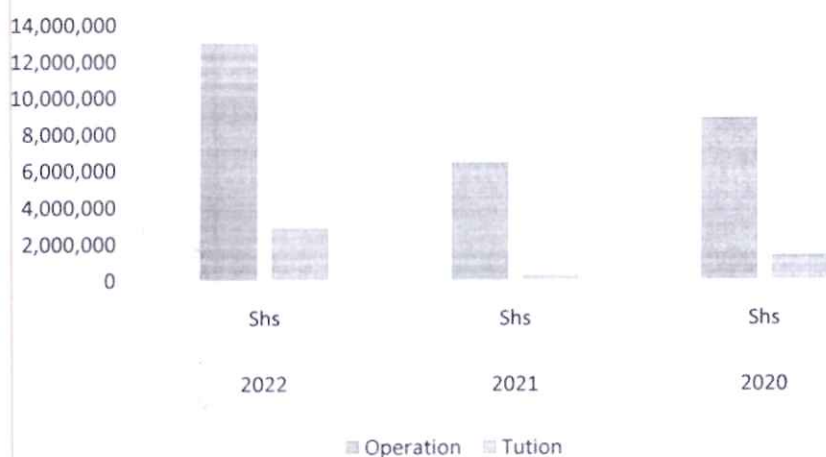
SURPLUS/(DEFICIT) FOR THREE YEARS



CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST 3 YEARS

	2022 Shs	2021 Shs	2020 Shs
Operation	13,007,207	6,423,716	8,843,175
Tuition	2,902,538	1,028,274	1,326,477
TOTAL	15,909,745	7,451,990	10,169,652
No. of students	1,076	886	830
Ration of capitation per student	1:14,786	1:7,568	1:12,252

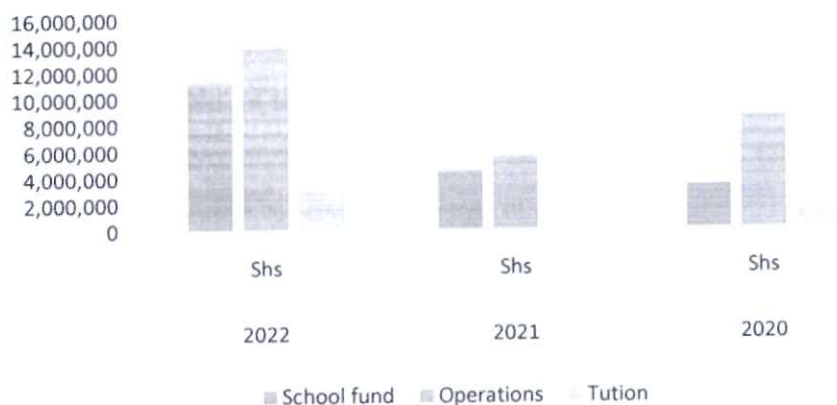
CAPITATION GRANTS FROM THE MINISTRY



OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

	2022 Shs	2021 Shs	2020 Shs
School fund	11,315,437	4,490,831	3,281,027
Operations	13,813,071	5,367,234	8,528,192
Tuition	2,957,369	1,002,088	1,336,874
Total	28,085,877	10,860,153	13,146,093

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL



b) Teacher Student ratio:

1	No. of teachers	33
2	No. of students	1076
3	Ratio of teachers to students	16:447
4	No. of teachers recruited and posted within the year	1
5	No. of teachers employed by TSC during the year	1
6	No. of teachers employed by BOM	9

c) Mean score in the 2022 KCSE:

Year	Number of candidates	Higher learning	Mean score
2018	158	27	4.39
2019	150	15	5.07
2020	149	15	4.19
2021	199	17	4.68

d) Number of Candidates in the 2022 KCSE:

Number of candidates	2019	2020	2021	2022
	150	149	199	232

e) Capacity of the school:

Laboratories	3
Boys toilet	12
Girls toilet	16

f) Development projects carried out by the school:

	<i>ITEM/PROJECT NAME</i>	<i>UNITS</i>	<i>PRICE PER UNIT</i>	<i>TOTAL</i>
1	<i>School gate construction</i>	<i>1</i>	<i>1,016,000</i>	<i>1,016,000</i>
2	<i>Students lockers and chairs</i>	<i>120</i>	<i>6,000</i>	<i>720,000</i>
3	<i>Laboratory fittings & completion of preparation rooms</i>	<i>1</i>	<i>1,250,000</i>	<i>1,250,000</i>
4	<i>Construction of firewood store</i>	<i>1</i>	<i>250,000</i>	<i>250,000</i>
5	<i>Completion of security house, 2 toilet and urinal</i>	<i>1</i>	<i>68500</i>	<i>68500</i>
6	<i>General repairs(tiling , ceiling, plastering and painting of two classrooms)</i>	<i>2</i>	<i>500,000</i>	<i>500,000</i>



Sign:.....

JOHN CHEGE
School Headteacher

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

Name: David Muhoro
Designation: Chairman, School Board of Management

Sign: 

Date: 14/8/2024

Name: Mr. John Chege
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 14/8/2024

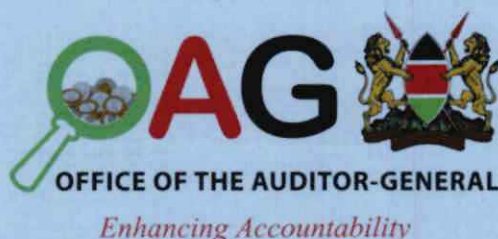
Name: Margaret Muthoka
Designation: Bursar

Sign: 

Date: 14/8/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIAMAINA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - NAKURU 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 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 Kiamaina Secondary School - Nakuru County set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and

payments, statement of cash flows, statement of budgeted versus actual amounts for the year 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kiamaina Secondary School - Nakuru 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

Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.8,720,759 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.8,195,393 which had been outstanding for more than three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.8,195,393 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.28,878,909 and Kshs.31,409,705 respectively, resulting to an over-funding of Kshs.2,530,796 or 8% of the budget. However, the School spent a balance of Kshs.28,085,876 against actual receipts of Kshs.32,233,538 resulting to an under-utilization of Kshs.3,323,829 or 13% of actual receipts.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2021.

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 matter 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. 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 (4) 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.

2. Late Submission of Financial Statements for Audit

During the period under review, Management submitted the financial statements to the Auditor-General for audit on 17 February, 2023, instead of the statutory date 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 required the School's financial statements to be submitted for audit by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of financial statements.

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

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 matter 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

Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.69,171,100 in respect of fixed assets which includes land with a balance of Kshs.6,000,000. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody 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 the Board of Management

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 sustain 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.

The Board of Management is 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 controls 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 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to 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 to 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

18 September, 2024

V. Statement of Receipts and Payments for the Year Ended 30th June 2022

Receipts			
Government grants for tuition	1	2,902,538	1,028,274
Government grants for operations	2	13,007,207	6,423,716
Government Grants for infrastructure	3	-	-
School fund income- Lunch	4	15,499,960	5,548,700
School Fund Income – Parents’ contributions	5	-	-
Total Receipts		31,409,705	13,000,690
Payments			
Tuition	6	2,957,368	1,002,088
Operations	7	13,813,071	5,367,234
Infrastructure	8	-	-
Boarding and school fund	9	11,315,437	4,490,831
Total Payments		28,085,876	10,860,153
Surplus/Deficit		3,323,829	2,140,537

The school financial statements were approved on 30 September 2022 and signed by:



Name: David Muhoro

Chair BOM

Date: 14/8/2024



Name : John chege
School Principal/ Secretary to
BOM

Date: 14/8/2024



Name : Margaret Muthoka

Bursar/ Finance Officer

Date: 14/8/2024


VI. Statement of Assets and Liabilities As At 30th June 2022

Financial Assets			
Cash and cash equivalents			
Bank balances	10	5,233,913	2,653,523
Cash balances	11	9,407	22,807
Short term investments	12	-	-
Total cash and cash equivalent		5,243,320	2,676,330
Account's receivables	13	8,720,759	7,937,553
Total financial assets		13,964,079	10,613,883
Financial liabilities			
Accounts payables	14	362,346	335,979.00
Net financial assets		13,601,733	10,277,904
Represented by			
Accumulated fund b/fwd 1 st July	15	10,277,904	8,137,367
Surplus/deficit for the year		3,323,829	2,140,537
Net financial position		13,601,733	10,277,904

The school's financial statements were approved on 30 September 2022 and signed by:


 Name: David Muhoro
 Chair BOM
 Date: 14/8/2024




 Name: JOHN CHEGE
 School Principal/ Secretary to
 BOM
 Date: 14/8/2024


 Name: Margaret Muthoka
 Bursar/ Finance Officer
 Date: 14/8/2024

VII. Statement of Cash Flows for the Year Ended 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,902,538	1,028,274
Government grants for operations	2	13,007,207	6,423,716
Government grants for infrastructure	3	-	-
School fund income- parents contributions/ fees	4	-	-
Other income- School fund	4	15,499,960	5,548,700
Total receipts		31,409,705	13,000,690
Payments			
Cash outflows for tuition	6	2,957,368	1,002,088
Cash outflows for operations	7	7,914,591	5,367,234
Cash outflows Boarding/lunch and school fund payments	9	11,315,437	4,490,831
Cash flow from operating activities		22,187,396	10,860,153
Adjusted for;			
Increase in Debtors		783,206	(747,138)
Increase in Creditors		(26,367)	153,709
		756,839	(593,429)
Net cash inflow/outflow from operating activities		8,465,470	1,547,108
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(5,898,480)	-
Proceeds from sale of assets		-	-
Net cash flows from Investing Activities		2,566,990	1,547,108
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/decrease in cash and cash equivalents		2,566,990	1,547,108
Cash and cash equivalent at beginning of the FY		2,676,330	1,129,222
Cash and cash equivalent at end of the FY		5,243,320	2,676,330

KIAMAINA SECONDARY SCHOOL


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

The school's financial statements were approved on 30 September 2022 and signed by:



.....
Name: : David Muhoro

Chair BOM

Date: 14/8/2024


.....
Name: JOHN CHEGE
School Principal/ Secretary to BOM

Date: 14/8/2024


.....
Name: Margaret Muthoka

Bursar/ Finance Officer

Date: 14/8/2024

II. 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	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	2,902,538.00	0	2,902,538.00	2,902,538.00	100.0%
Exams And Assessment	-	-	0	-	
Sub Total	2,902,538.00	0	2,902,538.00	2,902,538.00	100.0%
(2) Capitation Grant on Operations					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	4,365,000.00	0	4,365,000.00	4,365,000.00	100.0%
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
N.H.I.F	176,000	0	176,000	176,000	100.0%
Others	7,035,371.00	0	7,035,371.00	8,466,207	120.3%

KIAMAINA SECONDARY SCHOOL
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Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% OF Utilization e=d/c % Kshs
3) FDSE for infrastructure					
Maintenance &Improvement MOE	-	-	-	-	
M&I parents' contribution	-	-	-	-	
Economic Stimulus Programs	-	-	-	-	
Transition Infrastructure Grants	-	-	-	-	
Sub Total	11,576,371	0	11,576,371	13,007,207	112.3%
(4) Fees Charged on Parents					
Lunch Programme	14,400,000.00	-	14,400,000.00	15,499,960	107.5%
Arrears	-	-	-	-	-
Prepayments	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSSE	-	-	-	-	-
Sub Total	14,400,000.00	-	14,400,000.00	15,499,960	107.5%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
TOTAL INCOME	28,878,909.00	-	28,878,909	31,409,705	108.7%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	300,000	-	300,000	300,000	100.0%
Laboratory Equipment	477,000	-	477,000	477,000	100.0%
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	2,125,538	-	2,125,538	2,180,368	103.0%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
Sub Total	2,902,538		2,902,538	2,957,368	102%
(7) Expenditure For Operations					
Personnel Emoluments	8,100,000	-	8,100,000	8,342,100	102.9%
Repairs, Maintenance & Improvements	4,365,000	-	4,365,000	3,725,951	85.3%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Local Transport / Travelling	460,000	-	460,000	148,300	32%
Electricity, Water and Conservancy	460,000	-	460,000	388,620	84%
Medical(N.H.I.F)	176,000	-	176,000	60,550	34%
Administration Costs	400,000	-	400,000	271,050	68%
Activity Expenses	920,000	-	920,000	829,700	90%
N.S.S.F	50,000	-	50,000	46,800	94%
Sub Total	14,931,000		14,931,000	13,813,071	93%
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Prepayments					
Lunch	14,400,000	-	14,400,000	11,315,437	79%
Administration cost					
Electricity, Water and Conservancy					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Sub Total	14,400,000	-	14,400,000	11,315,437	79%
	-	-	-	-	-
TOTAL PAYMENTS	32,233,538	-	32,233,538	28,085,876	87%

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 school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	2,902,537.80	1,028,274.00
Others	-	-
Total	2,902,537.80	1,028,274.00

2 Government Grants for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	-	2,652,600
Repairs And Maintenance	4,365,000.00	3,112,000
Local Transport / Travelling		
Electricity And Water		
Medical and insurance	-	70,516.00
Administration Costs	1,430,836.00	-
Activity		
Other Vote Heads (specify)*	7,211,371.00	588,600.00
Total	13,007,207.00	6,423,716.00

3 Government Grants for infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	-	-

4 School Fund Income - Lunch

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Lunch	15,499,960	5,548,700.00
Arrears	-	-
Prepayments	-	-
Total	15,499,960.00	5,548,700.00

5. School Fund Income - Parents Contribution/Fees

Description	2021-2022	2020-2021
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total		

Notes to the Financial Statements (continued)

6. Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Exercise Books	300,000.00	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	477,000.00	-
Teaching / Learning Materials	2,180,368.45	1,002,088.00
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others	-	-
Total	2,957,368.45	1,002,088.00

7 Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	-	1,979,561.00
Service Gratuity	-	-
Administration Cost	271,050.70	569,109.00
Repairs And Maintenance & Improvements	-	2,462,000.00
Local Transport / Travelling	148,300.00	31,500.00
Electricity And Water	388,620.00	106,564.00
Medical	-	-
Activity Expenses	829,700.00	218,500.00
Others	6,277,110	-
Acquisition of assets	5,898,290.00	-
Total	13,813,070.70	5,367,234.00

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Repairs And Maintenance & Improvements	-	-
Total	-	-

9 Boarding And School Fund

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	11,315,437.00	4,467,497.00
Bank Charges	-	23,334.00
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	11,315,437.00	4,490,831.00

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2021-2022	2020-2021
	Active/Dormant		Kshs	Kshs
Tuition Account		018000016797	154,411.35	59,157.00
Operations Account		018000017929	480,291.30	1,097,438.00
School Fund Account/Boarding		0310283758455	3,537,686.00	77,818.00
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account		018000080656	1,061,524.00	1,419,110.00
Total			5,233,912.65	2,653,523.00

11 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Notes and Coins	9,407.00	22,807
Total	9,407.00	22,807

12 Short Term Investments

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

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	8,720,759	7,855,553
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	82,000.00
Rent arrears (list/schedule attached)	-	-
Total	8,720,759	7,937,553

13 b Ageing Analysis of Accounts Receivable

Description	2021-2022		2020-2021	
	Kshs	% of the total	Kshs	% of the total
	2021-2022	% of the total	2020-2021	% of the total
Less than 1 year	1,391,991.00	15.9%	1,075,474.00	13.5%
Between 1- 2 years	-	-	-	-
Between 2-3 years	(866,625.00)	(9.9) %	1,050,975.00	13.2%
Over 3 years	8,195,393.00	93.9%	5,811,104.00	73.2%
Total (should tie to note 13 a)	8,720,759.00	100.0%	7,937,553.00	100.0%

14 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	362,346	335,979
Prepaid Fees		
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	362,346	335,979

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2021-2022		2020-2021	
	Kshs		Kshs	
	2021-2022	% of the total	2020-2021	% of the total
Less than 1 year	362,346.00	100%	335,979.00	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	362,346.00	100%	335,979.00	100%

15 Fund Balance Brought Forward

Description	2021-2022		2020-2021	
	Kshs		Kshs	
Bank Balances	2,653,523.00		1,128,629.00	
Cash Balances	22,807.00		593.00	
Short Term Investments	-		-	
Receivables	7,937,553.00		7,150,415.00	
Payables	(335,979.00)		(142,270.00)	
Total	10,277,904.00		8,137,367.00	

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		173	123
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	477,000	1,002,088
Farm produce	-	-
Medication	-	-
Construction Materials	5,891,490	1,733,439
Others (specify)	-	-
	6,368,490	2,735,527

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)



14 AUG 2024
Sign: _____
Principal

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7. Annexes

Annex I - 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 2021-2022 d-a-c Kshs	Outstanding Balance Comparative 2020-2021 Kshs	Comments
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
2. Msafiri lab supplies	460,000	2021	308,560	151,440	-	To be cleared next financial year
3. Polyenergy supplies	140,000	2121	83,800	56,399	-	To be cleared next financial year
6. Shilanu supplies	526,000	2021	371,493	154,507	-	To be cleared next financial year
Sub-Total						
Supply Of Services						
4.						
Sub-Total						
Grand Total	1,126,000		763,853	362,346		
						5.

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land	1999	-	None	6,000,000
Buildings And Structures	Various dates	1,200,000	None	27,200,000
Motor Vehicles	Various dates	-	None	
Office Equipment, Furniture And Fittings	Various dates	400,000	None	548,800
Textbooks	Various dates	280,000	None	9,080,000
ICT Equipment	Various dates	280,000	None	900,000
Tools And Apparatus	Various dates	420,000	None	2,217,300
Other Machinery And Equipment	Various dates	50,000	None	190,000
Heritage And Cultural Assets	Various dates	-	None	-
Intangible Assets- Soft Ware	Various dates	150,000	None	435,000
Total		2,780,000		69,171,100