

REPUBLIC OF KENYA

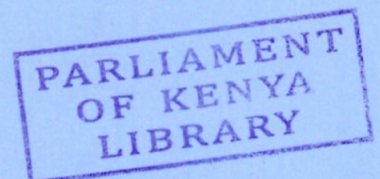


THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	DAY. WED
TABLED REPORT	Hon. Robert Puresu
CLERK-AT THE-TABLE	J. hennelle

OF

THE AUDITOR-GENERAL

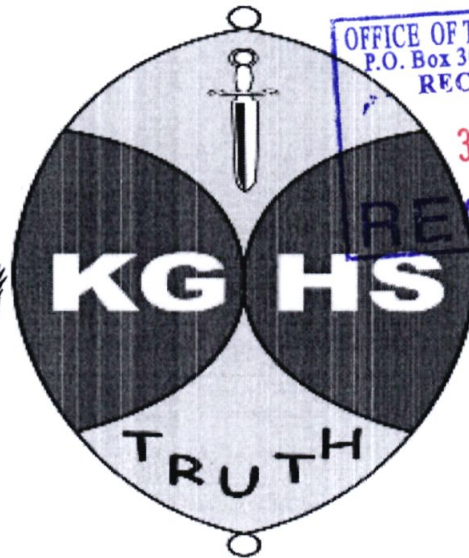
ON



KAHUHIA GIRLS
HIGH SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

MURANG'A COUNTY



KAHUHIA GIRLS HIGH 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)

**KAHUHIA GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS
Reports and Financial Statements
For the Year Ended 30th June 2022**

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Murang'a County, Kahuro Sub-County

The school was registered on 15th February, 2018 under registration number 21S30000218 and is currently categorized as an Extra county public school established, owned or operated by the Government.

The school is a boarding school and had 1,478 number of students as at 30th June 2022. It has 29 streams and 54 teachers of which 9 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref.	Name of Board Member	Designation	Date of Appointment
1.	Prof. Kinandu Muragu	Chairman	12/04/2019
2.	Mrs. Naomi N. Njihia	Secretary - Principal	12/04/2019
3.	Mr. Eliphalet Minae	Member	12/04/2019
4.	Mr. Benard Maingi	Member	12/04/2019
5.	Mrs. Grace Njoroge	Member	12/04/2019
6.	Mr. John G. Mathiaka	Member	12/04/2019
7.	Mrs. Ann Irungu	Member	12/04/2019
8.	Prof Violet Kimani	CEB Representative	12/04/2019
9.	Mr. Ishmael Wanjohi	Teachers Representative	12/04/2019
10.	Prof Kinandu Muragu	Members– Sponsor	12/04/2019
11.	Dr. Joyce W. Ndegwa	Members– Sponsor	12/04/2019
12.	Canon John Miano	Members– Sponsor	12/04/2019
13.	Mr. George Kariuki	Member – Community	12/04/2019
14.	Mr. Stephene Muritu	Member Special Needs	12/04/2019
15.	Sharon Wambui	Students Representative	12/04/2019
16.	Arch. Aidah Munano	Special Interest Group	12/04/2019

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 pupil's 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.

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(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1.	Executive Committee	Dr. Joyce Ndegwa Mrs. Naomi Njihia Dr. Gonye P.M Prof. Muturi Wachira Mr. Charles Njenga	Chairperson Secretary Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
2.	Audit and Finances	Mr. Charles Njenga Mr. Ishmael Wanjohi Mrs. Grace Njoroge	Chairperson Member Member	3 out of 3 3 out of 3
3.	Academic Committee	Prof Muturi Wachira Hon. Gerishon Nyagia Mrs. Grace Thuku Ms. Carolyne Mwangi	Chairperson Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2
4.	Ex – Officials Committee	Prof Kinandu Muragu Mrs Naomi Njihia Ms Emily Kariuki Mrs. Cecilia Maina Mr. James Gichuki	Chairman Principal Students Rep D. Principal Dean Studies	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
5.	Discipline and Welfare Committee	Dr. Gonye P.M Bishop George Kariuki Mrs. Grace Njoroge Ms. Eva Kimachas	Chairperson Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(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	Mrs. Naomi N. Njihia	321848
2.	Deputy Principal	Mrs. Lilian Nkonge	380094
3.	School Bursar	Mrs. Martha W. Gichure	14641042 (ID)

(e) Schools contacts

Post Office Box: 66 – 10206 Kahuhia.

Telephone No. 0799141438

E-mail Address: kahuhiagirls@gmail.com

(f) School Bankers

The school operated an Mpesapaybill account and 5 bank accounts in the following banks:-

- Name of Bank : Equity Bank Murang'a Branch
Account Name : Kahuhia Girls High School (School Fund Account)
Account Number : 0220290472107
- Name of Bank : Equity Bank Murang'a Branch
Account Name : Kahuhia Girls High School (Infrastructure Account)
Account Number : 0220272820495
- Name of Bank : Equity Bank Murang'a Branch
Account Name : Kahuhia Girls High School (Tuition Account)
Account Number : 0220291405247
- Name of Bank : KCB Murang'a Branch (School Fund Account)
Account Name : Kahuhia Girls High School
Account Number : 1108562965
- Name of Bank : KCB Murang'a Branch
Account Name : Kahuhia Girls High School (Operations Account)
Account Number : 1107187737
- M – Pesa Pay Bill No. 522123
Account Number: 31482K

(a) Independent Auditors

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

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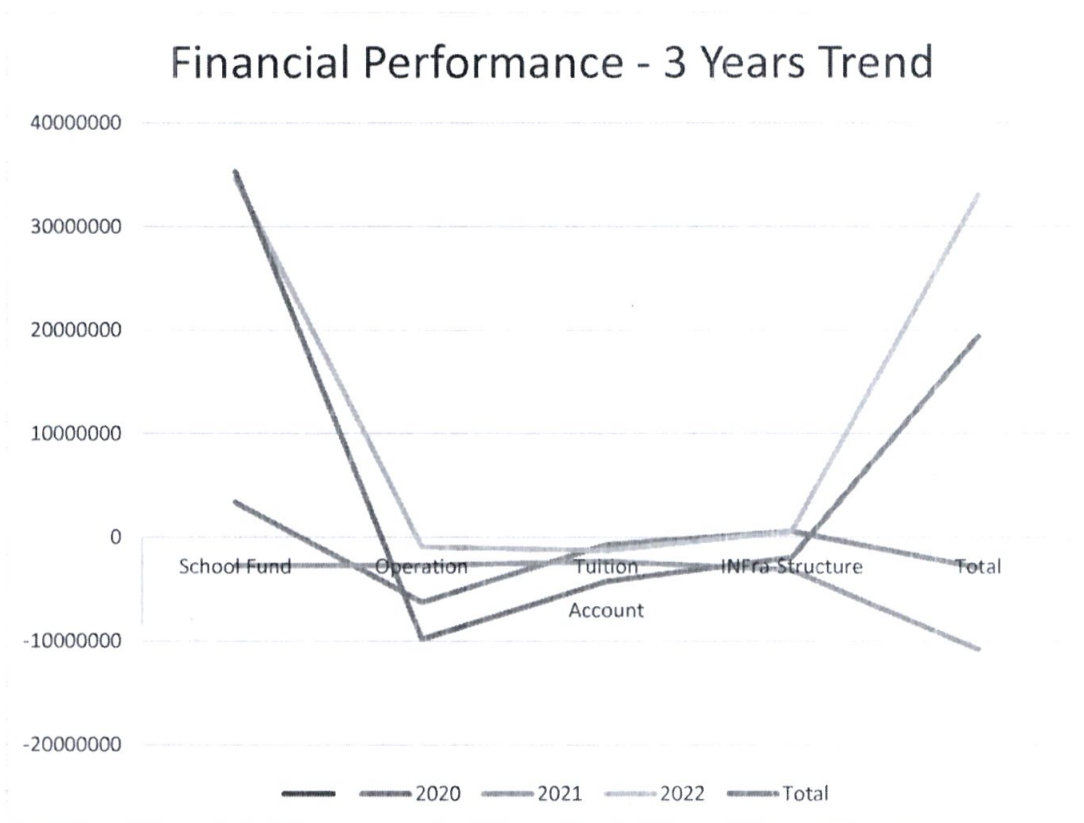
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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 a comparison of the same for the last three years.*

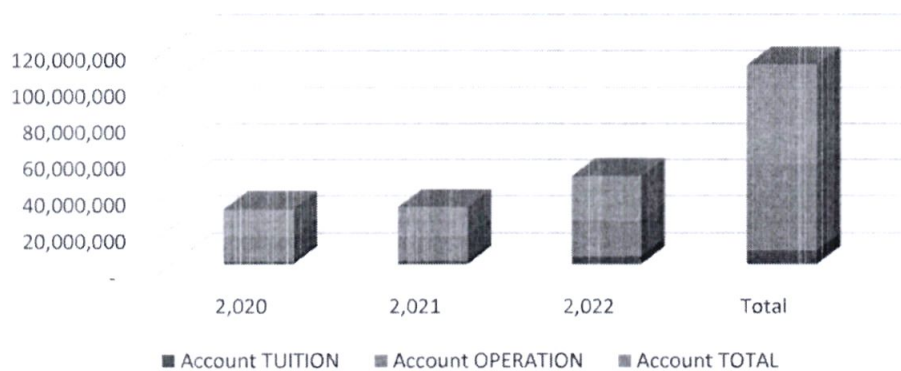
Financial Performance - 3 Years Trend					
Year	School Fund	Operation	Tuition	Infrastructure	Total
2020	3,413,316	(6,229,350)	(699,874)	631,985	(2,883,923)
2021	(2,690,124)	(2,210,063)	(2,294,433)	(489,800)	(7,684,420)
2022	34,611,597	(879,122)	(1,320,693)	0	32,411,782
Total	35,334,789	(9,318,535)	(4,315,000)	142,185	21,843,439



- *Capitation grants from the Ministry of Education for the last three years*

Year	Tuition	Operations	Total
2020	1,422,887	13,687,951	15,110,838
2021	1,666,807	13,936,350	15,603,157
2022	4,481,457	19,672,527	24,153,984
Total	7,571,151	47,296,828	54,867,979

CAPITATION GRANT -3 Years Trend

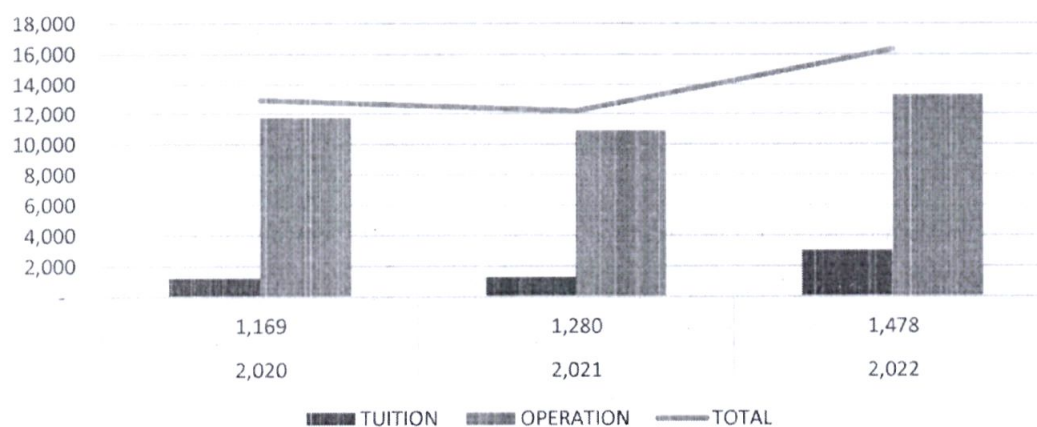


(The increase of capitation grants from the Ministry of education is due to the fact that 2022 pertains to a full year grants as opposed to 2021 which pertains to half years grants and 2020 whose full grants were not received due to Covid 19 pandemic)

- Ratio of capitation grant per student over the last three years

Year	Enrolment	Tuition	Operations	Total
2020	1,169	1,217	11,709	12,926
2021	1,280	1,302	10,888	12,190
2022	1,478	3,032	13,310	16,342

Capitation Grant Per Child -3 Years Trend

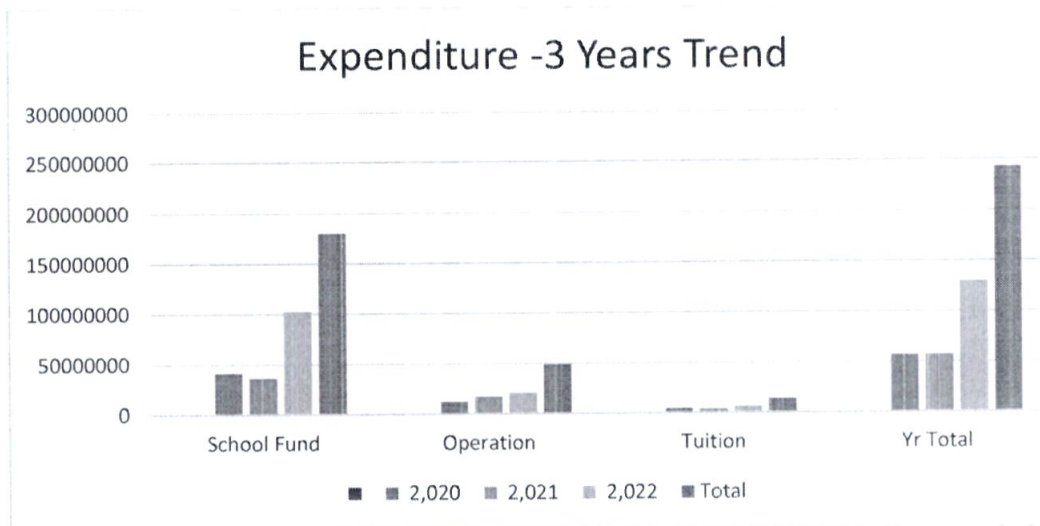


(The increase of capitation grants per child is due to the fact that 2022 pertains to a full years grants as opposed to 2021 which pertains to half years grants and 2020 whose full grants were not received due to Covid 19 pandemic)

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- Growth of Expenditure – 3 Years Trend

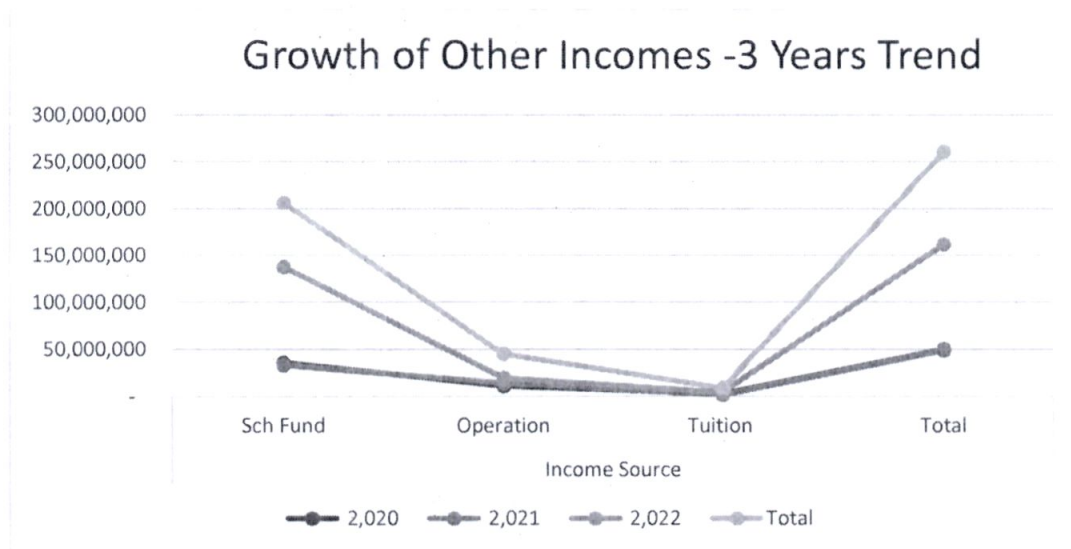
- Expenditure -3 Years Trend					
Year	School Fund	Operation	Tuition	Infrastructure	Year Total
2020	41,078,380	11,531,527	4,021,546		56,631,453
2021	35,899,266	13,586,413	3,961,240	3,049,800	56,496,719
2022	103,034,714	20,551,649	5,802,150		129,388,513
Total	180,012,360	45,669,589	13,784,936	3,049,800	242,516,685



- Growth of Other Income 3 Years Trend

Income Source					
Year	School Fund	Operation	Tuition	Infrastructure	Total
2020	35,769,146	11,376,350	2,879,452		50,024,948
2021	33,209,142	13,936,350	1,666,807	2,560,000	51,372,299
2022	137,611,597	19,672,527	4,481,457		161,765,581
Total	206,589,885	44,985,227	9,027,716	2,560,000	263,162,828

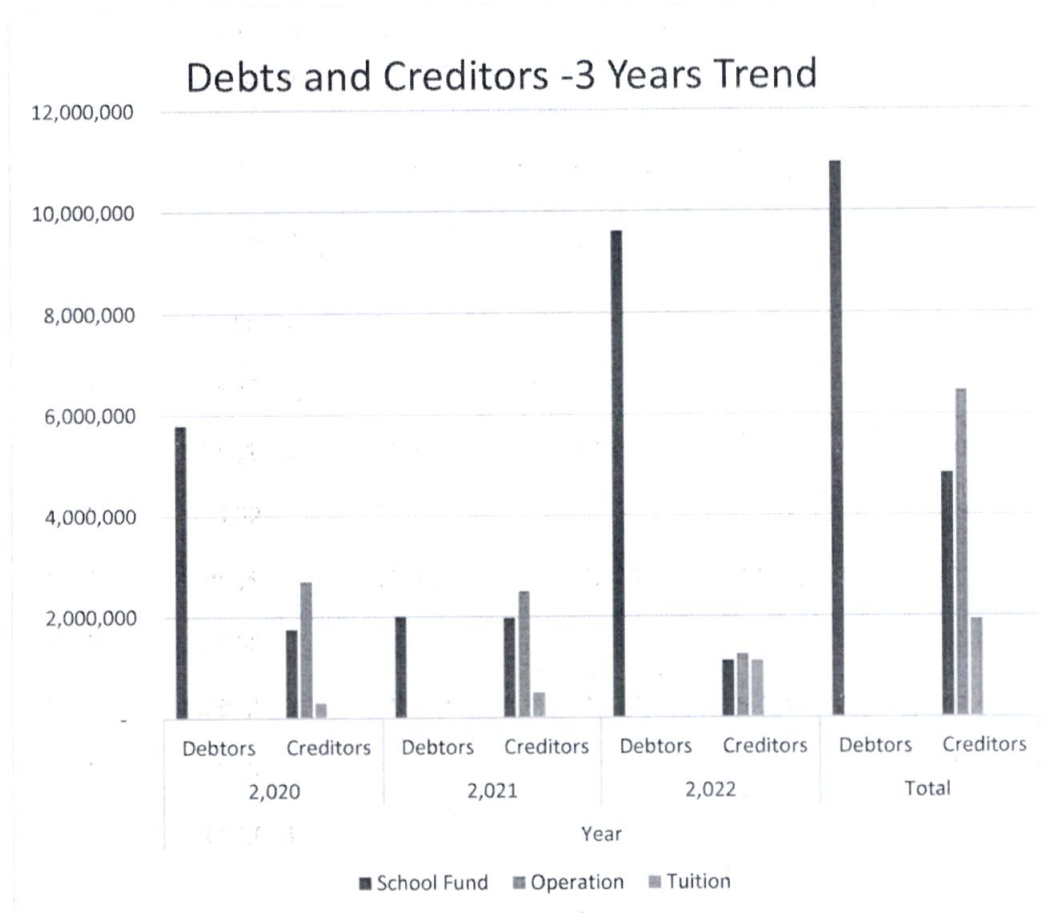
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- Movement of Debtors & Creditors – 3 Years Trend

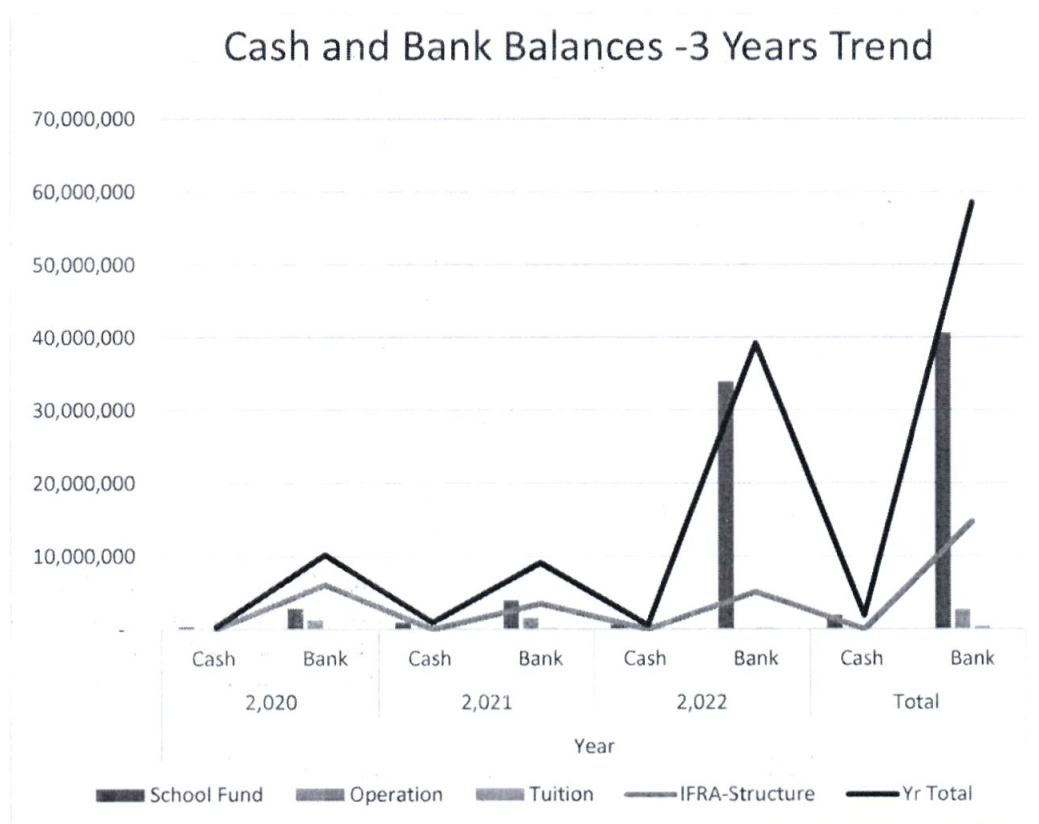
Year		School Fund	Operation	Tuition	Year Total
2020	Debtors	5,789,211	-	-	5,789,211
	Creditors	1,746,195	2,700,000	300,000	4,746,195
2021	Debtors	9,387,540	-	-	9,378,540
	Creditors	2,260,480	2,500,000	500,000	5,260,480
2022	Debtors	12,462,536	-	-	12,462,536
	Creditors	1,124,854	1,245,841	1,125,850	3,496,545
Total	Debtors	11,001,956	-	-	11,001,956
	Creditors	4,831,529	6,445,841	1,925,850	13,203,220

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- Movement of cash and bank balances over the last three years

Year		School Fund	Operation	Tuition	Infrastructure	Year Total
2020	Cash	349,724	-	-	-	349,724
	Bank	3,495,196	1,228,037	54,989	6,084,044	10,862,266
2021	Cash	938,522	-	-	-	938,522
	Bank	4,594,494	1,471,643	172,516	3,539,538	9,778,191
2022	Cash	573,582	-	-	-	573,582
	Bank	36,090,570	5,722	183,674	5,146,622	41,426,588
Total	Cash	1,891,526	-	-	-	1,891,526
	Bank	40,656,073	2,705,402	411,179	14,770,204	58,542,858



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

b) Teacher Student ratio:

Ratio of students to Teachers	
Total enrolment	1,500
Total No of Teachers	60
Students: Teachers ratio	1:25

Teachers Turnover	
No of teachers recruited in the year	7
No of teachers transferred inwards in the year	5
No of teachers transferred outwards in the year	4
Net inflow of teachers	8

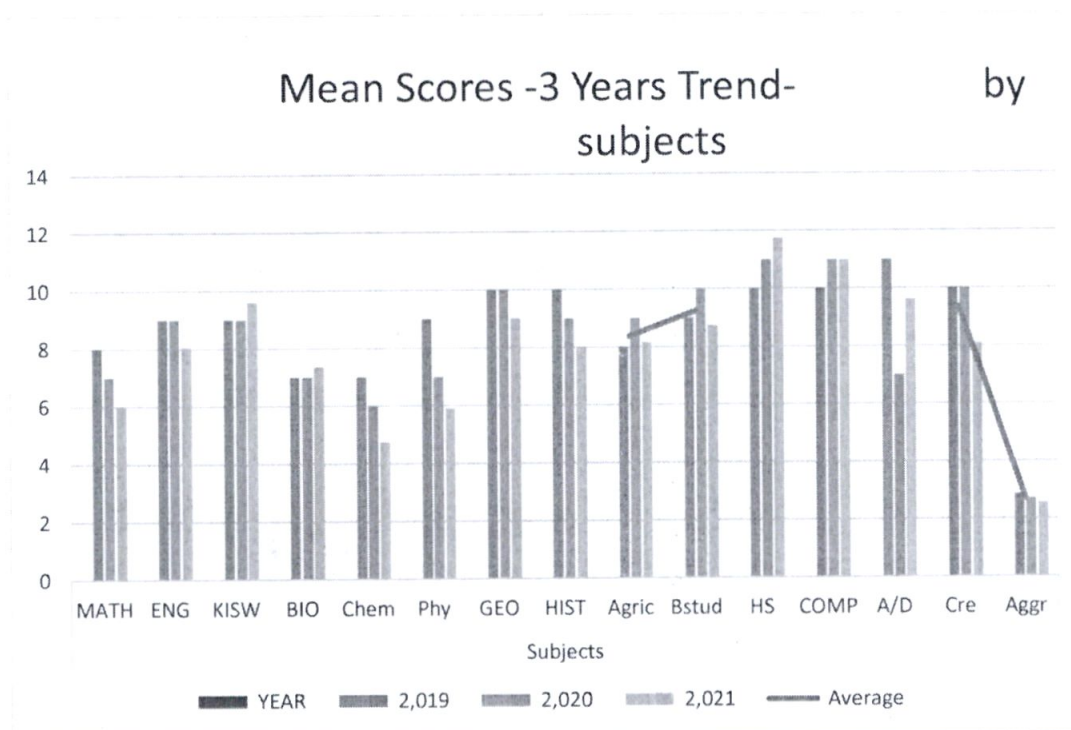
Teachers Employment	
No of teachers required by CBE	60
No of teachers employed by TSC	45

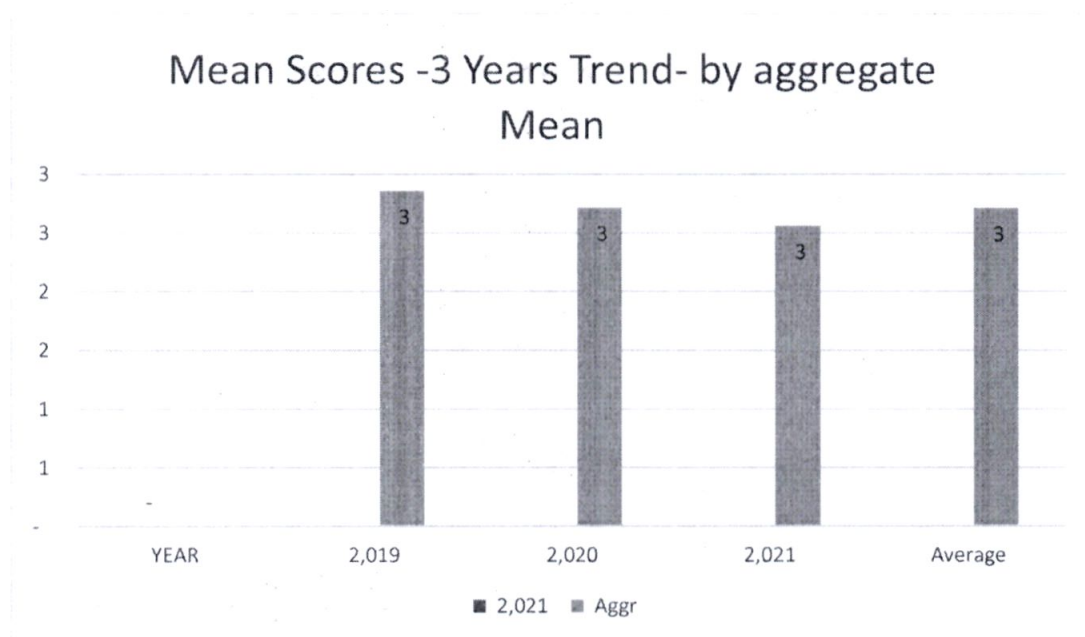
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Shortage / Surplus No of teachers before BOM teachers	15
No of teachers employed by BOM	10
Net Shortage / Surplus No of teachers	5

Mean Scores -3 Years Trend

	Subjects														
	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	Agric	B/s	HS	Comp	Art	Cre	
YEAR															
2019	8	9	9	7	7	9	10	10	8	9	10	10	11	10	
2020	7	9	9	7	6	7	10	9	9	10	11	11	7	10	
2021	6	8	10	7	5	6	9	8	8	9	12	11	10	8	





a) Number of Candidates sitting for KCSE:

2021	2020	2019
275	257	269

b) Capacity of the school:

Area	Means of infrastructure measurement	Quantity of infrastructure required	Actual quantity of infrastructure available	Infrastructure gap
Classrooms	Number of classes	35	27	8
Laboratories	Number of laboratories	7	5	2

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Toilet Doors	Number of toilet doors	200	132	68
Offices	Number of offices	25	16	9
Dining Hall	Number of students well seated	1,500	800	700
Library	Number of students well seated	400	150	250
Hostels	Number of Decker Beds well-spaced	1,500	1,000	500
Staffroom	Number of teachers well seated	70	40	30
Boardroom	Number of BOM members well seated	25	15	10
Staff housing	No of staff properly housed	6	30	24 Housing Units

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

c) Development projects carried out by the school:

Projects Analysis		
	Name of project	
	CBC Classroom	Construction of 3 Classrooms
Estimated (BQ) Cost	788,000.00	6,601,845.00
Source(s) of Funding	Ministry of Education	Maintenance and Improvement Fund
Contract Cost	788,000.00	6,601,845.00
Start Date of project	20 th December, 2021	12 th November 2021
Expected Completion date	Completed by 3 rd February 2022	7 th May 2022
Status (Stalled, WIP, complete)	Complete	Complete
Amount due on project	None	306,283.00
Amount paid	788,000.00	5,819,377.00
Amount pending	None	306,283.00
comment on project success/challenges	<i>CBC Classroom Construction in good Progress.</i>	<i>Classroom Construction in good Progress.</i>

PRINCIPAL
 KAHUHIA GIRLS HIGH SCHOOL
 P. O. Box 10206, KAHUHIA
 Sign: *[Signature]* SIGN:

School Principal

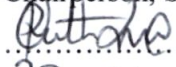
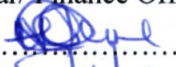
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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 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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Kahuhia Girls' High 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	:	Adv. Ruth Muirure	
Designation	:	Chairperson, School Board of Management	
Sign	:		
Date	:	28.04.26	
Name	:	Naomi Njeri Njima	
Designation	:	School Principal & Secretary to Board of Management	
Sign	:		
Date	:	28/4/26	
Name	:	Martha Wangari Gichure	
Designation	:	Bursar/ Finance Officer	
Sign	:		
Date	:	28/4/26	

REPUBLIC OF KENYA

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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 KAHUHIA GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – MURANGA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kahuhia Girls High School set out on pages 1 to 13 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 Kahuhia Girls High 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.42,000,170 as disclosed in Note 10 and Note 11 to the financial statements. The balance relates to nine (9) bank accounts with a total balance of Kshs.41,426,588 and a cash balance of Kshs.573,583. However, the bank balances were not supported by bank reconciliation statements and cash books for all the accounts. Further, Board of Survey reports in support of the bank balances were not provided for audit. In addition, the school maintained one cashbook for two school fund accounts with a total balance of Kshs.35,422,100 and it was not possible to determine the individual fund account balance

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.42,000,170 could not be confirmed.

2. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.12,462,536 as disclosed in Note 12 to the financial statements. The receivables include a balance of Kshs.2,865,731 for fee arrears which have been outstanding for over one (1) year. However, the supporting schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.12,462,536 could not be confirmed.

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

of the School, and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.28,787,958 as disclosed in Note 2 to the financial statements from the Ministry of Education, which was credited to the operations bank account. The grants include an amount of Kshs.21,103,000 in respect of infrastructure grants, which were to be transferred to the infrastructure bank account for the maintenance and improvement of the school's facilities. However, an amount of Kshs.19,481,000 had been transferred to the infrastructure account as at 30 June, 2023, leaving a balance of Kshs.3,136,000. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/ dated 16 June, 2021, which directed that infrastructure grants, as well as maintenance and improvement funds, should be transferred to the school infrastructure account within fifteen (15) days upon receipt in the operations account.

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

2. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.4,118,026 and Kshs.28,787,957.85, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand six hundred and forty (1640) students while the enrolment records provided by the school indicated a total number of one

thousand six hundred and twenty (1620) students, resulting in an unexplained variance of twenty (20) students. As a result of the variances, the school was over funded by an amount of Kshs.232,500

In the circumstances, the overfunding of the School may have resulted in misallocation of scarce public resources from priority needs.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects amounts of Kshs.4,118,025, Kshs.28,787,958 and Kshs.4,481,000 in respect of capitation grants for tuition, operations and infrastructure grants respectively all totaling Kshs.37,386,983. Comparison of data from National Education Management and information System (NEMIS) with records from the school revealed that during the financial year under audit, NEMIS reflected one thousand six hundred and forty (1,640) students while records from the school data had of one thousand six hundred and twenty (1,620) students, resulting in an overfunding of the school by an amount of Kshs.232,500. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

In the circumstances, the School Management did not comply with the Ministry of Education directives.

4. Long Outstanding Payables

The statement of assets and liabilities reflects payables balance of Kshs.17,311,597 as disclosed in Note. 14 to the financial statements. However, the accounts payables balance of Kshs.3,496,545 which had been outstanding for more than a year, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

5. Unapproved Fees on Parents Association Support Programme

Review of records revealed that the School charged amounts of Kshs.12,573,600 for remedial, Kshs.17,481,288 for development, Kshs.1,483,369 for endowment and Kshs.5,303,380 for administration totalling Kshs.36,841,637 to support the Parent Association Programme. However, the Programme was not approved by the Ministry of Education through the County Education Board contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education.

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

5. 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.103,034,714 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.644,780 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, the value for money for money transferred to KESSHA amounting to Kshs.644,780 could not be confirmed.

6. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

6.1. Lack of Structured Procurement Processes

During the year under review, the School did not adhere to established procurement procedures, as evidenced by use of inappropriate procurement methods including reliance on direct procurement which circumvented competitive bidding, lack of key committees and procurement reports, including evaluation, inspection, and acceptance reports. Further, no market surveys were conducted. This was contrary to Section 44 (2) (d) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act.

6.2. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(1) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

6.3. Payments Without Electronic Tax Invoices

Review of sampled payment vouchers for boarding and school fund revealed that payments amounting to Kshs.40,493,038 for supplies were not supported with electronic tax invoices contrary to the provisions of Regulations 6(1) of Value Added Tax (Electronic Tax Invoices) Regulations, 2020. Further, Management did not withhold Value Added Tax (VAT) on the taxable payments which is an offence under Section 42(4c) of Tax Procedures Act, 2015.

7. Undercharged Rental Income

Review of records and discussions with Management revealed that the School owns twenty-two (22) staff housing units comprising two-bedroom and three-bedroom houses. The School charges Kshs.680 and Kshs.880 for a two-bedroom and three-bedroom house respectively. During the year under review, the School generated rental income amounting to Kshs.67,930. However, the units were leased at rates significantly below prevailing market rates and Management did not provide a clear basis for the charges applied. Further, the School had not executed formal tenancy agreements with the occupants, and therefore the enforceability of the occupancy arrangements could not be ascertained.

In the circumstances, value for money from the use School houses could not be confirmed.

8. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed seven hundred and seventy (770) set books to the school while only seven hundred and fifty (750) books were issued to the students, resulting in twenty (20) excess textbooks that were lying in the school store as they were no longer in use.

In the circumstances, value for money on the excess of the twenty (20) textbooks could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.12,462,536 in respect of fees arrears as disclosed in Note 12 to the financial statements. The receivables include a balance of Kshs.2,865,731 which had been outstanding for more than one (1) year. However, no policy on debt recovery was provided for audit casting doubt on the recoverability of the accounts receivables balance of Kshs.12,462,536. Further, as indicated in Note 12 to the financial statements, the receivables balance includes recoveries totalling to Kshs.4,923,480 which were not credited to a specific debtor's accounts to determine the actual outstanding amounts.

In the circumstances, the accuracy and recoverability of the accounts receivables balance of Kshs.12,462,536 could not be confirmed.

2. Lack of Internal Audit Function and Non-Functional Audit Committee

During the year under review, the School had not constituted an Internal Audit Unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. Further, the School's Audit Committee was not active during the year under review.

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

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 May, 2026

**KAHUIA GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS
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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.	4,481,457.00	1,666,807
Capitation Grants for Operations	2.	19,672,527.00	11,376,350
Infrastructure Fund	3.		2,560,000
School Fund Income- Parents' Contributions	4.	92,309,731.00	33,209,142
School Fund Income- Other Receipts	5.	45,336,580.00	0.00
TOTAL RECEIPTS		161,800,295.00	48,812,299
PAYMENTS			
Payments for Tuition	6.	5,802,150.00	3,961,240
Payments for Operations	7.	20,551,649.00	13,586,413
Payment for Infrastructure	8.		3,049,800
Boarding and School Fund Payments	9.	103,034,714.00	35,899,266
TOTAL PAYMENTS		129,388,513.00	56,496,719
SURPLUS/DEFICIT		32,411,782.10	(7,684,420)

The school financial statements were approved on 28/4/2022 and signed by:

Sign: [Signature]
Name: Adv. Ruth Muirure
Chairperson BOM

Date: 28/4/2022

Sign: [Signature]
Name: Naomi Njeri Njitha
School Principal
Secretary to BOM

Date: 28/4/2022

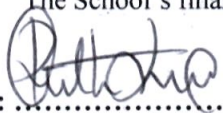
Sign: [Signature]
Name: Martha Gichure
Bursar/Finance Officer

Date: 28/4/2022

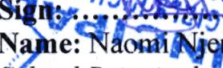
**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES
AS AT 30TH JUNE 2022**

	Note	2021-2022 Kshs.	2020-2021 Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.	41,426,588.00	9,778,191.
Cash Balances	11.	573,582.00	938,552
Total Cash and cash equivalent		42,000,170.00	10,716,743
Account's receivables	12.	12,462,536.00	9,387,540
TOTAL FINANCIAL ASSETS		54,462,706.00	20,104,283
FINANCIAL LIABILITIES			
Accounts Payables	13.	7,207,121.00	5,260,480
NET FINANCIAL ASSETS		47,255,585	14,843,803
REPRESENTED BY			
Accumulated Fund b/fwd.	14.	14,843,803	22,528,222
Surplus/Deficit for the year		32,411,782	(7,684,420)
NET FINANCIAL POSSITION		47,255,585	14,843,803

The School's financial statements were approved on 28/4/2022 and signed by:

Sign: 
Name: Adv. Ruth Muirure
Chairperson BOM

Date: 28.04.2022

Sign: 
Name: Naomi Njeri Njithia
School Principal /
Secretary to BOM

Date: 28/4/2022

Sign: 
Name: Martha Gichure
Bursar/Finance Officer

Date: 28/4/2022

**KAHUHIA GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS
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For the Year Ended 30th June 2022**

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

	Note	2021-2022 Kshs.	2020-2021 Kshs.
Receipts for Operating Income			
Capitation Grants for Tuition	1	4,481,457.00	1,666,807
Capitation Grants for Operations	2	19,672,527.00	11,376,350
Infrastructure	3.		2,560,000
School fund income- Parents Contributions	4	92,309,731.00	31,160,404
School fund income- Other receipts	5	45,336,580.00	
Total Receipts		161,800,295.00	46,763,561
Payments			
Payments for Tuition	6.	5,802,150.00	3,961,240
Payments for Operations	7.	20,551,649.00	13,586,413
Payments for Infrastructure	8.		3,049,800.00
Boarding and School Fund Payments	9.	104,163,069.00	26,661,355
Total Payments		130,516,868.00	47,258,808
Net Cash Flow from Operating Activities		31,283,427.00	(495,247)
NET INCREASE IN CASH AND CASH EQUIVALENTS		31,283,427.00	(495,247)
Cash and Cash Equivalent at BEGINNING of the year		10,716,743.00	11,211,990
Cash and Cash Equivalent at END of the year		42,000,170.00	10,716,743

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. The School has therefore adopted the direct method of cashflow as recommended by PSASB.

**KAHUHIA GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
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For the Year Ended 30th June 2022**

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

Receipt/Expenses Item	Original Budget	Adjustment s	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.	Kshs.
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Tuition Account	5,108,400.00		5,108,400.00	4,481,457.00	626,943.00	88%
(2) CAPITATION GRANT ON OPERATIONS						
Other Voteheads (Personnel Emolument, Administration, Electricity and Water, Local Transport and Travel)	8,690,000.00		8,690,000.00	12,529,949.00	(3,839,949.00)	144%
Repairs and maintenance	8,800,000.00		8,800,000.00	7,173,000.00	1,627,000.00	82%
(3) FEES CHARGED ON PARENTS						
Fee on Boarding Equipment and Stores	55,000,000.00		55,000,000.00	54,673,035.00	326,965.00	99%
TOTAL INCOME	77,598,400.00		77,598,400.00	78,857,441.00	(1,259,041.00)	
(1) EXPENDITURE FOR TUITION						
Tuition Account	5,108,400.00		5,108,400.00	4,469,880.00	638,520.00	88%
(2) EXPENDITURE FOR OPERATIONS						
Other Voteheads (Personnel Emolument, Administration, Electricity and Water, Local Transport and Travel)	8,690,000.00		8,690,000.00	12,406,349.00	(3,716,349.00)	143%
Repairs, maintenance & improvements	8,800,000.00		8,800,000.00	8,762,520.00	37,480.00	99%
(3) EXPENDITURE FOR SCHOOL FUND						
Boarding Equipment and Stores	55,000,000.00		55,000,000.00	48,975,370.00	6,024,630.00	89%
TOTALS	77,598,400.00		77,598,400.00	74,614,119.00	2,984,281.00	

Notes on Budget utilization

- Under / Over-utilization in Tuition & RMI was as a result of failure to receive capitation in full for the year.
- Over utilization in Other voteheads resulted from over expenditure and under budgeting in operations account and the same resulted to the under- utilization in the school fund expenditure

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 Kshs	2020-2021 Kshs
Tuition Account	4,481,457.40	0.00
Exercise Books	0.00	248,700
Laboratory Equipment	0.00	536,547
Teaching /Learning Materials	0.00	280,000
Chalks	0.00	120,000
Exams and Assessment	0.00	220,600
Teachers Guides	0.00	260,960
Total	4,481,457.40	1,666,807.00

2. CAPITATION GRANT FOR OPERATIONS

Description	2020-2021 Kshs	2020-2021 Kshs
Personnel Emoluments	0.00	1,900,433
Repairs and Maintenance	7,173,000.70	4,480,000
Transport and Travel	0.00	1,789,700
Electricity and Water	0.00	1,378,000
Deductions	0.00	503,517.00
Administration	0.00	1,324,700.00
Infrastructure Account	0.00	0.00
Others	12,499,527.00	0.00
Total	19,672,527.70	11,376,350.00

3. CAPITATION GRANT FOR INFRASTRUCTURE

Description	2020-2021 Kshs	2020-2021 Kshs
Infrastructure Fund	-	2,560,000
Total	-	2,560,000

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
4.PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT**

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel Emoluments	7,693,692.00	632,806.00
Repairs and Maintenance	5,000,852.00	1,145,659.00
Transport and Travel	1,861,912.00	120,539.00
Electricity and Water	10,645,529	2,074,346.00
Rent	0.00	56,820.00
Development	0.00	6,593,500.00
Uniform	0.00	61,704.00
Endowments	0.00	131,599.00
Administration	4,790,334.00	833,187.00
Prepayments	0.00	3,377,054.00
Farm	0.00	21,491.00
Boarding, Equipment's and Stores	46,433,608.00	11,152,222.00
Deductions	0.00	3,139,958.00
PTA	5,861,962.00	1,700,441.00
Activity	608,994.00	119,078.00
Total	82,896,883.00	31,160,404.00

**PARENTS CONTRIBUTION/FEEs -SCHOOL FUND ACCOUNT NOTES TO
CASHFLOW**

Reported in the cashflow statement	82,896,883.00	33,209,142
Add: Fees arrears adjustments	9,412,848.00	2,048,738
Reported in Statement of Receipts and Payments	92,309,731.00	31,160,404

5. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	2021-2022 Kshs	2020-2021 Kshs
Damages	5,861,627.00	0.00
Endowment Fund	1,289,916.00	0.00
House Rent	67,930.00	0.00
Uniform	12,367,391.00	0.00
Prepayments	4,963,127.00	0.00
Bakery	7,195,134.00	0.00

**KAHUHIA GIRLS HIGH SCHOOL
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Description	2021-2022 Kshs	2020-2021 Kshs
Development	12,104,506.00	0.00
School Farm	1,099,683.00	0.00
Advance	13,000.00	0.00
House Rent arrears	93,420.00	0.00
Disposal Account	117,591.00	0.00
Student Identification Card	163,255.00	0.00
Total	45,336,580.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. PAYMENTS FOR TUITION

Description	2021-2022 Kshs	2020-2021 Kshs
Exercise Books	0.00	245,000.00
Laboratory Equipment	0.00	2,860,440.00
Teaching/Learning Materials	0.00	273,400.00
Chalks	0.00	110,000.00
Exams and Assessment	0.00	216,400.00
Teachers Guides	0.00	256,000.00
Tuition Account	5,802,150.00	0.00
Total	5,802,150.00	3,961,240.00

7. PAYMENTS FOR OPERATIONS

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel Emoluments	0.00	2,443,964.00
Administration Cost	0.00	668,084.00
Repairs and Maintenance	8,162,520.00	0.00
Transport and Travel	0.00	774,533.00
Electricity and Water	0.00	1,334,498.00
Deductions	0.00	503,417.00
Other Vote Heads	12,389,129.00	0.00
Infrastructure Fund	0.00	1,920,000
Infrastructure Account	0.00	5,104,686
Activity	0.00	837,231
TOTAL	20,551,649.00	13,586,413.00

8. PAYMENT FOR INFRASTRUCTURE

Description	2021-2022 Kshs	2020-2021 Kshs
Repairs and maintenance & improvements	-	3,049,800
TOTAL	-	3,049,800

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 .BOARDING AND SCHOOL FUND PAYMENTS

Description	2021-2022 Kshs	2020-2021 Kshs
Boarding, Equipment's and Stores	48,975,370.00	14,154,732.00
Activity	303,180.00	19,840.00
Repairs and Maintenance	8,060,783.00	1,305,530.00
Transport and Travel	2,014,619.00	837,928.00
Electricity and water	7,206,723.00	718,853.00
Administration costs	4,199,464.00	1,251,625.00
Cautions	20,500.00	9,200.00
Development	0.00	353,375.00
Deductions	0.00	3,119,958.00
Bakery	4,217,440.00	606,572.00
PTA	3,015,408.00	650,422.00
Hire Ground and School Bus	0.00	573,708.00
Farm	1,025,270.00	539,800.00
Personnel Emoluments	7,239,920.00	6,878,015.00
Infrastructure	0.00	0.00
House Rent	17,950.00	15,900.00
Endowment	0.00	472,723.00
Uniform	14,057,477.00	294,350.00
Prepayments	0.00	4,096,735.00
Advance	44,000.00	0.00
Student's Identification Card	75,600.00	0.00
Damages	2,561,010.00	0.00
TOTAL	103,034,714.00	35,899,266.00

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10.BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022 Kshs	2020-2021 Kshs
Tuition Account	0220291405247	183,674	172,516.52
Operations Account	1107187737	5,722	1,471,643.40
Ministry Of Education Savings	1106794109	18,076	18,076.00
Savings Account 4109	1106794036	141,485.00	141,485.00
Development Savings	1106352114	390,865.00	390,865
School Fund Equity Bank	0220290472107	1,518,774.00	3,539,538
Uwezo Savings Account	0051044525	118,044.00	118,044.55
School Fund – KCB Account	1108562965	33,903,326.00	386,484
Infrastructure	0220272820495	5,146,622.00	3,539,538.
Total		41,426,588.00	9,778,191.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.CASH IN HAND

Description	2021-2022 Kshs	2020-2021 Kshs
School Fund account	573,582.00	938,552.00
Total	573,582.00	938,552.00

12. ACCOUNTS RECEIVABLE

Description	2021-2022 Kshs	2020-2021 Kshs
Fees arrears	12,462,536.00	9,387,540.00
Total	12,462,536.00	9,387,540.00

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

Description	2021-2022 Kshs	2020-2021 Kshs
Fees arrears for current year	9,596,805.00	2,048,738.00
Fees arrears recovered during the year	4,923,480.00	4,974,364.00
Fees arrears for the previous year	2,000,000.00	5,789,211.00
Fees arrears for prior periods (over two years)	5,789,211.00	6,523,955.00
Total	12,462,536.00	9,387,540.00

13. ACCOUNTS PAYABLE

Description	2021-2022 Kshs	2020-2021 Kshs
Trade creditors (See ageing below and Appendix 1)	3,496,545.00	4,960,480.00
Prepaid fees	3,710,576.00	300,000.00
Total	7,207,121.00	5,260,480.00

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

Description	2021-2022 Kshs	2020-2021 Kshs
Trade creditors for current year	3,496,545.00	4,960,480.00
Trade creditors paid during the year	0.00	1,667,109.00
Trade creditors for the previous year	0.00	1,667,109.00
Total	3,496,545.00	4,960,480.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. FUND BALANCE BROUGHT FORWARD

Description	2021-2022 Kshs	2020-2021 Kshs
Bank balances	9,778,191.00	10,862,266.00
Cash balances	938,552.00	349,724.00
Receivables	9,387,540.00	16,627,505
Payables	(5,260,480.00)	(5,311,273)
Total	14,843,803	22,528,222

Other Important Disclosure Notes (Continued)

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.

13. BIOLOGICAL ASSETS

Description	Numbers	Price per Unit	2021-2022 Kshs.	2020-2021 Kshs.
Cattle	5	80,000.00	400,000.00	380,000.00
Calves	5	25,000.00	125,000.00	80,000.00
Trees	800	10,000.00	8,000,000.00	8,000,000.00
Total			8,525,000.00	8,460,000.00

14. STOCK/ INVENTORY

Description	2021-2022 KShs.	2020-2021 KShs.
a) Stock Inventories		
Stock/ inventory at beginning of the year	8,000,000.00	18,000,000.00
Stock/ inventory purchased during the year	45,678,850.00	30,000,000.00
Stock/ inventory issued during the year	52,789,342.00	40,000,000.00
Balance at end of the year	889,508.00	8,000,000.00

15 PROGRESSES 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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of Goods						
1. Limatec Limited	1,000,060.00	4 th January, 2022		1,000,060.00		To be paid by 30 th September 2022
2. Gathatwa Enterprises	84,160.00	4 th July, 2021		84,160.00		To be paid by 31 st December 2022
3. Limatec (k) LTD	332,500.00	30 th March 2022		332,500.00		To be paid by 31 st December 2022
4. Performance Enterprises P.	73,755.00	5 th February 2022		73,755.00		To be paid by 30 th September 2022
5. Ruwenzori General Stores	271,500.00	17 th April, 2022		271,500.00		To be paid by 31 st December 2022
6. Gloliza General Suppliers	402,300.00	2 nd January, 2022		402,300.00		To be paid by 30 th September 2022
7. Limatec Limited	160,110.00	30 th May, 2022		160,110.00		To be paid by 31 st December 2022
8. Two Way Africa	1,172,160.00	30 th May, 2022		1,172,160.00		To be paid by 30 th September 2022
Grand Total	3,496,545.00			3,496,545.00		

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 37 Hectares @3,000,000.00	111,000,000.00			111,000,000.00
Buildings and structures	400,000,000.00			400,000,000.00
Motor vehicles KBN 265E	4,500,000.00			4,500,000.00
KBW 156V	2,800,000.00			2,800,000.00
KCT 511Y	1,800,000.00			1,800,000.00
Office equipment, furniture and fittings	18,000,000.00			18,000,000.00
ICT Equipment, and Other ICT Assets	12,000,000.00			12,000,000.00
Tools and apparatus	6,000,000.00			6,000,000.00
Textbooks	5,578,000.00			5,578,000.00
Other Machinery and Equipment	3,000,000.00			3,000,000.00
Firefighting equipment's	400,000.00			400,000.00
Biometrics	450,000.00			450,000.00
Water Systems	20,000,000.00			20,000,000.00
Electrical Installation	18,000,000.00			18,000,000.00
Tent and Chairs	180,000.00			180,000.00
Cambro Pavements	1,500,000.00			1,500,000.00
Screeding Pavements	1,200,000.00			1,200,000.00
School Gate	4,300,000.00			4,300,000.00
CCTV Intallations	1,200,000.00			1,200,000.00
Total	611,908,000.00			611,908,000.00