

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 04 MAR 2025

DAY:

Tuesday

TABLED
BY:

Deputy chief whip
Majority party.
Hon. Naomi Jillo

OF

CLERK-AT
THE-TABLE:

Benson Inzofu.

THE AUDITOR-GENERAL

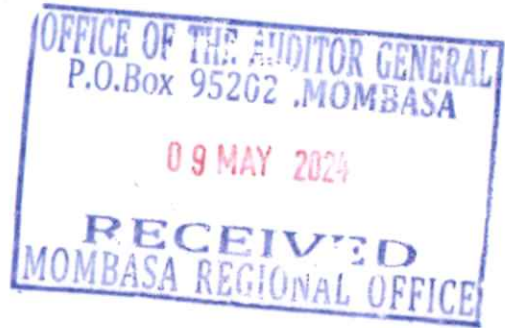
ON

KITUMA SECONDARY SCHOOL

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

TAITA/TAVETA COUNTY

Revised 30th June 2021.



KITUMA 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)

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

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Kiyuma secondary school
Reports and Financial Statements
For the year ended 30th June 2022

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 TAITA TAVETA County, MWATATE Sub-County

The school was registered in 01/2013 under registration number 06/S/00300/0/55 and is currently categorized as a *Extra County* public school established, owned and operated by the Government.

The school is a boarding school and had 166 number of students as at 30th June 2022. It has 1 stream and 10 teachers of which 7 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
1	ROBERT NDAMBO	Chairman
2	EDDIE MARAMI	Secretary - Principal
3	PATRICIA KIBALI	Member
4	SEBASTIAN MWAKUMBAKU	Member
5	TEREZI WAKESHO	Member
6	CATHERINE MACHILA	Member
7	DANIEL MUTUKU	Member
8	AUGUSTUS NDAU	Member – Rep CEB
9	THADEUS MUSEMBI	Member Rep Teachers
10	PETER MWAMBINGU, DOMINIC MWANDAU & MARY MWARIGHA	3 Members - Sponsor
11	FLORIAN MZUNGU	Member - Community
12	ROBERT NDAMBO	Member Special Needs
13	Isaac Ngige Muchiri	Rep Students

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee Audit Committee Finance, procurement and general purposes Committee	ROBERT NDAMBO EDDIE MARAMI DANIEL KIMUYU MARY MWARIGHA CATHERINE MACHILA	CHAIRPERSON P.A CHAIRPERSON SECRETARY MEMBER MEMBER	1
4	Academic and Discipline Committee	SEBASTIAN MWAKUMBAKU DANIEL KIMUYU	CHAIRPERSON MEMBER(PA)	1
5	Development Committee	ROBERT NDAMBO EDDIE MARAMI DANIEL KIMUYU AUGUST NDAU VENANCE WACHENJE	BOM CHAIRPERSON BOM SEC MEMBER(PA CHAIRPERSON) CHAIRPERSON MEMBER(D/P)	1
6	welfare Committee	MUSEMBI THADEUSS CATHERINE MACHILA PETER KIBALI	MEMBER, TCHR MEMBER MEMBER	1
7	Adhoc Committee (if any during the year)	N/A		1

KITUMA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2022

(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 EDDIE .M. MARAMI	374318
2	Deputy Principal	MR VENANCE WACHENJE	358230
3	School Bursar	MR EMMANUEL MWANYALO	27614634

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 24-80311 NGAMBWA
Telephone: 0708357789
E-mail: kitumacentre@gmail.com
Website: <http://www.kitumaboys.sc.ke/>
Facebook: @Kitumaboyssecondaryschool
Twitter:

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790260732103
2. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790260732050
3. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790260731991
4. Name of Bank: EQUITY
Branch: VOI
Account Number: 0790294504132
5. MPESA Pay Bill No. 247247 attached to 0790260732103 bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors

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

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


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:

S/NO	PERFORMANCE	YEAR ENDED 30TH JUNE 2021	YEAR ENDED 2020	YEAR ENDED 2019
a)	FINANCIAL			
	SURPLUS/DEFICIT	91,841,748.15)	2,175,021.20	(501,404.36)
	DIRECT CAPITATION GRANTS	1,859,941.50	243,207	3,602,024.31
	GROWTH OF OTHER INCOMES	3,016,650.00	5,211,340.00	5,191,127.00
	EXPENDITURE/PAYMENTS	6,718,339.65	4,969,300.80	10,051,065.35
	DEBTORS/RECEIVABLES	2,987,014.00	3,225,482.00	1,812,981.00
	CREDITORS/PAYABLES	3,567,426.00	1,875,306.00	2,066,771.20
	CASH AND CASH EQUIVALENTS	37,457.41	(81,382.44)	62,073.56
b)	NON-FINANCIAL			
	ENROLLED STUDENTS	166	163	137
c)	NUMBER OF TEACHERS	7	7	6
	TEACHER-STUDENT RATIO	1:24	1:24	1:23
	KCSE MEAN SCORE	3.6842	3.4286	3.3529
	TRANSITION TO UNIVERSITIES	3	2	2
	TRANSITION TO OTHER COLLEGES	13	8	4
d)	KCSE CANDIDATES	38	29	17
		YEAR ENDED 30TH JUNE 2021	YEAR ENDED 2020	YEAR ENDED 2019
e)	CAPACITY OF THE SCHOOL			
	CLASSROOMS	4	4	4
	LABORATORIES	1	1	1
	DORMITORIES	1	1	1
	DINING HALLS	0	0	1
	BORE HOLES	0	0	0
	ABLUTION BLOCKS	1	1	1
	LAND WITH LEGAL OWNERSHIP	50 ACRES	50 ACRES	50 ACRES

a) Development projects carried out by the school:

Additional CBC class by the m.o.e .

Sign 
EDDIE .M. MARAMI

School Principal

SENIOR PRINCIPAL
KITUMA SEC. SCHOOL
P.O. BOX 24-80311, NG'AMBWA
TEL: 0708 357 789

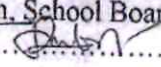
Date:.....Sign.....


KITUMA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2022

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

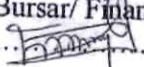
The Board of Management of *KITUMA SECONDARY SCHOOL* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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: MR ROBERT NDAMBO NGETI
Designation: Chairman, School Board of Management
Sign: 
Date:

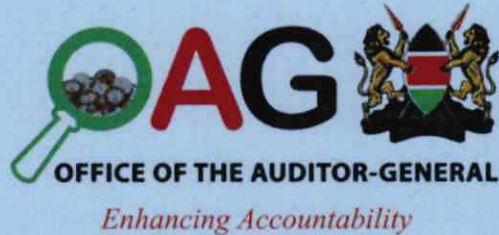
Name: MR EDDIE .M. MARAMI
Designation: School Principal & Secretary to Board of Management
Sign: 
Date:

SENIOR PRINCIPAL
KITUMA SEC. SCHOOL
P.O. BOX 24-80311, NG'AMBWA
TEL: 0708 357 789
Date:.....**Sign:**.....

Name: MR EMMANUEL MWANYALO
Designation: Bursar/ Finance Officer
Sign: 
Date:

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 KITUMA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – TAITA/TAVETA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Kituma Secondary School - Taita Taveta County which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary

Report of the Auditor-General on Kituma Secondary School for the year ended 30 June, 2022 – Taita/Taveta County

of significant accounting policies and other explanatory information in accordance with provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Kituma Secondary School – Taita Taveta 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 do not comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects total receipts and payments amounting to Kshs.4,078,466 and Kshs.3,814,256 respectively. However, review of cashbooks revealed total receipts and payments amounts of Kshs.12,694,014 and Kshs.14,498,291 resulting in unreconciled variances of Kshs.8,615,548 and Kshs.10,684,035 respectively.

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

2. Unsupported Cash and Cash Equivalentents

The statement of financial assets and liabilities reflects cash and cash equivalentents negative balance of Kshs.29,752 as disclosed in Note 8 to the financial statements. However, a board of survey report and bank reconciliation statements reconciling the cash and bank balances were not provided for audit. Further, the cashbook and bank statements for the infrastructure account were not provided for audit.

In addition, review of the cash books and cheque counter foils revealed that an amount of Kshs.2,438,120 was withdrawn by a former principal of the School with no supporting documents to justify the withdrawals.

In the circumstances, the accuracy and completeness of the cash and cash equivalentents negative balance of Kshs.29,752 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects a Nil accounts receivables balance as disclosed in Note 11 to the financial statements. However, Management did not provide evidence of collection of the closing 2020/2021 receivables balance of Kshs.2,987,014.

In the circumstances, the accuracy and completeness of the Nil balance in respect of accounts receivables could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.3,253,492 as disclosed in Note 12 to the financial statements. However, the listing of the individual creditors and amounts owed to each as well as an ageing analysis of the creditors was not provided for audit. Further, the supporting documents including invoices, delivery notes, LPOs/LSOs were not provided to determine the authenticity of the balances.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.3,253,492 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

Review of the financial statements revealed that the pages were not serially numbered as the statement of receipts and payments was numbered 31 while the last page was numbered 25. Further, the corresponding Notes to the financial statements in support of the statement of financial assets and financial liabilities balances are omitted from the financial statements. In addition, the number of teachers employed by the Teachers Service Commission as well as Board of Management teachers were not disclosed.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board reporting requirements.

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

Review of records revealed that the School received operations capitation grants amounting to Kshs.2,242,683 during the year, out of which an amount of Kshs.857,000 was supposed to be transferred to the infrastructure account. However, there was no evidence of the transfers. This was in contravention of the Ministry of Education's 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 days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry's guidelines.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Maintain Critical Policies

Review of records revealed that the School did not maintain approved finance policy and procedures manual, human resource policy, ICT policy and disaster recovery plan, risk management policy and a staff code of conduct and ethics hand books.

In the circumstances, the Management may not have the means of identifying, preventing and mitigating against disasters in the event of an unforeseen systems failure.

2. Lack of Internal Audit Function and Operational Audit Committee

Review of documents and operations revealed that the Board of Management of the School failed to form an audit committee whose functions include performing risk

assessments, evaluating operational effectiveness of the School, reviewing of the audit reports and assessment of the compliance with laws and regulations in the School.

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

3. Failure to Maintain an Assets Register

Review of records revealed that the School prepared an asset list and did not maintain the asset register with details of the assets including the land registration number, size of the land, beds, tables and chairs with their respective estimated values, tag numbers, serial numbers and conditions of the assets.

In the circumstances, the effectiveness of the fixed assets management system could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue 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.

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 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
AUDITOR-GENERAL

Nairobi

23 September, 2024


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

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020 - 2021
RECEIPTS			
Capitation grants for tuition	1	1,085,929.85	321,710.75
Capitation grants for operations	2	2,992,536.30	1,538,230.75
School Fund Income- Parents' Contributions	3	-	-
School Fund Income- Other receipts	4	-	3,016,650.00
Proceeds from borrowings			
TOTAL RECEIPTS		4,078,466.15	4,876,591.50
PAYMENTS			
Payments for Tuition	5	810,257.25	1,353,554.25
Payments for operations	6	3,003,999.70	1,649,185.40
Boarding and school fund payments	7	-	3,715,600.00
TOTAL PAYMENTS		3,814,256.95	6,718,339.65
SURPLUS/DEFICIT		264,209.20	(1,841,748.15)

The school financial statements were approved on _____ 2022 and signed by

Name: **MR ROBERT .N. NGETI**
Chairperson BOM

SIGN: 

Date :.....

Name: **MR EDDIE .M. MARAMI**
School Principal/ Secretary BOM

SIGN: 

Date.....Date:.....

SENIOR PRINCIPAL
KITUMA SEC. SCHOOL
P.O. BOX 24-80311. NG'AMBWA
TEL: 0708 357 789
Date:.....Sign.....

Name **MR EMMANUEL MWANYALO**
Bursar/ Finance Officer

SIGN: 

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

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022 Kshs	2020 - 2021 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	(29,752.89)	57,917.41
Cash Balances	9	-	(20,460.00)
Short term Investment	10	-	-
Total Cash and Cash Equivalents		(29,752.89)	37,457.41
Account's receivables	11	-	2,987,014.00
TOTAL FINANCIAL ASSETS		(29,752.89)	3,024,471.41
FINANCIAL LIABILITIES			
Accounts Payable	12	3,253,492.00	3,567,426.00
NET FINANCIAL SSETS		(3,283,244.89)	(542,954.59)
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	(3,547,454.09)	1,298,793.56
Surplus/Defict for the year		264,209.20	(1,841,748.15)
NET FINANCIAL POSITION		(3,283,244.89)	(542,954.59)

Name: **MR ROBERT .N. NGETI**
Chairperson BOM

SIGN: 

Date :

Name: **MR EDDIE .M. MARAMI**
School Principal/ Secretary BOM

SIGN: 

Date:.....Date:.....

Name **MR EMMANUEL MWANYALO**
Bursar/ Finance Officer

SIGN: 

SENIOR PRINCIPAL
KITUMA SEC. SCHOOL
P.O. BOX 24-80311, NG'AMEWA
TEL: 0708 357 789

Date:.....Sign:.....

KITUMA SECONDARY SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

STATEMENT OF CASH FLOW			
		2022 - 2022	2020 - 2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	1,085,929.85	321,710.75
Capitation grants for operations	2	3,252,536.30	1,538,230.75
School fund income- Parents contributions/ fees	3	9,587,350.00	4,239,607.00
School fund income- other receipts	4		
Total receipts		13,925,816.15	6,009,548.50
Payments			
Payments for Tuition		810,137.25	257,161.25
Payments for operations		3,063,034.70	1,542,717.40
Boarding and school fund payments		9,557,046.50	4,180,830.00
Total Payments		13,430,218.45	5,980,708.65
Net cash flow from operating activities		495,597.70	118,839.85
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets		(201,085.00)	-
Proceeds from investments			-
Net cash flows from Investing Activities			-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		294,512.70	118,839.85
Cash and cash equivalent at BEGINNING of the year		37,457.41	(81,382.44)
Cash and cash equivalent at END of the year		331,970.11	37,457.41

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Text books	500,000	120,000	620,000	620,000	-	100.0%
Exercise books	1,800,000	740000	2,540,000	2,540,000	-	100.0%
Laboratory equipments and apparatus	1,148,000	80000	1,228,000	1,228,000	-	100.0%
Teaching/learning materials	544,000	126000	670,000	670,000	-	100.0%
chalks	100,000	13600	113,600	113,600	-	100.0%
Internal exams	500,000	340000	840,000	840,000	-	100.0%
Reference books	200,000	60000	260,000	260,000	-	100.0%
0				-	-	
0				-	-	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>					-	
OTHER VOTEHEADS						

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				987,231	(987,231)	
RMI(IFRASTRUCTURE)				551,000	(551,000)	
Local transport / travelling				-	-	
Electricity and water		0	0	-	-	#DIV/0!
Medical				-	-	
Administration costs				-	-	
Insurance				-	-	
Activity				-	-	
					-	
					-	
					-	
(3) FEES CHARGED ON PARENTS					-	
Personnel emoluments					-	
Repairs and maintenance					-	
Local transport / travelling					-	
Electricity and water					-	
Medical					-	
Administration costs					-	
Activity					-	
SMASSE					-	
Fee on Boarding Equipment and Stores					-	
					-	
OTHER INCOME					-	

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<i>Fee on Boarding Equipment and Stores</i>				2,655,460		
<i>Electricity, water & C</i>				147,480		
<i>LT&T</i>				12,020		
<i>Repairs and Maintenance</i>				50,555		
<i>Personal Emoluments</i>				98,070		
<i>Admin Costs</i>				51,675		
<i>Activity</i>				1,390		
<i>Pocket Money</i>				-		
<i>Rent income</i>				-		
<i>Income from farming activities</i>				-		
<i>Income from grants and donations*</i>	-			-		
<i>Interest income</i>				-		
<i>Dividends income</i>				-		
TOTAL INCOME	4,792,000	1,479,600	6,271,600	10,826,481	(4,554,881)	172.6%
(1) EXPENDITURE FOR TUITION						
Text books	500,000		500,000			0%

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				-	500,000	
Exercise books	1,800,000		1,800,000	-	1,800,000	0%
Laboratory equipments and apparatus	1,148,000		1,148,000	-	1,148,000	0%
Teaching/learning materials	544,000		544,000	1,353,194	(809,194)	249%
chalks	100,000		100,000	-	100,000	0%
Internal exams	500,000		500,000	-	500,000	0%
Reference books	200,000		200,000	-	200,000	0%
Bank charges			0	360	(360)	
			0		-	
PAYMENTS FOR OPERATIONS			0		-	
OTHER VOTEHEADS			0		-	
RMI(INFRASTRUCTURE)	367,005		367,005	1,282,180		
Administration Cost			0	367,005		
Repairs and maintenance & improvements			0	-		
Local transport / travelling			0	-		
Electricity and water			0	-		
Medical			0	-		
			0	-		

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Activity Expenses			0	-		
SMASSE	0		0	-		
edu afya	0		0	-		
Bank Charges			0	-		
Acquisition of Assets	0		0	-		
	0		0			
BOARDING AND SCHOOL FUND PAYMENTS			0			
Fee on Boarding Equipment and Stores			0	2,788,855		
Electricity, water & C			0	61,080		
LT&T			0	131,440		
Repairs and Maintenance			0	159,135		
Personal Emoluments			0	106,656		
Admin Costs			0	468,434		
Activity	0		0	-		
Pocket Money			0	-		
Caution Money			0	-		
Electricity and water			0	-		

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Medical Expenses	0		0	-		
Administration costs			0	-		
Lunch Programme	0		0	-		
Bank Charges			0	-		
Expenses on Income Generating Activities	0		0	-		
Fee on Boarding Equipment and Stores			0	-		
Rent Expenses			0	-		
Insurance Cost (Life Property)	0		0	-		
Loan Principal repayment	0		0	-		
Loan Interest repayment	0		0	-		#DIV/0!
Acquisition of Assets	0		0	-		#DIV/0!
TOTAL	5,159,005	0	5,159,005	6,718,340	(1,559,335)	130.2%

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

i. N/A

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 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

I. NOTES TO THE FINANCIAL STATEMENTS				
1	CAPITATION GRANT FOR TUITION			
			2020-2021	2020-2021
			Kshs	Kshs
	Text books		-	-
	Exercise books		-	
	Laboratory equipments and apparatus		-	
	Teaching/learning materials		321,710.75	
	chalks		-	
	Internal exams		-	
	Reference books		-	
	Total		321,710.75	-
2	CAPITATION GRANT FOR OPERATIONS			
			2020-2021	2020-2021
			Kshs	Kshs
	OTHER VOTEHEADS		987,230.75	-
	RMI(IFRASTRUCTURE)		551,000.00	-
	Local transport / travelling			-

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	Electricity and water				
	Medical				-
	Administration costs				-
	Insurance				-
	Activity				-
	Total			1,538,230.75	-
	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT				
3					
			2020-2021	2019-2020	
			Kshs	Kshs	
	Personnel emoluments				-
	Repairs and maintenance		-	-	
	Local transport / travelling		-	-	
	Electricity and water		-	-	
	Medical		-	-	
	Administration costs		-	-	
	Activity		-	-	
	Total		-	-	
4	OTHER RECEIPTS – SCHOOL FUND ACCOUNT				
			2020-2021	2019-2020	
			Kshs	Kshs	

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	Fee on Boarding Equipment and Stores		2,655,460.00	-
	Electricity, water & C		147,480.00	-
	LT&T		12,020.00	-
	Repairs and Maintenance		50,555.00	-
	Personal Emoluments		98,070.00	-
	Admin Costs		51,675.00	-
	Activity		1,390.00	-
	Pocket Money			-
	Caution Money			-
	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			-
	Total		3,016,650.00	-
5	PAYMENTS FOR TUITION			
			2020-2021	2019-2020
			Kshs	Kshs

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	Text books		-	-
	Exercise books		-	-
	Laboratory equipments and apparatus		-	-
	Teaching/learning materials		1,353,194.25	-
	chalks		-	-
	Internal exams		-	-
	Reference books		-	-
	Bank charges		360.00	-
	Total		1,353,554.25	-

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PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
OTHER VOTEHEADS		
RMI(INFRASTRUCTURE)	1,282,180.40	-
Administration Cost	367,005.00	-
Repairs and maintenance & improvements		-
Local transport / travelling		-
Electricity and water		-
Medical		-
Activity Expenses		-
SMASSE		-