

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2025	DAY: WED
TABLED BY: HON. KIMANI CHUNGWA MAJORITY LEADER	
CLERK-AT-THE-TABLE: MERRY CHUMO	

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

PARLIAMENT  
OF KENYA  
LIBRARY

**ON**

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**

**FOR YEAR ENDED  
30 JUNE, 2022**

**KITUI COUNTY**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

02 JUL 2024

RECEIVED

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**ST. MARY'S MIAMBANI SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>th</sup> June 2022**

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

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022 (JAN 1st to JUNE 30th 2022) 18 months**

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# ST. MARY'S MIAMBANI 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 Kitui County, Kitui Central Sub-County

The school was registered in 19/12/2000 under registration number GP/A/1526/2000 and is currently categorized as a *County* public school established, owned or operated by the Government.

The school is a Boarding school and had 123 number of students as at *30<sup>th</sup> June 2022*. It has **One** streams and 9 teachers of which 1 teachers was 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	PIUS MUTEMI	Chairman	4/5/2022
2	PETER NJERU	Secretary - Principal	4/5/2022
3	MR BENSON NZAKYO	Member	4/5/2022
4	CRISTINE WAMBUA	Member	4/5/2022
5	PATRICK NGALA	Member	4/5/2022
6	JOSEPH KAVYU	Member	4/5/2022
7	FELISTUS MUSYOKA	Member	4/5/2022
8	LILIAN MUIMI	Member – Rep CEB	4/5/2022
9	NATHAN KIMOTHO	Member Rep Teachers	4/5/2022
10	PATRICIA KOKI	Member - Sponsor	4/5/2022
11	STEPHEN MWONGELA	Member- Community	4/5/2022
12	FR.DANIEL MULYUNGI	Member - Sponsor	4/5/2022
13	BENARD KATEE	Member Special Needs	4/5/2022
14	BONFACE JANE M.	Rep Students	4/5/2022

**ST. MARY'S MIAMBANI SECONDARY SCHOOL****Annual Report and Financial Statements****For the year ended 30th June 2022****KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)****The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.

Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013

- Ensure and assure the provision of proper and adequate facilities for the School  
Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health

- Advise the County Education Board on the staffing needs of the School.

- Determine cases of pupils discipline and make reports to the CEB

Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB

- Administer and manage the resources of the School

Receive, collect and account for any funds accruing to the institution in accordance with

Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance

Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee			
		PIUS MUTEMI	BOM CHAIRMAN	
		PETER NJIRU	BOM SECRETARY	
		PATRICIA KOKI	BOM VICE CHAIR	
		PATRICK NGALA	PTA CHAIRMAN	
		FR DANIEL MUTIA	SPONSOR	
2	Audit ,Finance,procurement and general purposes Committee			
		PETER NJIRU	PRINCIPAL	
		PIUS MUTEMI	BOM. CHAIRMAN	
		PATRICK NGALA	PA. CHAIRMAN	
		FR DANIEL MUTIA	SPONSOR	
		RUTH MWENDWA	MEMBER	
3	Academic Committee			
		PETER NJIRU	BOM SECRETARY	
		NATHAN KIMOTHO	TEACHER	
		STEPHEN MWONGELA	MEMBER	
		LILIAN MUIMI	CEB	
		PATRICIA KOKI	BOM VICE CHAIR	
		BENSON NZAKYO	MEMBER	
		PATRICK NGALA	PA CHAIRMAN	

**ST. MARY'S MIAMBANI SECONDARY SCHOOL****Annual Report and Financial Statements****For the year ended 30th June 2022****KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

4	Development Committee		
		PIUS M. UTEMI	BOM CHAIRMAN
		PETER NJIRU	BOM/SEC/PRINCIP
		PATRICK NGALA	PA CHAIR
		PATRICIA KOKI	BOM VICE CHAIR
		FR.' DANIEL MUTIA	SPONSOR
5	Discipline and welfare Committee		
		PETER NJIRU	BOM SECRETARY
		NATHAN KIMOTHO	TEACHER
		CHRISTINE KALENGA	D/PRINCIPAL
		CHRISTINE WAMBUA	MEMBER
		BENSON NZAKYO	MEMBER
		JOSEPH KAVYU	MEMBER
6	Adhoc Committee	N/A	

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	NAME	TSC Number
1	Principal	PETER NJIRU	388624
2	Deputy Principal	CHRISTINE KALENGA	407236
3	School Bursar	JUDY SYENGO	

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: P.O BOX-1420-90200 ,KITUI  
Telephone: PHONE NO. 0112506569  
E-mail: STMARYSMIAMBANISECSCH@G.MAIL.COM.  
Website N/A  
Facebook:Twiter N/A

**(f) School Bankers**

The school operated accounts in the following banks:

- 1 Name of Bank: KCB BANK-BOARDING A/C  
Branch: KITUI  
Account Number: NO.1167255933
- 2 Name of Bank: NATIONAL BANK-OPERATION A/C  
Branch: KITUI  
Account Number: NO.010210517422901
- 3 Name of Bank: NATIONAL BANK-TUITION A/C  
Branch: KITUI  
Account Number: NO.01025051742900
- 4 Name of Bank: NATIONAL BANK-INFRASTRUCTURE A/C  
Branch: KITUI  
Account Number: NO. 01022237667100

**(g) Independent Auditors**

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

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022**

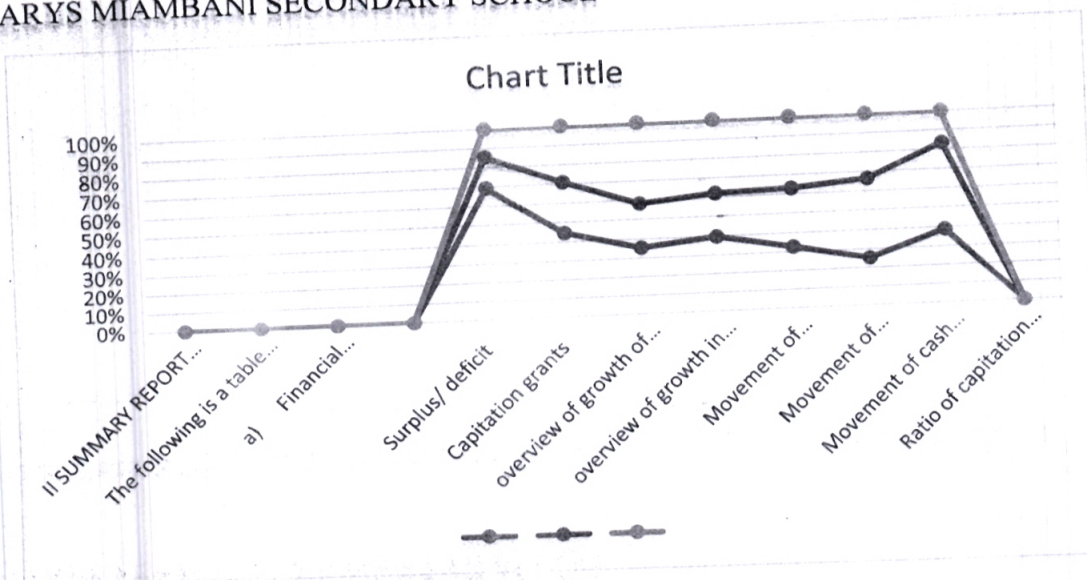
**II SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

The following is a table summary report of the performance of the school

a) Financial performance:	2021-2022	2020-2021	2019-2020
Surplus/ deficit	12,004,534.00	2,786,798.07	2,542,863.00
Capitation grants	5,122,207.35	3,024,349.00	3,345,792.00
overview of growth of other income(s)	12,004,534.00	7,855,615.00	14,224,505.00
overview of growth in expenditure	14,104,360.00	8,093,165.93	13,565,024.00
Movement of debtors/Receivables	13,945,170.05	13,065,599.57	15,855,642.32
Movement of creditors /Payables	3,339,295.05	5,490,584.93	4,456,342.93
Movement of cash and bank balances	54,422.65	62,889.30	23,525.45
Ratio of capitation grant per student	1:34148.05	1:24588.20	1:21447.38

**GRAPH FOR SCHOOL FINANCIAL PERFORMANCE REPORT**

**ST MARYS MIAMBANI SECONDARY SCHOOL**



**ST.MARY'S MIAMBANI SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For the year ended 30th June 2021 (18 MONTHS)**

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

<b>Project</b>	<b>Source of fund</b>	<b>Initial cost (Ksh)</b>	<b>Amount spent (Ksh)</b>	<b>Year</b>	<b>Expected Completion Time</b>
N/A	N/A	N/A	N/A	N/A	N/A

*Sign*



*for* **School Principal**

ST. MARY'S SEC. SCHOOL-MIAMBANI

P. O. Box 1420 - 90200. KITUI

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

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022 ( 18 months) - jan 2021 to june 2022**

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**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 Nzakame sec 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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

Name: PATRICIA KOKI  
Designation: Chairman, School Board of Management

Sign:   
Date: 28/5/2024

Name: PETER NJIRU  
Designation: for School Principal & Secretary to Board of Management

Sign:   
Date: 28/5/2024

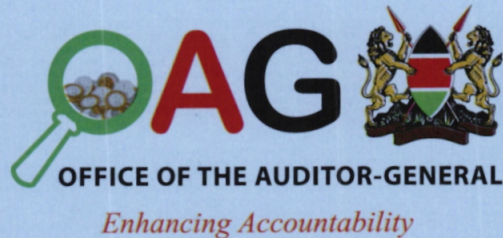
ST. MARY'S SEC. SCHOOL-MIAMBANI  
P. O. Box 1420 - 90200 KITUI  
Date: ..... Sign: .....

Designation: Accounts clerk/ 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 ST. MARY'S MIAMBANI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KITUI COUNTY**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal 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 St. Mary's Miambani Secondary School - Kitui County set out on pages 9 to 27, which comprise of the statement of financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted and actual amounts for the year then ended and a summary of significant accounting policies and other

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*Report of the Auditor-General on St. Mary's Miambani Secondary School for the year ended 30 June, 2022 - Kitui County*

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, 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, in all material respects, the financial position of St. Mary's Miambani Secondary School - Kitui 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 do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013 .

## **Basis for Adverse Opinion**

### **1. Inaccuracies in the Financial Statements**

#### **1.1 Variances in Receipts in the Statement of Receipts and Payments and Ledger**

Review of the financial statements reflects various account balances that differ from the balances recorded in the ledger as reported below:

<b>Account</b>	<b>Note</b>	<b>Ledger Balance (Kshs)</b>	<b>Financial Statement Balance (Kshs)</b>	<b>Variance (Kshs)</b>
<b>Income</b>				
<b>Capitation for Tuition</b>				
Teaching/Learning Materials	1	604,671	870,564	-265,893
<b>Capitation Grants for Operation</b>				
Repairs and Maintenance	2	1,077,000	1,747,000	-670,000
Other Overheads	2	1,560,896	2,504,643	-943,748
<b>Parents Contribution/Fees - School Fund Account</b>				
Personnel Emolument	3	749,804	1,020,212	-270,408
Repairs and Maintenance	3	226,519	316,367	-89,848
Local Transport/Traveling	3	329,645	455,709	-126,064
Electricity and Water	3	314,888	430,741	-115,853
Administration Cost	3	280,718	385,063	-104,345
Boarding Equipment and Stores	3	3,444,511	-	3,444,511
Bus	3	234,000	-	234,000

#### **1.2 Variances in Payments in the Financial Statements and Ledger Balance**

The financial statements reflects various payment account balances which differ from the balances recorded in the ledger. No reconciliation was done as illustrated below:

Account	Note	Ledger Balance (Kshs)	Financial Statement Balance (Kshs)	Variance (Kshs)
<b>Payments</b>				
<b>Payment for Tuition</b>				
Teaching/Learning Materials	5	501,250	754,405	(253,155)
<b>Payment for Operation</b>				
Repairs and Maintenance	6	535,509	721,226	(185,717)
NSSF	6	131,840	19,930	111,910
Bank Charges	6	3,300	3,990	(690)
NHIF	6	35,100	-	35,100
Other Votes	6	1,822,533	3,318,863	-1,496,330
<b>Boarding and School Fund Payments</b>				
Personnel Emolument	7	817,557	1,042,878	(225,321)
Repairs and Maintenance	7	599,445	788,115	(188,670)
Local Transport/Travel	7	339,100	483,600	(144,500)
Electricity and Water	7	125,720	420,824	(295,104)
Administration Cost	7	481,062	1,367,867	(886,805)
Activity Cost	7	481,062	-	481,062
School Bus	7	554,245	595,765	(41,520)
Boarding Equipment and Stores	7	1,416,835	-	1,416,835

### 1.3 Inconsistencies between Balances Reflected in the Statement of Cash Flows and Notes to the Financial Statements

Review of the amounts reflected in the statement of cash flows and Notes 3, 5, 6 and 7 to the financial statements revealed significant variances, and no adjustments were provided to support the variances as shown below:

Item	Statement of Cash Flows (Kshs)	Notes (3,5,6, and 7) (Kshs)	Variance (Kshs)
Parent Income	9,503,507	11,108,610	(1,605,103)
Payment for Tuition	-	755,005	(755,005)
Payment for Operation	4,225,213	4,086,989	138,224
Boarding and School Fund	10,434,412	9,262,366	1,172,046

### 1.4 Inconsistencies between Balances Reflected in the Statements of Receipts and Payments and Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects budget total receipts of Kshs.19,732,306 and total payments of Kshs.8,681,225 respectively. However, the statement of financial performance reflects total receipts of Kshs.17,126,741 and total payment of Kshs.14,104,360 resulting to an explained variance of Kshs.11,051,081 and Kshs.3,022,381 respectively.

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

## **2. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.54,422 and as disclosed in Note 8 and 9 to the financial statements. However, Management did not prepare monthly bank reconciliations for the bank accounts and no Board of cash survey certificate was provided for audit to confirm the reported cash balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.54,422 could not be confirmed.

### **2.1 Overdrawn (Negative) Bank Balance**

The statement of financial asset and liabilities reflects cash and cash equivalents balance of Kshs.54,423 and as disclosed in Note 8 to the financial statements. However, the balance includes a negative bank balance of Kshs.3,528 for the school fund account which has been netted off against bank balances contrary to IPSAS 1 Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy and completeness of bank balance of Kshs.54,423 could not be confirmed.

## **3. Unsupported Boarding and School Fund Payments**

The statement of receipts and payments reflects expenditure amounting to Kshs.9,262,366 as disclosed in Note 7 to the financial statements in respect of boarding and school fund payment. The amount includes expenditure of Kshs.3,584,543 on lunch programme. Review of the payment documents revealed that the expenditure was not supported with ledger, receipts, invoices purchase orders, food inspection report confirming whether the goods meet the specified standards and requirements and delivery notes.

In the circumstances, the accuracy and completeness of lunch programme expenditure of Kshs.3,584,543 could not be confirmed.

## **4. Un-Supported Accounts Receivables**

The statement of financial assets and financial liabilities reflect accounts receivable balance of Kshs.13,945,170 and as disclosed in Note 11 to the financial statements. However, the balance was not supported with student fee statements, fee collection registers, student listing, invoices and billing records and correspondence with students/parents. In addition, significant accounting policies on accounts receivables as disclosed in Note 11 is silent on the treatment of student's fee balances which is a major source of income for the School.

In the circumstances, the accuracy and completeness of accounts receivable of Kshs.13,945,170 could not be confirmed.

## **5. Un-Supported Accounts Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payable balance of Kshs.3,339,295. However, purchase orders, supplier invoices, delivery notes, goods received notes (GRNs), contracts and agreements to verify the authenticity and accuracy of the amounts recorded as payables were not provided for audit.

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.3,339,295 could not be confirmed.

## **6. Un-Supported Fund Balance Brought Forward**

The statement of financial assets and liabilities reflects balances of Kshs.7,637,904 as disclosed in Note 13 to the financial statement. The balances relate to opening balances brought forward from 2020/2021. However, the amounts were not supported by bank reconciliation statements, ledger, trial balance or any verifiable documents from which the receivables and payables were drawn.

In the circumstances, the accuracy and completeness of fund balance brought forward of Kshs.7,637,904 could not be confirmed.

## **7. Failure to Submit Prior Year Financial Statements**

The financial statements reflect comparative balances for 2020/21 financial year. However, the financial statement for the year ended 2020/21 were not submitted for audit contrary to Ministry of Education circular reference No. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 and Section 47(1) of the Public Audit Act, 2015 which required Schools to submit the first set of financial statements by 30<sup>th</sup> September, 2021 for the purpose of transitioning from calendar year to governments fiscal year.

In the circumstances, the accuracy and completeness of the comparative balances could not be confirmed and Management was in breach of the law.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the St. Mary's Miambani 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 adverse opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.18,645,520 and Kshs.19,732,306 respectively, resulting to an over-funding of Kshs.1,086,786 or 6% of the approved budget. However, the School spent a balance of Kshs.8,681,225 against actual receipts of Kshs.19,732,306 resulting to under-utilization of Kshs.11,051,081 or 56 % of actual receipts

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*Report of the Auditor-General on St. Mary's Miambani Secondary School for the year ended 30 June, 2022 - Kitui County*

The under-utilization affected the planned activities and may have impacted negatively on the School's activities.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance 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. Late Submission of the Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 28 May, 2024 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

#### **2. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

The financial statements presented for audit revealed the following anomalies in presentation;

- i) The initial pages which includes the key School information, summary report of performance of the School, statement of School's Management responsibility, report of independent auditors and table of contents is not paginated in Roman numerals (ii, iii, iv, etc.).
- ii) The pagination for the statement of receipts and payments, statement of financial assets and financial liabilities, and statement of cash flows was not reset to Arabic

numerals (1, 2, 3, etc.) and continued in that manner for the remainder of the financial statements.

- iii) The receipts and payments and statement of financial assets and financial liabilities was not signed by bursar/financial officer.
- iv) The statement of receipts and payments refers to the period to 30 June, 2022 instead of the year ended 30 June, 2022.
- v) The financial statements were not signed by the school Bursar.

This was contrary to the Public Sector Accounting Standards Board (PSASB) Reporting Requirements. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management was in breach of the PSASB guidelines.

### **3. Long Outstanding Trade Payables**

The statement of financial assets and financial liabilities reflect accounts payable balance of Kshs.3,339,296 and as disclosed in Note 12 to the financial statements. Included in the payables balance is Kshs.3,216,151 which includes Kshs.1,385,410 which has been outstanding for over one-year contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that the accounting officer of a procuring entity shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in the approved budget estimates,

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

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.9,262,367 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.97,380 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.97,380 could not be confirmed.

### **5. Use of Cash to Procure Goods, Works and Services**

During In the year under review, the School used cash totalling Kshs.4,187,700 from the school fund and operations account to purchase goods and services instead of procuring using low value procurement method as prescribed by Section 107 of the Public Procurement and Asset Disposal Act, 2015. Further, it was not possible to confirm if the goods procured were taken on charge by the person responsible for the stores.

*Report of the Auditor-General on St. Mary's Miambani Secondary School for the year ended 30 June, 2022 - Kitui County*

In the circumstances, the School may not have received value for money for the expenditure of Kshs.4,187,700 on goods and services.

## **6. Failure to Maintain Proper Stores Records**

The statement of receipts and payments reflects expenditure of Kshs.9,262,367 as disclosed in Note 7 to the financial statements in respect of boarding and school fund payment. The amount includes expenditure of Kshs.3,584,543 on lunch programme, however, review of stores records revealed that the School did not maintain bin cards, store ledger, S13 (stores receipt voucher), S11 (stores requisition and issue voucher), stock cards and goods received note (GRN) to confirm the food received in the store. This was contrary to Regulation 166(3) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that when managing the inventory, stores and assets in accordance with Section 162 of the Act, the accounting officer shall ensure that the stores received under paragraph (2) are taken on charge.

In the circumstances, Management was in breach of law.

## **7. Failure to Update Fixed Assets Register**

Annex 2 to the financial statements reflects summary of fixed assets register Nil balance in respect of major fixed assets which includes 2.9 hectares of land, buildings and structures, equipment's and school bus. However, the two parcels of land were not supported by a title deed.

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

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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on 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. Incomplete Payment Vouchers**

During the year under review, it was noted that several payment vouchers lacked essential information such as the description of the transaction, payee's name, cheque number, and the authorization signature of a responsible official.

In the circumstances, lack of essential information on payment records may undermine the School's financial integrity and operational efficiency.

### **2. Lack of a 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 Operational Manual for Utilization of Learner Capitation Grant and Other Schools Funds, which requires schools to identify in every three year improvement planning cycle, one priority area in each of the four areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning parental involvement and community engagement for implementation.

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

### **3. Lack of Other Disclosures on Inventory**

Review of inventory disclosures section of the financial statements revealed that no closing balances was shown under stock and inventory. Management did not also carry out stock take at stipulated intervals to establish the balance of stock at the end of the financial year.

In the circumstances, the accuracy and completeness of inventory could not be confirmed.

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

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its 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 that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

25 November, 2024

**ST.MARY'S MIAMBANI SECONDARY SCHOOL**  
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**v. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022**

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	870,564.05	426,524.00
Capitation grants for operations	2	4,251,643.30	2,597,825.00
School Fund Income- Parents' Contributions	3	11,108,610.00	7,775,615.00
School Fund Income- Other receipts	4	895,924.00	80,000.00
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>17,126,741.35</b>	<b>10,879,964.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	755,005.00	959,847.93
Payments for operations	6	4,086,989.00	2,810,169.00
Boarding and school fund payments	7	9,262,366.00	4,323,149.00
<b>TOTAL PAYMENTS</b>		<b>14,104,360.00</b>	<b>8,093,165.93</b>
<b>SURPLUS/DEFICIT</b>		<b>3,022,381.35</b>	<b>2,786,798.07</b>

The school financial statements were approved on 2024 and signed by:

Sign:.......... Sign:.......... Sign:.....

Name: PATRICIA MOKI Name: PETER NJIRU Name:  
 for Chair BOM for School principal/Secretary to BOM Bursar  
 ST. MARY'S MIAMBANI SECONDARY SCHOOL

Date: 28/5/2024 Date: 28/5/2024 Date:.....

**ST.MARY'S MIAMBANI SECONDARY SCHOOL**  
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	26,975.65	61,279.30
Cash Balances	9	27,447.00	1,610.00
Short term Investment	10		
<b>Total Cash and cash equivalent</b>		<b>54,422.65</b>	<b>62,889.30</b>
Account's receivables	11	13,945,170.05	13,065,599.57
<b>TOTAL FINANCIAL ASSETS</b>		<b>13,999,592.70</b>	<b>13,128,488.87</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	3,339,295.93	5,490,584.93
<b>NET FINANCIAL ASSETS</b>		<b>10,660,285.87</b>	<b>7,637,903.94</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	7,637,904.52	4,851,106.45
Surplus/Deficit for the year		3,022,381.35	2,786,798.07
<b>NET FINANCIAL POSITION</b>		<b>10,660,285.87</b>	<b>7,637,904.52</b>

Name: PATRICIA WOKI  
 for Chairman, BoM

Name: PETER NJIRU  
 for School principal/secretary to BoM

Name: .....  
 Bursar/Finance officer

Sign: [Signature]

Sign: [Signature]

Sign: .....

Date: 28/5/2024

Date: 28/5/2024

Date: .....

**4. MARY'S MIAMBANI SECONDARY SCHOOL**  
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**VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

		<b>2021-2022</b>	<b>2020-2021</b>
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Capitation grants for tuition	<b>1</b>	870,564.05	426,524.00
Capitation grants for operations	<b>2</b>	4,251,643.30	2,597,825.00
School fund income- Parents contributions/ fees	<b>3</b>	9,503,507.00	2,742,924.00
School fund income- other receipts	<b>4</b>	895,924.00	80,000.00
<b>Total receipts</b>		<b>15,521,638.35</b>	<b>5,847,273.00</b>
<b>Payments</b>			
Payments for Tuition		870,480.00	451,090.00
Payments for operations		4,225,213.00	2,543,125.00
Boarding and school fund payments		10,434,412.00	2,943,841.95
<b>Total payments</b>		<b>15,530,105.00</b>	<b>5,938,056.95</b>
<b>Net cash flow from operating activities</b>		<b>(8,466.65)</b>	<b>(90,783.95)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>			
<b>CASHFLOW FROM BORROWING/FINANCING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,466.65)</b>	<b>(90,783.95)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>62,889.30</b>	<b>153,673.25</b>
<b>Cash and cash equivalent at END of the year</b>		<b>54,422.65</b>	<b>62,889.30</b>

*encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.*

**ST. MARY.S MIAMBANI SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For the year ended 30th June 2022**

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Teaching / learning materials	1,021,680.0		1,021,680.0	870,564.1	151,115.9	85%
Chalks	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
<b>TOTAL</b>						
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Repairs and maintenance	1,767,000.0	-	1,767,000.0	1,747,000.0	20,000.0	99%
Local transport / travelling	-	-	-	-	-	-
Othervoteheads	3,056,740.0		3,056,740.0	2,504,643.0	552,097.0	82%
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Activity	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,845,420.00</b>	<b>-</b>	<b>5,845,420.00</b>	<b>7,867,714.70</b>	<b>-</b>	

**ST MARY'S MIAMBANI SECONDARY SCHOOL**  
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	1,295,820.0	-	1,295,820.0	1,020,212.0	-	79%
Local transport / travelling	648,060.0	-	648,060.0	455,709.0	-	70%
Electricity and water	581,540.0	-	581,540.0	430,741.0	-	74%
Repairs and maintenance	447,000.0		447,000.0	315,067.0		71%
Medical	-	-	-	-	-	
Othervoteheads	-	-	-	-	-	
Administration costs	531,320.0	-	531,320.0	385,063.0	-	73%
Fee on Boarding Equipment and Stores	5,296,360.0	400,000.0	9,296,360.0	8,361,876.0	-	90%
IGA	-	-	-	-	-	
<b>OTHER INCOME</b>						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Bus account						
Income from Bus Hire	-	-	-	325,000.0	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Bursary	-	-	-	570,924.0	-	-
Income from any other investment	-	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>14,645,520.0</b>	<b>400,000.0</b>	<b>18,645,520.0</b>	<b>19,732,306.0</b>	<b>-</b>	<b>105.00%</b>

31,596,898.0

**ST. MARYS MIAMBANI SECONDARY SCHOOL**

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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<b>(1) EXPENDITURE FOR TUITION</b>						
Exercise books	-	-	-	-	-	-
Bank Charges	-	-	-	600.0	-	-
Laboratory equipment	-	-	-	-	-	-
Teaching / learning materials	1,021,680.0	-	1,021,680.0	754,405.00	-	74%
<b>TOTAL</b>	-	-	-	-	-	-
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	-	-	-	42,910.0	-	-
Repairs, maintenance & improvements	1,767,000.0	-	1,767,000.0	721,226.0	-	41%
Other voteheads	3,056,740.0	-	3,056,740.0	3,318,863.0	-	108%
Bank Charges	-	-	-	3,990.0	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity, water and conservancy	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity Expenses	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,845,420.00</b>	-	<b>5,845,420.00</b>	<b>4,841,994.00</b>	-	<b>83.00%</b>

**ST RY'S MIAMBANI SECONDARY SCHOOL**  
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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	1,295,820.00	-	1,295,820.0	1,042,878.0	-	80%
Repairs, maintenance and improvements	447,000.00	400,000.0	847,000.0	788,115.0	-	93%
Local transport / travelling	648,060.00	-	648,060.0	483,600.0	-	75%
Bus fund				595,765.0		
Electricity, water and conservancy	581,540.00	-	581,540.0	420,824.0	-	72%
Bus loan				396,633.0		
Administration costs	531,320.00	1,000,000.0	1,531,320.0	1,367,867.0	-	89.00%
Activity						
Boarding Equipment and Stores	5,296,360.00	-	5,296,360.0	3,585,543.0	-	68%
<b>TOTALS</b>	<b>8,800,100.00</b>	<b>1,400,000.00</b>	<b>10,200,100.00</b>	<b>8,681,225.00</b>	<b>-</b>	<b>85.00%</b>

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## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

### **2. Recognition of receipts and payments**

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

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**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks	-	-
Exercise books	-	-
Laboratory Equipments	-	-
Teaching/learning materials	870,564.05	426,524.00
Chalks	-	-
Internal exams	-	-
Reference materials	-	-
SMASSE	-	-
Bank charges	-	-
<b>Total</b>	<b>870,564.05</b>	<b>426,524.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	-	-
Repairs and maintenance	1,747,000.00	992,000.0
Activity		92,000.0
Medical		46,000.0
Other voteheads	2,504,643.30	1,467,825.0
NSSF		
NHIF		
Receipts from infrastructure Account		
<b>Total</b>	<b>4,251,643.30</b>	<b>2,597,825.0</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,020,212.00	1,124,635.00
Repairs and maintenance	316,367.00	385,628.00
Local transport / travelling	455,709.00	554,738.00
Electricity and water	430,741.00	505,633.00
Medical	-	-
Administration costs	385,063.00	547,489.00
Activity	-	103,196.00
Lunch programme	8,500,518.00	4,554,296.00
<b>Total</b>	<b>11,108,610.00</b>	<b>7,775,615.00</b>

**ST. MARY'S MIAMBANI SECONDARY SCHOOL****Annual Report and Financial Statements**

For the year ended 30th June 2022

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2021-2022	2020-2021
	Kshs	Kshs
Rent income	-	-
Income from farming activities	-	-
Caution money	-	-
Uniform	-	-
Computer project		
Prepaid fee		-
Income from grants Bursary	570,924.00	
school bus	325,000.00	80,000.00
Transfer from operation Account		
Kcse Exam Fee		
Tender fee		-
<b>Total</b>	<b>895,924.00</b>	<b>80,000.00</b>

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

**5 PAYMENTS FOR TUITION**

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks	-	-
Exercise books	-	-
Laboratory Equipments	-	-
Teaching/learning materials	754,405.00	959,727.93
Chalks	-	-
Internal exams	-	-
Reference materials	-	-
Bank charges	600.00	-
Administration costs		120.00
<b>Total</b>	<b>755,005.00</b>	<b>959,847.93</b>

**ST. MARY' MIAMBANI SECONDARY SCHOOL****Annual Report and Financial Statements****For the year ended 30th June 2022****NOTES TO THE FINANCIAL STATEMENTS (Continued)****6 PAYMENTS FOR OPERATIONS**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments		-
Service Gratuity		-
Administration Cost		
Repairs and maintenance & improvements	721,226.00	294,898.00
NSSF	19,930.00	
Bank charges	3,990.00	
Infrastructure		
NHIF		
Union dues	22,980	
Other voteheads	3,318,863.00	2,515,271.00
<b>TOTAL</b>	<b>4,086,989.00</b>	<b>2,810,169.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,042,878.00	197,802.00
Service Gratuity	-	-
Repairs and maintenance & Improvements	788,115.00	399,340.00
Local transport / travelling	483,600.00	122,720.00
Electricity and water	420,824.00	245,625.00
Dep. Fund	-	
Administration costs	1,367,867.00	454,273.00
Lunch programme	3,585,543.00	2,570,789.00
Tuition Account		
Activity Expenses		84,950.00
school bus	595,765.00	247,650.00
Fees refund		
Bus loan	396,632.00	
Bank charges	10,218.00	
Tender		
Bursary payent to students	570,924.00	
<b>TOTAL</b>	<b>9,262,366.00</b>	<b>4,323,149.00</b>

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1025051742900	2,548.55	2,464.50
Operations Account	1021051742901	27,955.10	2,124.80
School Fund Account/Boarding	1167255933	(3,528.90)	56,690.00
Savings Account			
Infrastructural Account	1022237667100		
<b>Total</b>		<b>26,974.75</b>	<b>61,279.30</b>

**9 CASH IN HAND**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account		(600.00)
School Fund account	27,447.00	2,210.00
Infrastructural Account	-	-
<b>Total</b>	<b>27,447.00</b>	<b>1,610.00</b>

**10 SHORT TERM INVESTMENTS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**ST MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	13,945,170.05	13,065,599.57
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
<b>Total</b>	<b>13,945,170.05</b>	<b>13,065,599.57</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	3,966,537.00	5,171,333.00
Fees arrears for the previous year	2,793,402.00	1,802,614.00
Fees arrears for prior periods (over two years)	7,185,231.05	6,091,652.57
<b>Total</b>	<b>13,945,170.05</b>	<b>13,065,599.57</b>

**12 ACCOUNTS PAYABLE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,216,150.93	5,351,942.93
Prepaid fees	123,145.00	138,642.00
Caution Money	-	-
<b>Total</b>	<b>3,339,295.93</b>	<b>5,490,584.93</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	1,830,745.00	2,425,251.93
Trade creditors for the previous year	-	2,926,691.00
Trade creditors for prior periods (over two years)	1,385,405.93	-
<b>Total</b>	<b>3,216,150.93</b>	<b>5,351,942.93</b>

**ST MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	26,974.75	61,279.30
Cash balances	27,447.00	1,610.00
Receivables	13,945,170.05	13,065,599.57
Payables	3,339,295.93	5,490,584.93
<b>Total</b>	<b>10,660,295.87</b>	<b>7,637,903.94</b>

**ST MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022**

**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					2021-2022	2020-2021
					Kshs	Kshs
Bank loan(s)	N/A				-	-
Outstanding Leases	N/A				-	-
Hire purchase	N/A				-	-
Gratuity and leave provision	N/A				-	-
<b>Total</b>					-	-

**15 Biological assets**

Description	Numbers	Opening Balance in Units	Increase during the year	Disposals during the year	At the end of the year	2021-2022	2020-2021
						Kshs	Kshs
Cattle	-	0	0	0	0	-	-
Goats	-	0	0	0	0	-	-
Trees	-	0	0	0	0	-	-
Coffee or tea	-	0	0	0	0	-	-
Pigs & Donkeys	-	0	0	0	0	-	-
Poultry		0	0	0	0	-	-
<b>Total</b>						-	-

**16 Borrowings**

Description					2021-2022	2020-2021
					Kshs	Kshs
<b>a) Borrowings</b>						
Borrowing at beginning of the year	N/A				-	-
Borrowings during the year	N/A				-	-
Repayments of during the year	N/A				-	-
<b>Balance at end of the year</b>	N/A				-	-

**ST. MARY'S MIAMBANI SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30th June 2022**

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**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year	-	
Stock/ inventory issued during the year	-	
Balance at end of the year		

**ST MARY'S MIAMBANI SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For the year ended 30th June 2022**

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**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.

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

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**ST MARY'S MIAMBANI SECONDARY SCHOOL**

**Reports and Financial Statements**

**For the year ended 30th June 2022**

**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Units	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
Land 1		MIAMBANI	2.9 HACTERES				2.9H
Land 2			-				-
Buildings and structures			35				35.00
Motor vehicles-School bus		"	1				1.00
Office equipment, furniture and fittings		"	280				280.00
ICT Equipment, and Other ICT Assets		"	12				12.00
Tools and apparatus		"	156				156.00
Textbooks		"	4,563				4,563.00
Other Machinery and Equipment		"	3				3.00
Heritage and cultural assets		"	-				-
Intangible assets- software		"	-				-
<b>Total</b>							-

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

**ST MARY'S MIAMBANI SECONDARY SCHOOL**

**Reports and Financial Statements**

**For the year ended 30th June 2021/2022**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

	Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	comments
		a	b	c	d=a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
	<b>Construction of buildings</b>						
		-		-	-	-	
	<b>Sub-Total</b>	-			-	-	
	<b>Supply of goods</b>	-					
1	Mengi general supplies	186,700.00	2022		186,700.00		
2	Basel ltd	523,300.00	2022		523,300.00		
3	Mengi general supplies	491,120.00	2021		-	491,120.00	
8	Basel ltd	507,600.00	2021		-	507,600.00	
9	Stephen kitonga mutemi	19,000.00	2021		-	19,000.00	
10			\		-		
11	<b>OPERATION ACCOUNT</b>				-		
12	Top score ventures	70,000.00	2021		-	70,000.00	
13					-		
14					-		
15					-		
16					-		
17	<b>TUITION ACCOUNT</b>				-		
18	Jozam chemicals	49,025.00	2021		-	49,025.00	
19					-		
20					-		
21	<b>Sub-Total</b>	<b>1,846,745.00</b>			<b>710,000.00</b>	<b>1,136,745.00</b>	
22	<b>Supply of services</b>						
	<b>Sub-Total</b>				-		
	<b>Grand Total</b>			-	-		

ST MARY'S MIAMBANI SECONDARY SCHOOL

P.O BOX 1255-90200, KITUI

TUITION ACCOUNT

(18 MONTHS)

JAN. 2021 TO JUNE 2022

INCOPROPRARED TRIAL BALANCE AS AT 30TH JUNE 2022

VOTE HEAD	L.F	CAPITATION		Adjustments		Final TB		
		GRANT	DR	CR	DR	CR	DR	CR
<b>OPENING BALANCE</b>								
Cash at bank			-	2,464.50			-	2,464.50
Teaching/learning materials	1	1,021,680	705,380.00	870,564.05	49,025		754,405.00	870,564.05
Admin costs/Bank charges	3	-	600.00	-			600.00	-
2021 / 2022 Creditors	2	-	164,500.00	-		49,025.00	154,500.00	49,025.00
		-	-	-				
<b>Closing Balance cash</b>								
Bank			2,548.55	-			2,548.55	-
<b>TOTAL</b>		-	<b>873,028.55</b>	<b>873,028.55</b>	-	-	<b>922,053.55</b>	<b>922,053.55</b>

## ST MARY'S MIAMBANI SECONDARY SCHOOL

P.O BOX 1255-90200,KITUI

OPERATION ACCOUNT

(18 MONTHS)

JAN 2021 TO JUNE 2022

INCORPORATED TRIAL BALANCE AS AT 30TH JUNE

2022

VOTE HEAD	L.F	APPROVED ESTIMATES	Adjustments				Final TB	
			DR	CR	DR	CR	DR	CR
<b>OPENING BALANCE</b>								
Cash in hand			600.00				600.00	
Cash at bank-Operation			-	2,124.80			-	2,124.80
Cash at bank-Infrastructure								
Administration Cost	9	-						
Maintenance & improvement	1	1,767,000.00	651,226.00	1,747,000.00	70,000		721,226.00	1,747,000.00
Medical/Edu Afya		-						
Other Voteheads	2	3,056,740.00	3,318,863.00	2,504,643.30			3,318,863.00	2,504,643.30
Union dues	10		22,980.00				22,980.00	
NSSF	7	-	19,930.00				19,930.00	
Creditors: 2021/2022			208,224.00				208,224.00	
Bank charges	8		3,990.00				3,990.00	
2021 Sundry creditors	6					70,000		70,000.00
<b>CLOSING BALANCE</b>								
Cash in hand			-					
Cash at bank-Operation			27,955.10				27,955.10	
Cash at bank-Infrastructure								
<b>TOTAL</b>		-	<b>4,253,768.10</b>	<b>4,253,763.10</b>			<b>4,323,768.10</b>	<b>4,323,768.10</b>

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2022

ST MARY MIAMBANI SECONDARY SCHOOL

P.O BOX 1420, KITUI

BOARDING ACCOUNT

(18 MONTHS) JAN. 2021 TO JUNE 2022

INCORPORATED TRIAL BALANCE AS AT 30TH JUNE

2022

VOTE HEAD	L.F	APPROVED ESTIMATES			Adjustments		Final TB	
			DR	CR	DR	CR	DR	CR
<b>OPENING BALANCE</b>								
Cash in hand-Boarding				2,210.00				2,210.00
Cash at bank-Boarding				56,690.00				56,690.00
Administration costs		531,320	1,367,867.00	385,063.00	-		1,367,867.00	385,063.00
Boarding ,Equipment & Stores	1	5,296,360	1,873,823.00	4,518,484.00	1,711,720.00	3,966,537.00	3,585,543.00	8,361,876.00
Bursary	10		570,924	570,924			570,924.00	570,924.00
Electricity,Water & Conservancy		581540	420,824	430,741.00			420,824.00	430,741.00
Repairs,Maintainance & Improv		447000	788,115	315,367.00			788,115.00	315,367.00
Local travel and Transport		648060	483,600	455,709.00			483,600.00	455,709.00
Personal Emoluments		1295820	1,042,878	1,020,212.00			1,042,878.00	1,020,212.00
Bus loan	6		396,633				396,632.90	
Bus account			595,765	325,000.00			595,765.00	325,000.00
Fees Arrears 2021/2022	2			2,377,931.00	3,966,537.00		3,966,537.00	2,377,931.00
Tender fee								
KCSE								
RD Cheque								
Bank charges			10,218				10,218.00	
2021/2022 Creditors	17		2,883,766.00			1,711,720.00	2,883,766.00	1,711,720.00
Operat on Account	19							
Fees prepayments								123,145.00
<b>CLOSING BALANCE</b>								
Cash in hand-Boarding			27,447.00	-			27,447.00	-
Cash at bank-Boarding				3,528.90				3,528.90
			10,461,859.90	10,461,859.90			16,140,116.90	16,140,116.90

Prepared by:.....

**Bursar**

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

Checked and Approved By: PETER NJIRU

Sign: [Signature]

Date: 28/5/2024

**Principal/Secretary BOM ST. MARY'S SEC. SCHOOL-MIAMBANI**

P. O. Box 1420 - 90200 KITUI

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