

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

KIBICHIKU SECONDARY SCHOOL

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

KIAMBU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 15 MAR 2025	DAY: Wednesday
TABLED BY:	Hon. Naomi Wazir MP Deputy Majority Party Whip
CLERK-AT THE TABLE:	A. Shabari



KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

(Leave this it Blank)

Table of Contents

Page

I. Key School Information And Management.....	i -v
II. Summary Report Of Performance Of The School	vi -xviii
III. Statement Of School Management Responsibility	xix
IV. Report Of The Independent Auditors (To be attached)	xx
V. Statement Of Receipts And Payments Period To 30 th June 2022	1
VI. Statement Of Financial Assets And Financial Liabilities As At 30 th June 2022	2
VII. Statement of Cash Flows for The Period Ended 30 th June 2022.....	3
VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2022	4 - 8
IX. Significant Accounting Policies	9 - 10
X. Notes To The Financial Statements	11 - 21
Annex1- Analysis OF Pending Accounts Payable.....	22
Annex 2- Summary Of Fixed Assets Register.....	23

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 Kiambu County, Kabete Sub-County

The school was registered in 2002 under registration number 22S00300418 and is currently categorized as a sub county public school established, owned or operated by the Government.

The school is a day/boarding school and had 406 number of students as at 30th June 2022. It has 2 streams and 17 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:

Ref:	Name of Board Member	Designation	Date of appointment
1	Hannah Gitungo	Chairman	4 th march 2019
2	Rose Gichuhi	Secretary- Principal	4 th march 2019
3	Elkanah Ongeta	Member P.A Chair	4 th march 2019
4	Simon Ribiru	Member	4 th march 2019
5	Herman Mbugua	Member	4 th march 2019
6	Eunice Wanjiku	Member	4 th march 2019
7	Alice Nungari	Member	4 th march 2019
8	Rev.DR.kibiku M.P	Member	4 th march 2019
9	Liliann Wambui	Member	4 th march 2019
10	Lawrence Muniu	Member - Community	4 th march 2019
11	Jane Mungai	Member	4 th march 2019
12	George Omondi	Staff representative	4 th march 2019
13	Charles Gitahi	P.A Representative	4 th march 2019
14	Igantius Akello	P.A Representative	4 th march 2019
15	Samuel Njogu	P.A Reprsentative	4 th march 2019
16	Patrick Basani	Member	4 th march 2019
17	Jesee Nganga	Member	4 th march 2019
18	Peter k Grace	Member	4 th march 2019
19	Lucy Irungu	Member	4 th march 2019

Key School Information and Management (Continued)**The function of the School Board of Management include:**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive committee			
		Hannah Gitungo	Chairperson	1 out 2
		Rose Gichuhi	BOM Secretary	2 out 2
		Elkanah Ongeta	P.A Chairman	2 out 2
		Jane Mungai	Member	2 out 2
		Herman Mbugua	Member	2 out 2
		George omondi	Member	2 out 2
		Simon Ribiru	Member	0 out 0
2	Audit committe			
		Hannah Gitungo	Chairperson	1 out 2
		Rose Gichuhi	BOM Secretary	2 out 2
		Elkanah Ongeta	PA Chairman	2 out 2
		Simon Ribiru	Member	0 out 0
		Herman Mbugua	Member	2 out 2

3	Finance, procurement and general purposes Committee	Lawrence Muniu	Chairperson	1 out 2
		Jane Mungai	Secretary	2 out 2
		Rose Chege	Member	2 out 2
		Hannah Gitungo	Member	1 out 2
		Elkanah Ongeta	Member	2 out 2
		George Omondi	Member	2 out 2
4	Academic Committee	Herman Mbugua	Member	2 out 2
		Elkanah Ongeta	Member	2 out 2
		Eunice Wnjiku	Member	1 out 2
		Alice Nungari	Member	2 out 2
		REV.DR.Kibiku M.P	Member	0 out 2
		Simon Ribiru	Member	0 out 0
		Hannah Gitungo	Member	1 out 2
		Liliann Wambui	Member	2 out 2
5	Development Committee	Lawrence muniu	Chairperson	1 out 2
		Jane Mungai	Secretary	2 out 2
		Rose Chege	Member	2 out 2
		Hannah Gitungo	Member	1 out 2
		Elkanah Ongeta	Member	2 out 2
		George Omondi	Member	2 out 2
6	Discipline and welfare Committee	Jane Waitha	Member	0 out 2
		Margaret Njeri Njuguna	Member	0 out 2
		Sampeyian Grace Kagunda	Member	0 out 2
		Elkanah Ongeta	Member	2 out 2
		Liliann Wambui	Member	1 out 2
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Rose Muthoni Chege	352206
2	Deputy Principal	Jane Njeri Mungai	349867
3	School Bursar	Tabitha Wanjira Mungai	27939910

(e) Schools contacts

Post Office Box : 12888-00400
Telephone : (020)2183974 / 0746085265
E-mail : kibsec@gmail.com
Website : NIL
Facebook : NIL
Twitter : NIL

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**(f) School Bankers**

The school operated 6 bank accounts in the KCB (Kenya Commercial Bank).The following were the accounts;

1. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106764897
Account Name : SCHOOL FUNDS
2. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106770250
Account Name : OPERATION
3. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106765133
Account Name : TUITION
4. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1170857469
Account Name : VISION 2020 BEYOND
5. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1203194153
Account Name : GRATUITY
6. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1217048065
Account Name : INFRASTRUCTURE
7. MPESA Pay Bill No.522123 attached to 1106764897 school funds bank account

(g) Independent Auditors

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

II. Summary Report Of Performance Of The School

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

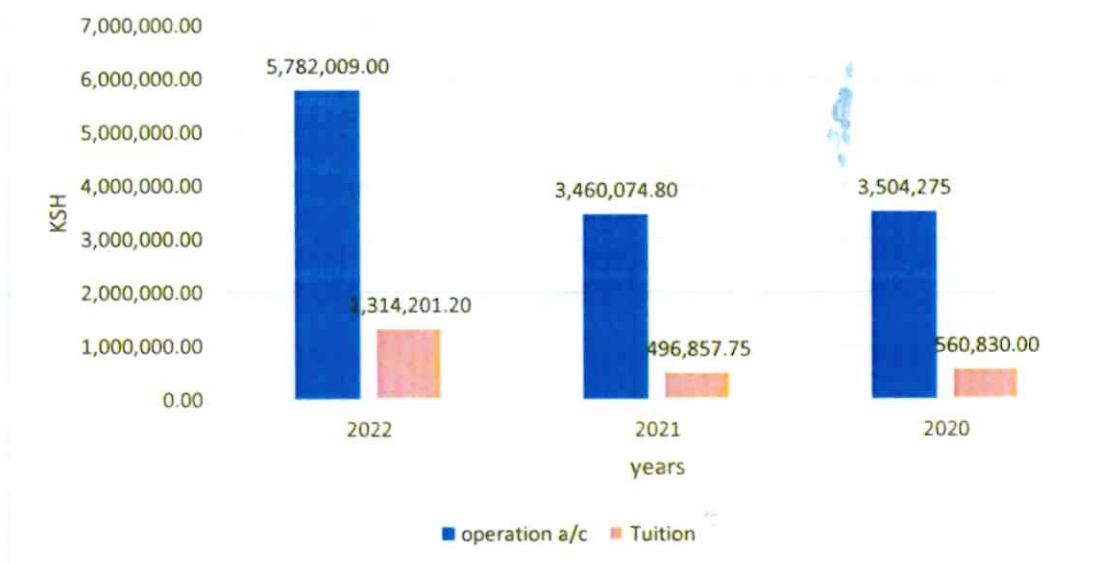
a) Financial performance:

SURPLUS /DEFICIT FOR THE YEAR AND COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
NO.	ACCOUNTS	JULY 2021-JUNE 2022	JAN-JUNE 2021	2020
		KSHS	KSHS	KSHS
1.	Surplus/Deficit	(2,210,578)	1,018,723	(1,333,657)



CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS AND CAPITATION PER STUDENT FOR THE LAST THREE YEARS				
NO.	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1.	Operations account	5,782,009	3,460,075	3,504,275
2.	Tuition Account	1,314,201	496,858	560,830
	Total	7,096,210	3,956,934	4,065,105
	No. of students	406	371	323
	Ratio of capitation per students	1:17,478.35	1:10,665.58	1;12585.46

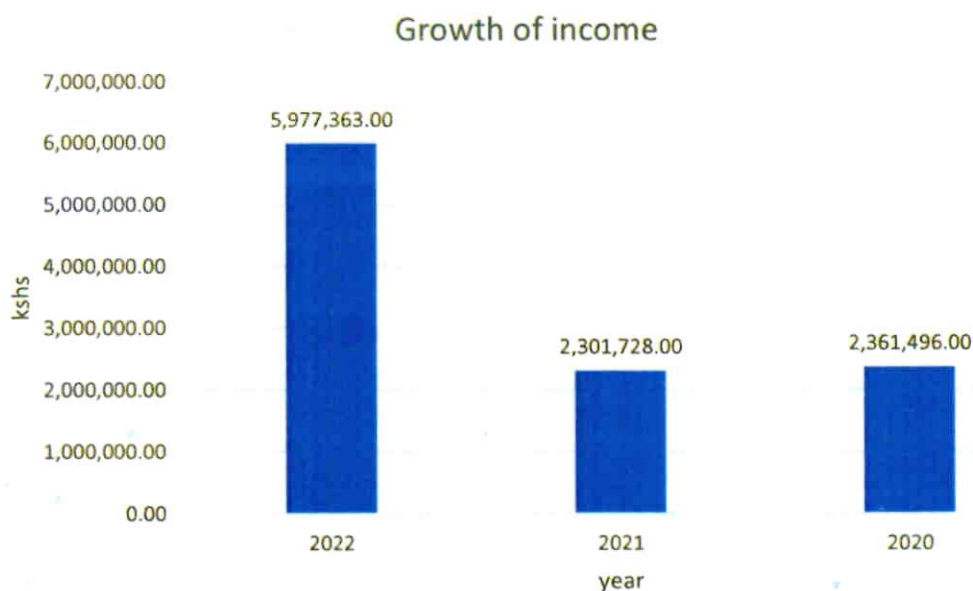
CAPITATION GRAND FROM THE MINISTRY OF EDUCATION



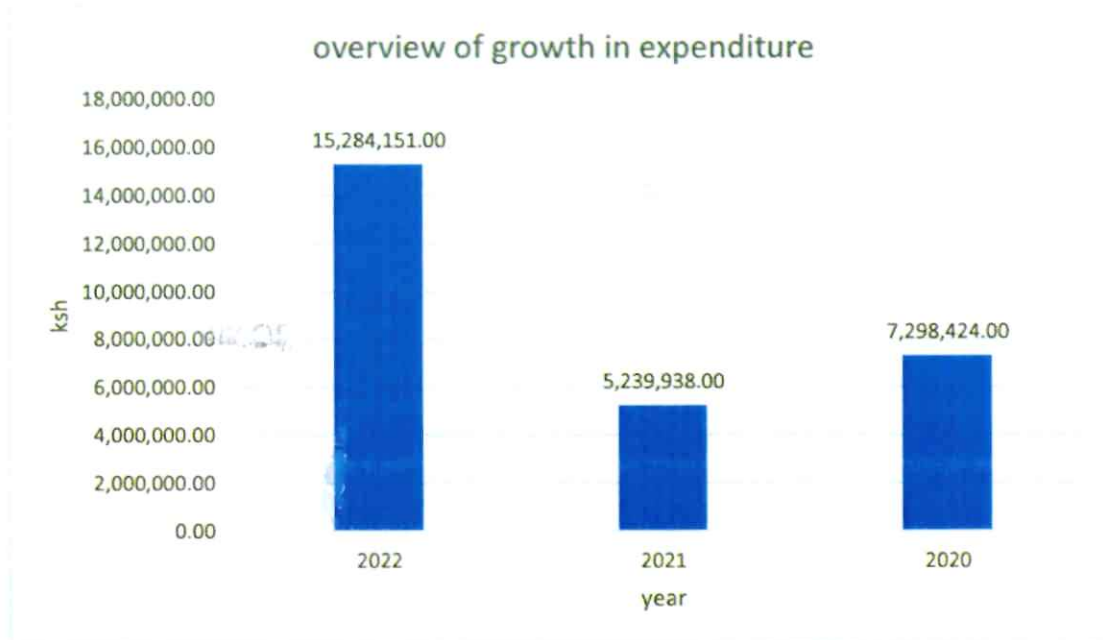
KIBICHIKU SECONDARY SCHOOL

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

OVERVIEW OF GROWTH OF OTHER INCOME				
NO.	INCOME	2022	2021	2020
		KSHS	KSHS	KSHS
1.	Water Income	496,100	161,800	434,690
2.	Farm	-	4,300	2,920
3	Parent contribution	5,363,763	2,128,402	1,863,386
4	School id	74,800	3,600	34,500
5	photo	11,200	3,626	14,000
6	Ground hire	-	-	6,000
7	Knec	1,000	-	6,000
	Scrap metal	5,500	-	-
8	Prize giving	25,000.	-	-
9	Administration cost	-	-	-
	TOTAL	5,977,363.	2,301,728	2,361,496



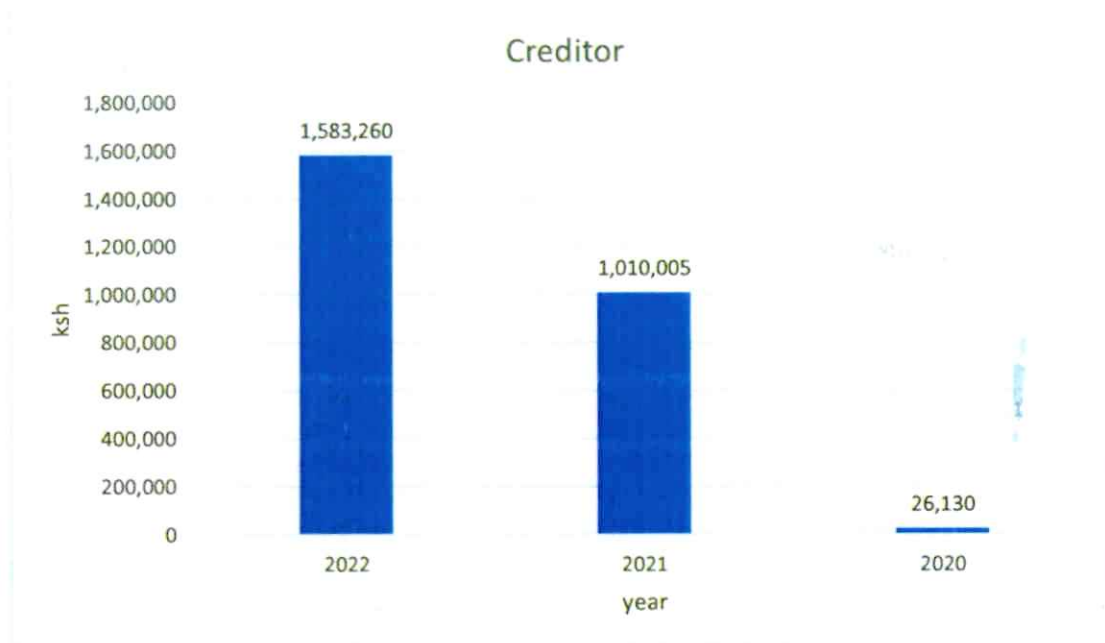
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL				
NO.	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1.		15,284,151	5,239,938	7,298,424



MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS				
NO.	ACCOUNTS (School fund)	2022	2021	2020
		KSHS	KSHS	KSHS
1.	Debtors	3,311,075	4,045,580	3,811,542
	TOTAL			



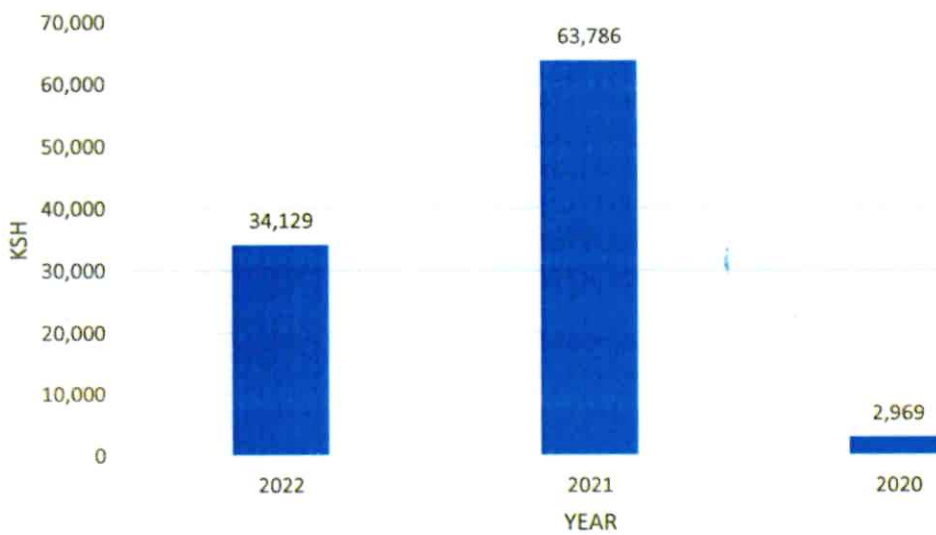
MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS				
NO.	ACCOUNTS (School fund)	2022	2021	2020
		KSHS	KSHS	KSHS
1.	Creditors	1,583,260	1,010,005	26,130
	TOTAL	1,583,260	1,010,005	26,130



MOVEMENT OF CASH OVER THE LAST THREE YEARS

NO.	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1.	School fund account	34,129	63,786	2,969
2.	Operation account	-	--	-
	Total	34,129	63,786	2,969

cash over the last three years



MOVEMENT OF BANK BALANCES OVER THE LAST THREE YEARS				
NO.	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1.	School fund account	671,436	600,385	206,242
2.	Operations account	181,793.	1,316,762	16,946
3.	Tuition account	8,580	168,536	172,049
4.	Infrastructure account	1,201,442	900,030	766,689
5.	Vision 2020	3,405	3,405	3,405
6.	Gratuity account	413,266.	361,964.	480,009.
	TOTAL	2,479,921	3,351,082	1,642,339



b) Teacher Student ratio:

The teacher student ratio 1:39

There were 17 teachers posted by the teacher service commission and 2 recruited by the board of management. There was 1 retiree and no transfer /replacement was done during the year.

SUBJECT	NUMBER OF TEACHERS
ENG/LIT	3
KISWAHILI	3
MATHEMATICS	5
BIOLOGY	2
PHYSICS	3
CHEMISTRY	4
HISTORY	3
GEOGRAPHY	3
CRE	4
AGRICULTURE	1
BUSINESS STUDIES	2

c) Mean score in the 2022 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION %	SCHOOL TARGET
2022	73	3.137	44	60%	4.3
2021	77	3.468	51	66%	4.2
2020	71	3.098	37	6%	4.5



d) Number of Candidates in the 2022 KCSE:

YEAR	NUMBER OF CANDIDATES
2022	73
2021	77
2020	71

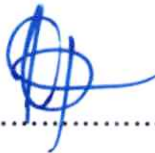
e) Capacity of the school:

NO.	ITEM	REQUIRED	AVAILABLE	VARIANCE
1.	Laboratories science	3	2	1
2.	Classrooms	18	15	3
3.	Toilets	17	15	2
4.	Staff room	2	2	0
5.	Library	1	0	0
6.	Computer laboratories	1	1	0
7.	Dining hall	1	0	1
8.	Kitchen	1	1	0
9.	Food store	1	1	0

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

NO.	YEAR	PROJECT	STATUS	SOURCE OF FUND
1	2022	CCTV	Complete	M.O.E
2	2022	Laboratory	Complete	M.O.E
3	2022	2 Washrooms	Complete	M.O.E
4	2022	Main gate	Complete	M.O.E

 25/07/2024

Rose.M.Chege

School Principal

III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

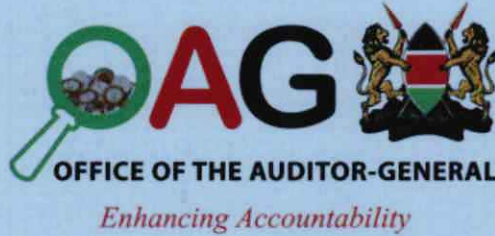
Name : Herman Mbugua
Designation : Chairman, School Board of Management
Sign :
Date: 25/07/2024

Name : Rose Muthoni Chege
Designation : School Principal & Secretary to Board of Management
Sign :
Date: 25/07/2024

Name : Tabitha Wanjira Mungai
Designation : Bursar/ Finance Officer
Sign :
Date: 25/07/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIBICHIKU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kibichiku Secondary School set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of

cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kibichiku Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects Kshs.1,573,828 in respect to net decrease in cash and cash equivalents. However, a re-computation gives Kshs.900,818 resulting to a variance of Kshs.673,010.

1.2 Biological Assets

Note 15 to the financial statements reflects nil balances in respect to biological assets as at 30 June, 2022. It was noted that 100 trees were disclosed, however, there were no supporting documents including the register showing historical cost, number of trees and their values and dates trees were planted. This was contrary to Section 23(1) of Part 1 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management of a public institution of basic education shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the institution.

1.3 Annex 1 – Analysis of Pending Accounts Payable

Annex 1 to the financial statements reflects analysis of pending accounts payables of Kshs.3,779,030, Kshs.2,357,740 and Kshs.1,421,290 in respect to sub totals for original amount, amounts paid to date and outstanding balance for the year respectively. However, a re-computation gives Kshs.1,492,990, Kshs.871,700 and Kshs.621,290 resulting to a variance of Kshs.2,286,040, Kshs.1,486,040 and Kshs.800,000 respectively. Further, sub totals for original amount for construction of buildings and outstanding balance for the financial year 2021 was omitted.

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

2. Capitation Grants

2.1 Inaccuracies in Capitation Grants for Operations

Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed the School disclosed capitation grants for operations of Kshs.5,773,009 compared to disbursed amount of Kshs.5,147,504 resulting to unexplained variance of Kshs.625,505.

In the circumstances, the accuracy of the capitation grants could not be confirmed.

2.2 Unconfirmed Students Enrollment Data

Review of the class registers provided for audit revealed discrepancies between the data in the National Education Management Information System (NEMIS) and School registers relating to the enrolment of students as shown below;

Month Disbursement was Received	Capitation Disbursed (Kshs)	Number of Students as per NEMIS	Number of Students as per Register	Variance
July, 2021	1,345,500	299	414	(115)
Form one 2021	400,500	89	116	(27)
October, 2021	1,403,711	395	400	(5)
Missed October, 2021	3,553	1	1	0
January, 2022	821,185	396	400	(4)
April, 2022	1,173,055	397	405	(8)

No explanation was provided for the variances between the school register and the NEMIS data as per the disbursements.

In the circumstances, the School was under funded due to inaccurate enrolment in the NEMIS system.

2.3 Inaccuracies in Capitation Grants for Tuition

Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed that during the financial year 2022, the School disclosed capitation grant for tuition of Kshs.1,314,201 compared to disbursed amount of Kshs.1,166,816 resulting to unreconciled and unexplained variance of Kshs.147,385.

In the circumstances, the accuracy of the capitation grants could not be confirmed.

3. Inaccurate Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects Kshs.3,543,979 in respect to budget utilization difference for total income. However, a re-computation gives Kshs.4,149,274 resulting to a variance of Kshs.605,295. Further, the statement reflects

Kshs.6,066,013 in respect to budget utilization difference for total expenditure. However, a re-computation gives Kshs.6,293,103 resulting to a variance of Kshs.227,090.

In addition, the statement reflects Kshs.15,284,151 in respect to total actual expenditure on comparable basis. However, a re-computation gives Kshs.15,275,151 resulting to a variance of Kshs.9,000.

In the circumstances, the accuracy of the statement of budgeted versus actual amounts could not be confirmed.

4. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,311,075 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are fees arrears amounting to Kshs.2,919,130 which had been outstanding for more than two (2) years. In addition, the School has not developed a recoverability policy on accounts receivables. It was therefore not possible to confirm how the School intends to recover the fee arrears of Kshs.3,311,075.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.3,311,075 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kibichiku Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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 a final revenue budget and actual amounts of Kshs.8,915,300 and Kshs.13,064,574 respectively, resulting to an over collection of Kshs.4,149,274 or 47% of the budget. However, the School spent Kshs.15,275,151 against actual receipts of Kshs.13,064,574 resulting to over-utilization of Kshs.2,210,577 or 17% of the receipts.

The revenue shortfall affected the planned activities and may have impacted negatively on service delivery to the stakeholders.

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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB). The capitation grants for operations for the year 2022 has been wrongly indicated in the summary report of performance of the school.

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

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

The statement of receipts and payments reflects payment for operations amount of Kshs.8,193,055 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.795,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.795,500 could not be confirmed.

3. Unbalanced Budget

The statement of budgeted versus actual amounts reflects final budgeted revenue of Kshs.8,915,300 and an expenditure budget of Kshs.8,991,048 resulting to a deficit of Kshs.75,748. However, no explanation was given on why the School Board approved the unbalanced budget contrary to Section 33(c) of the Public Finance Management (National Government) Regulations, 2015 which requires the budget to be balanced.

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

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 13 June, 2023 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.

5. Failure to Open a Bank Account for Income Generating Activities

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs.613,600 in respect to school fund income - other receipts which further includes Kshs.496,100 for water income and Kshs 5,500 for scrap metal both totaling to Kshs.501,600. However, it was noted that the funds from the income-generating activities were banked in the school fund/boarding account. This was contrary to Ministry of Education Circular which states that Schools with income generating activities shall open separate bank accounts for the same.

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

6. Lack of Authority for Approving Rates for Board Allowances

The statement of receipts and payments and as disclosed in Note 6 to the financial statements for the year ended 30 June, 2022 reflects Kshs 8,193,055 in respect to payment for operations which includes Kshs.1,118,860 in respect to administration cost. Included in the Kshs.1,118,860 is Kshs.30,000 paid as allowances to Board of Management members. However, no evidence was provided to show that the rates used to pay Board allowances had been approved as required under Section 14 of the Basic Education Act, 2013 which provides that Members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the regularity of the expenditure amounting to Kshs.30,000 could not be confirmed.

7. Failure to Conduct Quarterly and Annual Stock Take

Note 17 to the financial statements reflects a balance of Kshs.800,385 in respect to stock/inventory. However, quarterly and annual stock take was not conducted as envisaged in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

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

8. Failure to Transfer Infrastructure Funds from Operational Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.5,773,009 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.1,965,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, Kshs.2,542,500 was transferred resulting to over transfer of Kshs.577,500. No explanation was provided for the over transfer and it was not established how the School managed to meet its operational expenses.

Further, it was noted that the transferred amount of Kshs.2,542,500 to infrastructure account was done after fifteen (15) days contrary to The Ministry of Education Circular which states that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

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

9. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure by the Receipting System to Generate Reports

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.5,363,763 in respect to school fund income - parents contributions. However, review of the records provided for audit revealed that the system could not generate reports showing details of students, amounts paid and outstanding balances.

In the circumstances, the reliability of the system could not be confirmed.

2. Lack of a Text Book Management Policy

The School did not have a text book management policy in place as at the end of the financial year 2022.

In the circumstances, the efficiency and effectiveness of text books management could not be confirmed.

3. Summary of Fixed Asset Register

3.1 Lack of Land Ownership Documents

Annex 2 to the financial statements on summary of fixed assets register for the year ended 30 June, 2022 reflects nil balance on two pieces of land (Land 1 and Land 2). The register reflects the land is located in Kabete but does not indicate the acreages and land title numbers. Although documents provided revealed that the School is in the process of acquiring the land titles, the title documents had not been obtained as at the time of audit in June, 2024. Therefore, the ownership of the said parcels of land could not be confirmed.

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

3.2 Disclosure of Assets

Annex 2 to the financial statements reflects summary of fixed assets register with nil balance. However, the register does not include land and buildings of unknown value where the school is located which were physically verified, for instance, class halls, kitchen and administration block.

Further, the fixed assets register which was provided for audit review lacked the information on the cost, date purchased, asset coding and serial numbers of the assets.

In the circumstances, the accuracy, valuation and ownership of the fixed assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always

detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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

23 January, 2025


KIBICHIKU SECONDARY SCHOOL

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

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

Description Of Vote Head	Note	2021-2022 Kshs	2020-2021 Kshs
Receipts			
Capitation grants for tuition	1	1,314,201	496,858
Capitation grants for operations	2	5,773,009	3,460,075
School fund income- parents' contributions	3	5,363,763	2,128,402
School fund income- other receipts	4	613,600	173,326
Proceeds from borrowings		-	-
Total Receipts		13,064,573	6,258,661
Payments			
Payments for tuition	5	1,202,010	871,040
Payments for operations	6	8,193,055	2,464,298
Boarding and school fund payments	7	5,880,086	1,904,600
Total Payments		15,275,151	5,239,938
Surplus/Deficit		(2,210,578)	1,018,723

The school financial statements were approved on 07/06 2023 and signed by:

Sign.....

Name: Herman Mbugua


Chair BOM

Date: 25/07/2024

Sign.....

Name: Rose M. Chege
School Principal/ Secretary to
BOM

Date: 25/07/2024

Sign.....

Name: Tabitha W. Mungai


Bursar/ Finance Officer

Date: 25/07/2024

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

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	2,479,921	3,351,082
Cash balances	9	34,129	63,786
Short term investment	10		
Total cash and cash equivalent		2,514,050	3,414,868
Account's receivables	11	3,311,075	4,047,580
Total financial assets		5,825,125	7,462,448
Financial liabilities			
Accounts payables	12	1,583,260	1,010,005
Net financial assets		4,241,865	6,452,443
Represented by			
Accumulated fund b/fwd		6,452,443	5,433,720
Surplus/deficit for the year		(2,210,578)	1,018,723
Net financial position		4,241,865	6,452,443

The school's financial statements were approved on 07/06/2023 and signed by:

Sign.....

Name: Herman Mbugua'


Chair BOM

Date: 25/07/2024

Sign.....

Name: Rose M. Chege
School Principal/ Secretary to
BOM

Date: 25/07/2024

Sign.....

Name: Tabitha W. Mungai
Bursar/ Finance Officer

Date: 25/07/2024

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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,314,201	496,858
Capitation grants for operations	2	5,773,009	3,460,075
School fund income- parents contributions/ fees	3	5,363,763	2,128,402
School fund income- other receipts	4	613,600	173,326
Total receipts		13,064,573	6,258,661
Payments			
Payments for tuition	5	1,202,010	871,040
Payments for operations	6	5,226,517	1,797,639
Boarding and school fund payments	7	5,880,086	1,904,600
Total payments		12,308,613	4,573,279
Net cash flow from operating activities		755,960	1,685,382
Adjusted for:			
Changes in receivables	11	736,505	(236,038)
Change in payable	12	573,255	983,875
Cashflow from investing activities			
Proceeds from sale of assets			
Acquisition of assets		(2,966,538)	(666,659)
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities		(2,966,538)	(666,659)
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		(1,573,828)	1,766,560
Cash and cash equivalent at beginning of the year		3,414,868	1,648,308
Cash and cash equivalent at end of the year		2,514,050	3,414,868

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

Heriyan Mbugua
Chair of board
25/07/2024

Rose Mukoni Chege
Principal
25/07/2024

Tabitha Mungai
Bursar
25/07/2024

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	260,000	-	260,000	370,173	(110,173)	142%
Laboratory Equipment	283,000	-	283,000	494,054	(211,054)	175%
Internal Exams	40,000	-	40,000	38,000	2,000	95%
Teaching / Learning Materials	190,000		190,000	181,216	8,784	95%
Chalks	30,000	-	30,000	30,000	-	100%
Administration Costs	196,300	-	196,300	200,758	(4,458)	102%
Teachers Guides		-	-		-	-
(2) Capitation Grant on Operations						
Personnel Emoluments	1,255,572	-	1,255,572	996,996	258,576	79%
Repairs And Maintenance	-	-		690,723	-	-
Local Transport / Travelling	455,000		455,000	265,011	189,989	58%
Electricity And Water	360,000		360,000	573,830	(213,830)	155%
M.I.F	1,500,000		1,500,000	2,319,510	(819,510)	155%
Medical	-	-	-	66,811	-	
Administration Costs	214,000	-	214,000	710,128	(496,128)	332%
Activity	450,000	-	450,000	150,000	300,000	33%

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
Gratuity	85,428	-	85,428	-	-	-
Smasse		-	-	-	-	-
(3) Fees Charged on Parents	-	-	-	-	-	-
LUNCH	3,596,000	-	3,596,000	5,363,763	(1,767,763)	149%
Repairs And Maintenance	-	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-	-
Electricity And Water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
Fee On Boarding Equipment and Stores	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Water sale	-	-	-	496,100.00	(496,100)	-
k nec	-	-	-	1,000.00	(1000)	-
Scrap metal	-	-	-	5,500.00	(5,500.00)	-
Donation/ prize giving day	-	-	-	25,000.00	(25,000.00)	-
Student id	-	-	-	74,800.00	(74,800.00)	-
passport	-	-	-	11,200.00	(11,200.00)	-
Interest Income	-	-	-			
Income From Any Other						

Receipts/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	Kshs
Investment						
Total Income	8,915,300	-	8,915,300	13,064,574	(3,543,979)	147%
(1) Expenditure For Tuition	-	-	-	-	-	-
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	260,000	-	260,000	399,640	(139,640)	154%
Laboratory Equipment	283,000	-	283,000	301,352	(18,352)	106%
Internal Exams	40,000	-	40,000	13,200	26,800	33%
Teaching / Learning Materials	190,000	-	190,000	366,488	(176,488)	193%
Chalks	30,000	-	30,000	-	-	-
Exams And Assessment	0	-	-	-	-	-
Teachers Guides	0	-	-	-	-	-
Administration Costs	180,920	-	180,920	120,490	60,430	67%
Bank Charges				840	-	-
(2) Expenditure For Operations	-	-	-	-	-	-
Personnel Emoluments	1,255,572		1,255,572	1,037,829	217,743	83%
Service Gratuity	80,430		80,430	55,920	24,511	70%
Repairs, Maintenance & Improvements	-		-	986,924	(986,924)	-
M.I.F	1,500,000		1,500,000	2,966,538	(1,466,538)	198%

KIBICHIKU SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Local Transport / Travelling	455,000		455,000	351,827	103,173	77%
Electricity, Water and Conservancy	360,000		360,000	522,464	(162,464)	145%
Medical				2,350	(2,350)	-
Administration Costs	214,000		214,000	1,079,023	(865,023)	504%
Activity Expenses	450,000		450,000	1,118,860	(668,860)	248.6%
NSSF	-		-	34,260	(34,260)	-
Bank Charges				4,810	(4,810)	
NHIF				32,250	(32,250)	
Smasse	-		-	-	-	-
(3) Expenditure For School Fund	-		-	-	-	-
LUNCH	-		-	-	-	-
Repairs, Maintenance and Improvements	-		-	-	-	-
Local Transport / Travelling	-		-	-	-	-
Electricity, Water and Conservancy	-		-	-	-	-
Medical Expenses	-		-	-	-	-
Administration Costs	-		-	-	-	-
Activity	-		-	-	-	-
Gratuity	-		-	-	-	-
Lunch Programme	3,692,125.00	-	3,692,125.00	5,830,056.00	(2,137,931.00)	157%

KIBICHIKU SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-	-
Insurance Costs	-	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-	-
Rent Expenses	-	-	-	14,230.00	(14,230)	-
Bank Charges	-	-	-	-	-	-
k nec	-	-	-	35,800.00	(35,800.00)	-
KNEC	-	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-	-
Totals	8,991,048		8,991,048	15,284,151	(6,066,013)	170%

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

- i. Xxxx
- ii. Xxxx

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books	370,173	90,000
Laboratory Equipment	494,054	149,124
Internal Exams	38,000	24,838
Teaching / Learning Materials	181,216	208,057
Admin cost	200,758	24,838
Chalks	30,000	-
Exams And Assessment	-	-
Teachers Guides	-	-
Total	1,314,201	496,857

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	996,996	611,624
Repairs And Maintenance	690,723	1,702,310
Local Transport / Travelling	265,011	247,922
Electricity And Water	573,830	249,724
Medical	66,811	67,458
Administration Costs	710,128	429,535
Teaching / Learning Materials	-	151,501
M.I.F	2,319,510	-
Activity	150,000	-
Total	5,773,009	3,460,074

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	-	-
Lunch	5,363,763	2,128,402
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	5,363,763	2,128,402

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Knec	1,000	-
Income From Farming Activities	-	-
water	496,100	161,800
Donation /prize giving day	25,000	-
Income From Bus Hire	-	-
Scrap metal	5,500	-
farm	-	4,300
passport	11,200	3,626
ID	74,800	3,600
Total	613,600	173,326

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	
Exercise Books	399,640	166,200
Laboratory Equipment	301,352	208,510
Internal Exams	13,200	105,000
Teaching / Learning Materials	366,488	350,350
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	120,490	40,500
Bank Charges	840	480
Total	1,202,010	871,040

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,037,829	498,150
Service Gratuity	55,920	117,445
Administration Cost	1,079,023	341,493
Repairs And Maintenance & Improvements	986,924	402,606
Local Transport / Travelling	351,827	26,255
Electricity And Water	522,464	180,500
Medical	2,350	860
Activity Expenses	1,118,860	168,800
Smasse	-	-
NSSF	34,260	30,400
NHIF	32,250	19,400
Insurance Cost	-	-
Teaching / Learning Materials	-	8,000
Bank Charges	4,810	3,130
Bank charges gratuity	-	600
Acquisition Of Assets	2,966,538	666,659
Total	8,193,055	2,464,298

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	5,830,056	1,900,458
Bank Charges	14,230	2,442
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	-	-
water	-	700
Knec	35,800	-
farm	-	1,000
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total	5,880,086	1,904,600

(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

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	1106765133	8,580	168,536
Operations Account	1106770250	181,793	1,316,762
School Fund Account/Boarding	1106764897	671,436	600,385
Savings Account/Gratuity	1203194153	413,266	361,964
Vision 2020	1170857469	3,405	3,405
Income Generating Activities Account		-	-
Infrastructural Account	1217048065	1,201,442	900,030
Total		2,479,921	3,351,082

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	34,129	63,786
Total	34,129	63,786

10 Short Term Investments

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

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	3,311,075	4,045,580
Other Non-Fees Receivables	-	-
Salary Advances	-	2,000
Imprest	-	-
Total	3,311,075	4,047,580

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	391,945	308,138
Fees Arrears For The Previous Year	-	415,393
Fees Arrears For Prior Periods (Over Two Years)	2,919,130	3,322,049
Total	3,311,075	4,045,580

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,421,290	892,545
Prepaid Fees	161,970	117,460
Retention Monies	-	-
Total	1,583,260	1,010,005

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	1,421,290	892,545
Trade Creditors for The Previous Year	-	-
Trade Creditors for Prior Periods (Over Two Years)	-	-
Total	1,421,290	892,545

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021	2020
	Kshs	Kshs
Bank Balances	3,351,082	1,645,339
Cash Balances	63,786	2,969
Short Term Investments	-	-
Receivables	4,047,580	3,811,542
Payables	(1,010,005)	(26,130)
Total	6,452,443	5,433,720

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)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	100	-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Borrowings	-	-
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes


17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	673,440.00	520,000.00
Stock/ inventory purchased during the year	1,776,945.00	1,353,440.00
Stock/ inventory issued during the year	(1,650,000.00)	(1,200,000.00)
Balance at end of the year	800,385.00	673,440.00

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)

 25/07/2024

Sign and Date
Principal

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	
Construction Of Buildings						
1. Laborex school supply	2,286,040	06/01/2021	1,486,040	800,000		Reconstruction of laboratory
2. Sub-Total				800,000		
Supply Of Goods						
3. Chagam Agencies					31,800	Supply of toner
4. Luckyanns Enterprises					26,995	Supply of cabbages and onion
5. Primeline enterprises					275,300	Supply of stationery
6. Joyland Groceries					237,300	Supply of foodstuff
5. Gewawa Fabrication and general supply					234,550	Supply of desk /locker
6. Shademwa investment					68,000	Supply of desk /locker
7. Travejade company					11,000	Supply of exam
8. Studio mark ltd					7,600	School photo
9. Laborex school supply	121,190	06/01/2021	-	121,190		Supply of laboratory item
10. Green valley groceries	1,263,300	24/12/2021	802,950	460,350		Supply of foodstuff
11. Kither limited	98,000.	24/12/2021	68,750	29,250		Supply of cleaning materials
12. Travejade company	10,500			10,500		Supply of exam
13 Sub-Total	3,779,030		2,357,740	1,421,290		
Supply Of Services						
6.						
7.						
8. Sub-Total						
Grand Total	3,779,030		2,357,740	1,421,290	892,545	

KIBICHIKU 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	Historical Cost b/f 1 st July 2021 (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f 30 th June 2022 (Kshs)
Land I	B/F	Kabete				
Buildings And Structures	B/F	Kabete				
Modern science laboratory	B/F	Kabete				2,286,040
Motor Vehicles	B/F	Kabete				
Borehole	B/F	Kabete				Donated
CCTV Cameras	B/F	Kabete				450,400
Projector	B/F	Kabete				75,000
Kyocera 2560	B/F	Kabete				94,000
Bizhub Konica minolta	B/F	Kabete				150,000
Hp laserjet 2055dn	B/F	Kabete				Donation
Hp laser jet 1020	B/F	Kabete				Donation
Office Equipment, Furniture And Fittings	B/F	Kabete				
Students lockers & chairs	B/F	Kabete				2,009,700
ICT Equipment, And Other ICT Assets						
Computers & laptops	B/F	Kabete				Donation
Tools And Apparatus	B/F	Kabete				
Textbooks	B/F	Kabete				
Other Machinery And Equipment	B/F	Kabete				
Heritage And Cultural Assets	B/F	Kabete				
Intangible Assets- Soft Ware	B/F	Kabete				
Total						