REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KATOONI SECONDARY SCHOOL

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

KITUI COUNTY

KATOONI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2021

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

Katooni Secondary School
Annual Report and Financial Statements
For the financial year ended 30th June 2021

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kitui County, Kyuso Sub-County
The school was registered in 23/1/2020 under registration number 15530001239 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 91 students as at 30th June 2021. It has 1 stream and 10 teachers of which 3 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Name of Board Member	Designation	Date of appointment
Julius Kyalo Mwinzi	Chairman	20/3/2019
Alexander Mbaka	Secretary-Principal	20/3/2019
Sophia Wambui Musyoka	Member	20/3/2019
Peter Muneeni Musyimi	Member	20/3/2019
Joshua Kimanzi Kilonzo	Member	20/3/2019
Mutuku Kalengi Muthanja	Member	20/3/2019
Benjamin Mwanzi Makena	Member CEB	20/3/2019
Rachael Muthingu Kyalo	Member Rep teachers	20/3/2019
James Kimanzi Mutemi	Member	20/3/2019
William Kimanzi Kivolo	Sponsor	20/3/2019
Regina Kithuku	Sponsor	20/3/2019
David Musyoka Mutemi	Sponsor	20/3/2019
Joel Mulinge Makasa	Special interest	20/3/2019
Justus Muvita Muthui	Special needs	20/3/2019

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 report to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submitt 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 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
1	Executive Committee	Julius Kyalo Mwinzi	Chairperson	3
		Alexander Mbaka	Secretary	
		Peter Muneeni Musyimi	PTA Chairperson	
		Mutuku Kalengi Muthanja	Member	
2	Academic Committee	Julius Kyalo Mwinzi	Chairperson	3
		David Musyoka Mutemi	Secretary	
		Alexander Mbaka	Member	
		Rachael Muthingu Kyalo	Member	
3	Finance,Procurement and General Purposes Committee	Sophia Wambui Musyoka	Chairperson	2
		Alexander Mbaka	Secretary	
		James Kimanzi Mutemi	Member	
		Mutuku Kalengi Muthanja	Member	
4	Discipline & Welfare Committee	Julius Kyalo Mwinzi	Chairperson	2
		Alexander Mbaka	Secretary	
		James Kimanzi Mutemi	Member	
		Stella Muthengi	Member	

(d) School operation Management

For the financial year ended 30th June 2021 the school day to day under the following persons;

Ref	DESIGNATION	NAME	IDENTIFICATIO
1	Pincipal	Alexander Mbaka	TSC No. 273518
2	D/Principal	David M. Muthengi	TSC No. 725801
3	School Bursar	Victor Kianga	ICPAK No.

(e) School contacts

Post Office Box	64-90403 Kamuwongo
Telephone	
Email	katoonisec@gmail.com
Website	
Facebook	-
Twiter	-

(f) School Bankers

1	Name of Bank:	KCB Bank
	Branch:	Mwingi
	Account Number:	1223663469-**Tuition**
2	Name of Bank:	KCB Bank
	Branch:	Mwingi
	Account Number:	1223663868-**Operation**
3	Name of Bank:	KCB Bank
	Branch:	Mwingi
	Account Number:	1233208063-**Boarding**
4	Name of Bank:	KCB Bank
	Branch:	Mwingi
	Account Number:	1324413727-**Infrastructure**

(g) Independent Auditors

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

II. SUMMARY REPORT ON PERFORMANCE OF THE SCHOOL

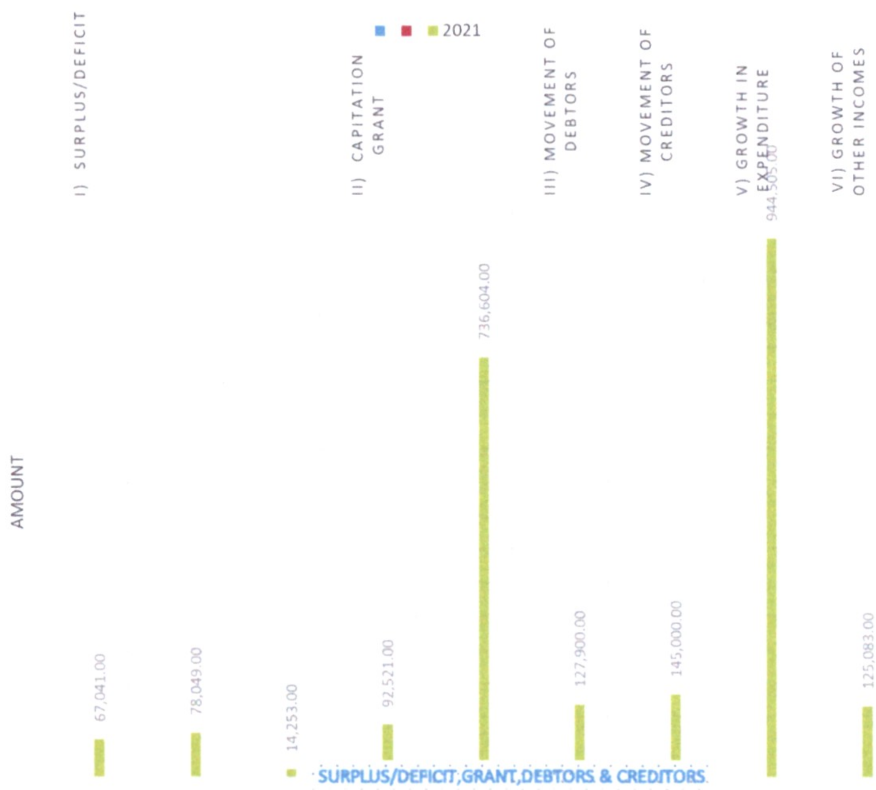
The following is a summary report of the performance of the school against the set performance evaluation criteria.

			2021
a) Teacher Student ratio:			
The teacher to student ratio			1:9
Number of teachers recruited and posted to the school within the year			0
Number of teachers that were transferred/ retired during the period			0
Number of teachers employed by TSC			7
Number of teachers employed by BOM.			3
Number of teachers the school has for each subject in order to indicate			
shortage/allocation of resourses			
Subjects:			**No.of Teachers**
-Mathematics			2
-English			1
-Kiswahili			2
-Chemistry			1
-Physics			1
-Biology			1
-History			1
-CRE			2
-Agriculture			0
-Business Studies			0
-Geography			1
-Music			0
-Computer Studies			0
b) Mean score in KCSE:			
Mean score			
Number of students that have since transitioned to institutions of higher learning.			3.6
Comment on improvement or otherwise as compared to the school's previous performance			
c) Number of Candidates in KCSE:			
Number of candidates sitting for KCSE over the last three years.			17
d) Capacity of the school:			
Number of students in the school			91
Dormitories			
Dinning hall			
Labolatories			1
Toilets			10
Land with legal ownership			1
Staff quarters			
Adminstration block			1
Classrooms			4

SUMMARY REPORT ON PERFORMANCE OF THE SCHOOL(Continued)

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

e) Financial performance:	Account			Ksh
				2021
i) Surplus/deficit	Tuition			67,041.00
	Operation			78,049.00
	Boarding			14,253.00
ii) Capitation grant	Tuition			92,521.00
	Operation			736,604.00
iii) Movement of debtors				127,900.00
iv) Movement of creditors				145,000.00
v) Growth in expenditure				944,505.00
vi) Growth of other incomes				125,083.00



f) Development projects carried out by the school:

Project	Source of fund	Initial cost (Ksh)	Amount spent (Ksh)	Expected Completion Time

Sign; .... KATOONI SEC. SCHOOL

P.O. Box 64-90403

School Principal; **Rose Kongo.** KAMUWONGO

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

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

Name Mr. Julius Kyalo Mwinzi
Designation: Chairman, School Board of Management
Sign:
Date: 13/4/2026

Name Md. Rose Kongo
Designation: School Principal& Secretary to Board of Management
Sign:
Date: 13/4/2026

KATOONI SEC. SCHOOL
P.O. Box 64-90403
KAMUWONGO

Name: Mr.Victor Kianga.
Designation: Bursar/Finance Officer
Sign:
Date: 13/4/2026

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

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

PREAMBLE

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

A. Report on 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 the 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; and,

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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Katooni Secondary School set out on pages 10 to 25, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Katooni Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis), the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents of Kshs.227,869 as disclosed in Note 8 and Note 9 to the financial statements. However, the balances were not supported by updated cash book and bank reconciliation statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents of Kshs.227,869 could not be confirmed.

2. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.145,000 as disclosed in Note 12 to the financial statements. However, the balance was not supported by invoices and delivery notes.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.145,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Katooni 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.2,243,630 and Kshs.1,103,848 respectively, resulting in an under-funding of Kshs.1,139,782 or 51% of the budget. However, the School spent an amount of Kshs.944,505 against actual receipts of Kshs.1,103,848, resulting in an under-utilization of Kshs.159,343 or 14% of actual receipts.

The under-funding and 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key matters to communicate in my report.

Other Matter

Unaudited Accumulated Fund Balance Brought Forward

I draw your attention to the accumulated fund balance brought forward of Kshs.51,426 as stated in the statement of financial assets and financial liabilities for the 2020/2021 financial year. The accumulated fund balance brought forward as at 1 July 2020 were based on unaudited balances. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

Other Information

Management is responsible for the Other Information set out on pages 2 to 8, which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of 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 for Audit

The financial statements for the year under review were submitted for audit on 11 November, 2021 after the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which required that the School's financial statements to be submitted by 30 September, 2021, in compliance with Section 81 of the Public Finance Management Act, 2012 on the preparation of financial statements.

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

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.92,521 and Kshs.736,604 as disclosed in Notes 1 and 2 to the financial statements. During the financial year, National Education Management Information System (NEMIS) reported a total of two hundred and eighty-four (284) students while the enrolment records provided by the School indicated a total of four hundred and ten (410) students, resulting in an unexplained variance of one hundred and twenty-six (126) students. As a result of the variance, the School was under funded by an amount of Kshs.472,888.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amounting to Kshs.736,604 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.319,500 in respect of repairs, maintenance and improvement funds, which was to be transferred to the infrastructure bank account for maintenance and improvement of the School's facilities. However, an amount was not transferred to the infrastructure bank account. 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 within fifteen (15) days upon receipt of the funds in the operations account.

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

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

The statement of receipts and payments reflects operations payments of Kshs.658,555 as disclosed in Note 6 to the financial statements. Included in the operations expenditure is an amount of Kshs.100,000 payments transferred to the 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 the 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.100,000 could not be confirmed.

5. Lack of Mandatory Facilities and Personnel in the School

Audit verification revealed that the School does not have a qualified nurse, safe and appropriate playing grounds and equipment. Further, the classes do not have a first aid kit as clearly set out in the regulations as a mandatory requirement. This was contrary to Regulation 50(1) and (2) of the Basic Education Regulations, 2015 which states that, a person, body, organ or institution responsible for the management of a pre-primary, Primary or Secondary School should have provision for a first aid kit for each class and training on the use thereof for the whole School community, safe, appropriate and equipped playing grounds, and a qualified Nurse.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 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 effect of 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. Lack of an Audit Committee

During the year under review, the School had not constituted an Audit Committee as required by Regulation 166(2) of the Public Finance Management (National Government) Regulations, 2015, which states that each year the Audit Committee shall carry out an annual review of the independence performance and competency of the internal unit and comment on effectiveness in the annual report. Further, Section 61(2)(d) of the Basic Education Act, 2013, requires the Board of Management to establish an Audit Committee among other Board committees.

In the circumstances, the existence of effective oversight mechanisms could not be confirmed.

2. Lack of Human Resource Policies and Procedures Manual

Review of the School's policy documents revealed that the School did not have human resource policies and procedures manual to provide formal guidance on the conduct and management of internal procedures and processes for its key operations.

In the circumstances, the existence of structures for effective management of operations and human resources could not be confirmed.

3. Lack of Ownership Documents

Review of the summary of fixed asset register, revealed that the School had a piece of land measuring approximately three (3) acres. However, Management did not provide the Part Development Plan (PDP) map, allotment letter and title deed of the land for audit verification.

In the circumstances, the existence of effective measures for the management of 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 the Management and those Charged with Governance

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

In preparing the financial statements, the Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and those 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 April, 2026

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

DESCRIPTION OF VOTE HEAD	Note		2021
			Kshs
RECEIPTS			
Government grants for tuition	1		92,521.00
Government grants for operations	2		736,604.00
School Fund Income- parents' contributions	3		149,640.00
School Fund Income- miscellaneous income	4		125,083.00
TOTAL RECEIPTS			**1,103,848.00**
PAYMENTS			
Tuition	5		25,480.00
Operations	6		658,555.00
Boarding and school fund	7		260,470.00
TOTAL PAYMENTS			**944,505.00**
SURPLUS/DEFICIT			**159,343.00**

The school financial statements were approved on: 13 / 4 / 2026 and signed by:

Sign:........................ **Sign:**........................ **Sign:**........................

Name: JULIUS MWINZI **Name:** ROSE KONGO **Name:** VICTOR KIANGA

Chair BOM ***School principal/Secretary to BOM*** ***Bursar***

Date: 13/4/2026 **Date:** 13/4/2026 **Date:** 13/4/2026

KATOONI SEC. SCHOOL
P.O. Box 64-90403
KAMUWONGO

IV. REPORT OF THE INDEPENDENT AUDITOR ON THE ANNUAL FINANCIAL STATEMNTS OF KATOONI SECONDARY SCHOOL OF THE YEAR ENDING 30TH JUNE 2021.

VI.STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note		2021
			Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank balances	8		226,556.00
Cash balances	9		1,313.00
Short term investment	10		-
Total Cash and cash Equivalents			**227,869.00**
Account's receivables	11		127,900.00
TOTAL FINANCIAL ASSETS			**355,769.00**
FINANCIAL LIABILITIES			
Accounts payables	12		145,000.00
NET FINANCIAL ASSETS			**210,769.00**
REPRESENTED BY			
Fund balance b/fwd	13		51,426.00
Surplus/Deficit for the year			159,343.00
NET FINANCIAL POSITION			**210,769.00**

The School's financial statements were approved on: 13 /4 / 2026 and signed by:

Name: JULIUS MKINZI
Chairman, BOM
Sign: ....
Date: 13/4/2026

Name: ROSE KONGO
School principal/secretary to BOM
Sign: RG
Date: 13/4/2026

Name: VICTOR KIANGA
Bursar/Finance officer
Sign: ....
Date: 13/4/2026

KATOONI SEC. SCHOOL
P.O. Box 64-90403
KAMUWONGO

VII. STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

			2021
CASHFLOW FROM OPERATING ACTIVITIES			**Kshs**
Receipts for operating income			
Government grants for tuition	1		92,521.00
Government grants for operations	2		736,604.00
School fund income- parents contributions/ fees	3		149,640.00
School fund income- miscelleneous income	4		125,083.00
Total receipts			**1,103,848.00**
Payments			-
Cash outflows for tuition	5		25,480.00
Cash out flows for operations	6		658,555.00
Cash out flows boarding & school fund	7		260,470.00
Total payments			**944,505.00**
Net cash flow from operating activities			**159,343.00**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of assets			
Acquisition of Assets-infrastructure payments			
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities			
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			**159,343.00**
Cash and cash equivalent at BEGINNING of the year			**68,526.00**
Cash and cash equivalent at END of the year			**227,869.00**

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Comparable Basis	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Reference materials					
Exercise books					
Laboratory equipment					
Teaching / learning materials	393,630.00	-	393,630.00	92,521.00	24%
Internal exams					
Exams and assessment					
TOTAL	**393,630.00**		**393,630.00**	**92,521.00**	**24%**
(2) CAPITATION GRANT ON OPERATIONS					
Other voteheads	820,000.00		820,000.00	476,854.00	58%
RMI	380,000.00		380,000.00	259,750.00	68%
LT&T					
Medical & Insurance					
P/Emolument					
Administration					
TOTAL	**1,200,000.00**		**1,200,000.00**	**736,604.00**	**61%**
(3) FEES CHARGED ON PARENTS					
Othervoteheads			-		
Repairs and maintenance					
Administration costs					
Activity			-		
Fee on BES/Lunch programme	650,000.00		650,000.00	149,640.00	23%
(4)MISCELLENOUS INCOME					
Bursary				125,083.00	
Income from farming activities					
Income from Bus Hire					
SMASSE					
Income from any other investment			-		
	650,000.00		**650,000.00**	**274,723.00**	**42%**
TOTAL INCOME	**2,243,630.00**	-	**2,243,630.00**	**1,103,848.00**	

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
(5) EXPENDITURE FOR TUITION					
Exercise books					
Laboratory equipment					
Internal exams					
Teaching / learning materials	393,630.00		393,630.00	25,000.00	6%
Chalks					
Exams and assessment					
Teachers guides					
Administration costs					
Bank Charges				480.00	
TOTAL	**393,630.00**		**393,630.00**	**25,480.00**	**6%**
(6) EXPENDITURE FOR OPERATIONS					
Personnel emoluments					
Repairs, maintenance &improvements	380,000.00		380,000.00	24,880.00	7%
Local transport / travelling					
Electricity, water and conservancy					
Medical					
Infrastructure				368,500.00	
Activity Expenses			-	-	
Othervoteheads	820,000.00		820,000.00	262,398.00	32%
Bank Charges				2,777.00	
TOTAL	**1,200,000.00**		**1,200,000.00**	**658,555.00**	**55%**
(7) EXPENDITURE FOR SCHOOL FUND/LUNCH/BOARDING					
Personnel emoluments					
Repairs, maintenance and improvements					
Local transport / travelling					
Electricity, water and conservancy					
Medical Expenses					
Administration costs					
Activity					
Boarding Equipment and Stores/lunch	650,000.00		650,000.00	260,470.00	
Gratuity					
TOTALS	**650,000.00**	-	**650,000.00**	**260,470.00**	40%
TOTAL EXPENDITURE	**2,243,630.00**	-	**2,243,630.00**	**944,505.00**	42%

Commentary on significant underutilization (below 90% of utilization) and overutilization above 100%]

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 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 secondary schools . 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

1. GOVERNMENT GRANTS FOR TUITION

		2021
		Kshs
Teaching and reference materials		24,521.00
Exams		
Laboratory Equipments		
Teaching/learning materials		68,000.00
Other voteheads		
Total		**92,521.00**

2. GOVERNMENT GRANTS FOR OPERATIONS

		2021
		Kshs
RMI		259,750.00
Other voteheads		476,854.00
BES/Lunch programme		
LT&T		
Medical & Insurance		
P/Emolument		
Administration		
Total		**736,604.00**

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

		2021
		Kshs
Personnel emoluments		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Operations a/c		
Infrastructure a/c		
Activity		
Fee on Boarding Equipment and Stores/Lunch		149,640.00
Total		**149,640.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. MISCELLANEOUS INCOMES

		2021
		Kshs
Bursary		125,083.00
Donation		
Salary advance		
Income from Bus Hire		
Fee for hire of ground and equipment		
SMASSE		
Total		**125,083.00**

5. PAYMENTS FOR TUITION

		2021
		Kshs
Reference materials		
Exercise books		
Laboratory Equipments		
Teaching/learning materials		25,000.00
Operation account		
Exams & assessment		
Bank charges		480.00
Total		**25,480.00**

6. PAYMENTS FOR OPERATIONS

		2021
		Kshs
Administration Cost		
EW&C		
Other voteheads		262,398.00
RMI		24,880.00
Activity Expenses		
Infrastructure		368,500.00
PE		
BES		
Bank charges		2,777.00
TOTAL		**658,555.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. BOARDING AND SCHOOL FUND PAYMENTS

		2021
		Kshs
P/Emoluments		
Repairs and maintenance & Improvements		
Local transport / travelling		
Electricity and water		
Bursary		125,083.00
Administration costs		
Fee on Boarding/Lunch programme		135,387.00
Activity		
Bank charges		
TOTAL		**260,470.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BANK ACCOUNTS

Account Name. & currency-Status	Bank Account Number		2021
			Kshs
Tuition account-Active	1223663469		98,488.00
Operations account-Active	1223663868		99,695.00
School fund account/Boarding-Active	1233208063		28,373.00
Infrastructure account-Active	1324413727		
Total			**226,556.00**

9. CASH IN HAND

Description		2021
		Kshs
Notes and Coins		1,313.00
Total		**1,313.00**

10. SHORT TERM INVESTMENTS

Description		2021
		Kshs
Cooperative shares		-
Treasury bills		-
Fixed deposit accounts		-
Other investments		-
Total		-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.ACCOUNTS RECEIVABLE

Description		2021
		Kshs
Fees arrears		127,900.00
Other non-fees receivables		
Salary advances		
Imprest		
Rent arrears		-
Total		**127,900.00**

Description		2021
		Kshs
Fees arrears below 1 year		127,900.00
Fees arrears between 1-2 years		
Fees arrears between 2-3 years		
Fees arrears over 3 years		
Total		**127,900.00**

12.ACCOUNTS PAYABLES

Description		2021
		Kshs
Trade creditors		145,000.00
Prepaid fees		
Retention monies		-
Caution money		-
Total		**145,000.00**

Description		2021
		Kshs
Below 1 year		145,000.00
Between 1-2 years		
Between 2-3 years		
over 3 years		
Total		**145,000.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. FUND BALANCE BROUGHT FORWARD

Description		2019/2020
		Kshs
Bank balances		136,200.00
Cash balances		2,600.00
Short Term Investments		-
Accounts Receivables		87,374.00
Accounts Payables		174,748.00
Total		**51,426.00**

Other important disclosure notes

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

14. Non-current Liabilities Summary

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

15. Biological assets

Description	Numbers		2021
			Kshs
Cattle			
Goats			-
Trees			-
Coffee or tea plantation			-
Pigs & Donkeys			-
Poultry			-
Others (specify)			-
TOTAL			-

16. Borrowings

Description		2021
		Kshs
Borrowings		
Borrowing at beginning of the year		-
Borrowings during the year		-
Repayments of during the year		-
Balance at end of the year		-

Other important disclosure notes

17 .Stock/ Inventory

Description		**2021**
		KShs
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at the end of year		-

18. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1				
2				
3				
4				
5				

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Suppliers of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2021	Comments
	a		c	d=a-c	
	Kshs		Kshs	Kshs	
Construction of buildings					
SUB TOTAL					
Supply of goods					
Kamuwongo Mbiti Timber				45,000.00	for supply of building materials
Ona Ngethi Noundu				80,000.00	for supply of food stuff & water
Versity Bookshop				20,000.00	for supply of revision books
SUB TOTAL	-		-		
TOTAL	-		-	**145,000.00**	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Locatio n	Unit	Historical Cost b/f (Kshs) 1st Jan 2021	Additions during the year (Kshs)	Disposal s during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1						-	
Buildings and structures						-	
Office equipment, furniture and						-	-
ICT Equipment, and Other ICT						-	-
Tools and apparatus						-	-
Textbooks						-	-
Other Machinery and Equipment						-	-
Heritage and cultural assets							
Intangible assets- soft ware							
TOTAL							

(The School should ensure that a detailed fixed assets register is maintained).