



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 18 JUN 2026

DAY.

Thursday

REPORT

TABLED
BY:

Hon. Samuel Chepkonga
(on behalf of leaders of opposition)

CLERK-AT
THE-TABLE:

Womale

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

FRIENDS SCHOOL KIKAI
BOYS SECONDARY

FOR THE YEAR ENDED
30 JUNE, 2022

BUNGOMA COUNTY



FRIENDS SCHOOL KIKAI BOYS 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)**

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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 Bungoma County, Bungoma Sub-County

The school was registered in 15/04/2014 under registration number PU/S/3/1932/14 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 475 number of students as at 30th June 2022. It has 2 streams and 18 teachers of which One teacher is 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	ISAYA MASINDE	Chairman	23/04/2019
2	PIUS CHILILIA	Secretary - Principal	23/04/2019
3	PETER LUNGWANYI	Member	23/04/2019
4	MESHACK WATAKA	Member	23/04/2019
5	VIOLET MULANDAFU	Member	23/04/2019
6	DISMAS NDAMWE	Member	23/04/2019
7	CHEMASUET MASUTI	Member	23/04/2019
8	REUBEN RUTO	Member – Rep CEB	23/04/2019
9	PENINAH WEKESA	Member Rep Teachers	23/04/2019
10	-MARGARET MAMAI -ELCAH WAWIRE -PHILIP MALEMO	3 Members - Sponsor	23/04/2019
11	EDITH WEPUKHULU	Member - Community	23/04/2019
12	CHRISTOPHER NYONGESA	Member Special Needs	23/04/2019
13	CHRISPUS MURUNGA	Rep Students	23/04/2019

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 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 paragraph 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	a).Isaya Masinde b).Bonface Wangila c).Josephat Makhanu d).Margaret Mamai e).Edith Wepukhulu	Chairman Secretary Member Member Member	5
2	Audit Committee	a).Philip Malemo b).Edith Wepukhulu c).Margaret Mamai	Chairman Member Member	3
3	Finance,procurement and general purposes Committee	Peter Lungwany Martin Masuti Violet Mulandafu Bonface Wangila	Chairman Member Member Member	2
4	Academic Committee	Reuben Ruto Philip Malemo Elicah Wawire Meshack Wachemba	Chairman Member Member Member	2
5	Development/SIC Committee	Philip Malemo Edith Wepukhulu Meshack Wachemba Isaya Masinde Bonface Wangila	Chairman Member Member Member Member	3
6	Discipline and welfare Committee	Josephat Makhanu Dismas Ndamwe Meshsack Wachemba Peninah Wekesa Christopher Nyongesa Margaret Mamai	Chairman Member Member Member Member Member	1
7	Adhoc Committee (if any during the year)	-D/Principal -Busar -Storekeeper -Departmental Heads.	Chair Person Member Member member	3

(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	Bonface Wangila	351024
2	Deputy Principal	Robert Mamai	395949
3	School Bursar	Concephta Wasike	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 345-50202, Chwele.
Telephone: 0710702705
E-mail: SECONDARYKIKAI@GMAIL.COM
Website: www.kikaiboysseco.com
Facebook: kicks345

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Co-operative (Tuition)
Branch: Bungoma
Account Number: 01139049936000
2. Name of Bank: Co-operative (Operation)
Branch: Bungoma
Account Number: 01139049936001
3. Name of Bank: Co-operative (M&I)
Branch: Bungoma
Account Number: 01139049936002
4. Name of Bank: Co-operative (CDF)
Branch: Bungoma
Account Number: 01141049936000
5. Name of Bank: National (School Fund).
Branch: Bungoma
Account Number: 01021054619700
6. MPESA Pay Bill No. 7230546 Account no. 1260057495 attached to 01021054619700 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:

YEAR	MOE capitation	Ratio of grant /student	Movement of Debtors Creditors		Bank balances	Expenditure growth	Other incomes
2018	6,491,465.6	18,600.1	1,432,808	2,236,704	7,772.50	8,723,490	200,000.00
2019	9343379.75	18,875.5	2,131,418	2,192,341	9,149.60	15,735,248	139,554.00
2020	6,538,888	15,680.8	1,025,428	2,087,521	34,477.1	9,647,504.3	74,572.00

b) Teacher Student ratio:(CBE 27)

YEAR	Teachers posted	Teachers transferred/Retired	Teachers employed by TSC	Teachers employed by BOM	Students enrolment
2018	0	0	1	0	349
2019	0	0	2	0	349
2020	0	0	1	0	470

c) Mean score in the KCSE:

YEAR	MEAN SCORE	University entry	Enrolment of candidates
2018	3.236	4	55
2019	3.000	2	74
2020	3.405	2	69

d) Capacity of the school:

YEAR	Land	Classes	Admin Block	Dormitories	Lab.	Dining hall	Toilets	Library	Generators	Vehicle
2019	5	8	0	2	1	0	6	1	1	1
2020	5.5	8	0	2	1	0	10	1	1	1
2021	7.45	8	1	2	1	1	16	1	3	1

e). Development projects carried out by the school: Renovation of 14 classrooms with floor tiles. (11 classrooms complete)

S/N	ITEM	QUANTITY	UNIT PRICE(KSHS)	AMOUNT(KSHS)
1	FLOOR TILES	1,430BOXES	1,000.00	1,430,000.00
2.	CEMENT	1,067 BAGS	600.00	640,200.00
3.	GROUTS	132KGS	200.00	26,400.00
4.	CORNER STRIPS	99 PIECES	300.00	29,700.00
5.	SAND	130TONNES	1,000.00	130,000.00
7.	LABOUR			187,000.00
8	PAINT			151,250.00
9.	FILLER	60KGS	200.00	12,000.00
10.	WINDOW PANES/FRAMES			213,400.00
	TOTAL			2,819,950.00

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 *Friends School Kikai Boys Sec.* 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: Habakkuk Nakiboli
Designation: Chairman, School Board of Management
Sign: 
Date: 27/8/2022

Name: Saul Kituyi
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 27/8/2022



Name: Concephta Wasike
Designation: Bursar/ Finance Officer
Sign: 
Date: 27/8/2022

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON FRIENDS SCHOOL KIKAI BOYS SECONDARY FOR THE YEAR ENDED 30 JUNE, 2022 – BUNGOMA 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 Friends School Kikai Boys Secondary set out on pages 1 to 18, which comprise of the statement of financial assets

Report of the Auditor-General on Friends School Kikai Boys Secondary for the year ended 30 June, 2022 – Bungoma County

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 Friends School Kikai Boys Secondary 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. Inaccuracy of Financial Statements

1.1. The Statement of Receipts and Payments

The statement of receipts and payments reflects payments for operations amounting to Kshs.6,872,288. However, Note 6 to the financial statements reflects Kshs.4,458,968 resulting to unreconciled variance of Kshs.2,413,320. Additionally, the statement reflects boarding and school fund payments amounting to Kshs.5,863,618, while Note 7 to the financial statements reflects Kshs.8,188,308 resulting to unreconciled variance of Kshs.2,324,690.

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

1.2. The Statement Financial Assets and Financial Liabilities

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.14,390,059 as disclosed under Note 11 to the financial statements. However, Note 11 to the financial statements shows a balance of Kshs.14,478,689 resulting to unreconciled variance of Kshs.88,630.

In the circumstances, the accuracy and completeness accounts receivables balance of Kshs.14,390,059 could not be confirmed.

1.3. Misstatements of Comparative Amounts

The statement of receipts and payments reflects capitation grants for operations comparative amount of Kshs.3,850,278, while audited financial statements for the year ended 30 June, 2021 reflect Kshs.2,040,778, resulting to unexplained variance of

Kshs.2,040,778. Similarly, the statement reflects payments for operations comparative amount of Kshs.3,777,023, while audited financial statements for the year ended 30 June, 2021 reflect Kshs.1,967,523, resulting to unexplained variance of Kshs.1,809,500.

In the circumstances, the accuracy and completeness of the respective comparative amounts could not be confirmed.

2. Variances Between Financial Statements and Ledger Amounts

Review of amounts disclosed in the statement of receipts and payments and supporting ledgers revealed variances as detailed in **Appendix 1**. The variances have not been explained or reconciled.

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

3. Unsupported Inventory Balance

Note 17 to the financial statements under Other Important Disclosure reflects inventory/stock balance of Kshs.177,780. However, the inventory balance was not supported by stock records, bin cards, store ledgers, or stock valuation schedules. Further, the composition and nature of the inventory was not disclosed in Note 7 to the financial statements.

In addition, annual stock take was not conducted, and quarterly stock reports were not prepared or provided for audit verification.

In the circumstances, the accuracy, completeness, existence, and valuation of the inventory balance of Kshs.177,780 could not be confirmed.

4. Unconfirmed Accounts Payables Balance

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.4,283,191. However, Annex 1 to the financial statements on analysis of pending accounts payables reflects a balance of Kshs.1,169,900, resulting to an unexplained variance of Kshs.3,113,291.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.4,283,191 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Friends School Kikai Boys Secondary 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.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iv to ix which comprise of Key School Information and Management, Summary Report of Performance 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. 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.

2. Irregular Payments to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations amount of Kshs.6,872,288 as disclosed under Note 6 to the financial statements. Included, in this is an administration cost of Kshs.771,830 that includes a payment of Kshs.90,000 to Bungoma County Kenya Secondary Schools Heads (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.90,000 could not be confirmed.

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

Review of the annual report and financial statements provided for audit revealed inaccuracies and non-compliance with the International Public Sector Accounting Standards (IPSAS) financial reporting template for 2021/2022 financial year, as detailed below:

- (i) Under the table of contents, page numbering of summary report of performance of the school is erroneously captured as 'vii' instead of 'viii'.
- (ii) Header details for the School are omitted on some of the pages.
- (iii) Annex 2 on summary of fixed assets register lacks the total historical cost balance as at 30 June 2022. Further textbooks balances have been captured as textbook count in pieces and not the actual costs.
- (iv) The words "Public Secondary School" not indicated on the Top Page.

In the circumstances, the annual report and financial statements do not comply with the reporting template prescribed by the Public Sector Accounting Standards Board.

4. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities as disclosed in Note 12 to the financial statements reflects accounts payables balance of Kshs.4,283,191. Included in this balance is Kshs.934,901 relating to payables that have been outstanding for a period exceeding one year, exposing the School to the 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. Unconfirmed Students Enrollment Data

Review of documents provided for audit revealed that, the National Education Management Information System (NEMIS) indicated enrollment numbers of three hundred and twenty-eight (328) students as at 16 July, 2021, five hundred and sixty-five (565) students as at 9 December, 2021, four hundred and sixty-two (462) students as at 27 September, 2021, four hundred and seventy-five (475) students as at 23 March, 2022 and four hundred and ninety-six (496) students as at 30 June, 2022. Schools are required to maintain accurate and up-to-date student attendance registers to verify actual learner presence and ensure alignment between physical attendance records, enrollment registers, and the National Education Management Information System (NEMIS).

However, the School did not maintain properly updated attendance registers for all learners across the various forms, as several registers were incomplete, inconsistently updated, or missing altogether. Consequently, the reported NEMIS enrolment numbers for the specified dates could not be independently verified against actual student attendance.

In the circumstances, absence of complete and reliable attendance records may result in misallocation of capitation funds.

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 16 February, 2023 instead of the statutory deadline of 30 September 2022. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which states that the Accounting Officer of a National Government entity should prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit, and in the case of a National Government entity, forward a copy to the National Treasury.

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

7. Lack of an Approved Staff Establishment

The statement of receipts and payments reflects payments for operations amount of Kshs.6,782,288 as disclosed under in Note 6 to the financial statements. Included, in this is personnel emoluments expenditure of Kshs.2,604,030. However, there was no documentary evidence indicating that the School had an approved salary structure indicating the progression for each employee under their terms.

Further, the School had not developed and approved a scheme of service for Board of Management teachers and non-teaching staff defining job descriptions, recruitment criteria, qualifications, and terms of service. In addition, the School did not have an approved staff establishment outlining authorized positions and staffing levels.

In the circumstances, Management may not be able to adequately plan for the optimum number of employees and remunerate them accordingly.

8. Lack of Approved Budget

During the year under review, the minutes of the Board of Management approving the original budget and any subsequent revisions were not provided for audit review.

This was contrary to Table 8 on Summary of Budget Procedure of the Ministry of Education Operational Manual for Utilization of Learner Capitation Grants and Other School Funds which states that during the Budget preparation/formulation, the head teacher is to identify key activities – guided by circulars and guidelines on capitation grants and other school funds. It states that on Budget approval, the school budget should be discussed and approved by Board of Management and submitted to Sub-County Director of Education (SCDE) for records in both hard and soft copies and that no deficit budget should be allowed.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Prescription on Principals, Board of Management and Committees' Terms of Services

During the year under review, the School management did not provide internal audit reports for audit verification. In addition, review of the records and documents relating to the Board of Management revealed that the Board had not constituted an Audit Committee as required under Section 61(2) of the Basic Education Act, 2013, which mandates the establishment of such a committee to enhance oversight over financial management, internal controls, and accountability. Further, the school management did not provide attendance registers for Board meetings, making it impossible to verify the allowances paid to members of the Board of Management.

In the circumstances, the effectiveness of the School's governance could not be confirmed.

2. Inadequate Internal Control on Receipts

Review of the School's operations revealed that the institution did not have a computerized system for charging, receipting and recording school fees. All fee receipts, collections and balances were maintained manually. This limits effective monitoring and reconciliation of fees collected and outstanding balances, and exposing the School to risks of errors, revenue leakages, and unreliable financial records. Further, the School had not implemented computerized systems to support other key operational areas such as human resource management and procurement functions, including maintenance of staff records, payroll administration, supplier records, and procurement processing.

In the circumstances, key operational areas of the School are exposed to errors, omissions, and misstatements in financial records increasing the likelihood of inefficiencies in operations.

3. Incomplete Fixed Assets Register

The fixed assets register provided for audit review lacked critical disclosures, including asset status, year of acquisition, custodian details, asset identification/serial numbers, tag numbers, make/model, delivery and installation dates, depreciation rates, annual and accumulated depreciation, net book values, disposal dates and values, details of responsible officers, revaluation dates and amounts, and asset condition as required by Assets and Liability Management in the Public Sector, 2020 Guidelines issued by The National Treasury.

In the circumstances, the effectiveness of management of the School's assets could not be confirmed.

4. Long Outstanding Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects a balance of Kshs.14,390,059 in respect to accounts receivables as disclosed under Note 11 to the financial statements. The balance includes fees arrears amounting to Kshs.12,251,347 that had been outstanding for over two (2) years as indicated in Note 11 on ageing analysis, without clear strategy to ensure recovery of the same. Additionally, there was no policy on the impairment of long outstanding accounts receivables casting doubt on the fair statement of accounts receivables balance.

Further, detailed ageing analysis indicate the period each receivable balance had been outstanding was not provided for audit review.

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

5. Failure to Maintain Procurement Records

The statement of receipts and payments reflects boarding and School fund expenditure amounting to Kshs.5,863,618 as disclosed under Note 7 to the financial statements. However, review of documents provided for audit revealed that stock records such as bin cards and store ledgers, were either not maintained or were not up to date. Additionally, periodic stock counts were not conducted and reconciliations between physical stock balances and ledger records were not provided for audit verification.

In the circumstances, the effectiveness of internal controls 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

21 April, 2026

Appendix 1: Variances Between Financial Statements and Ledger Amounts

Component	Amounts in the Financial Statement (Kshs)	Amount in the Ledger (Kshs)	Variance (Kshs)
Other Receipts-School Fund Account			
Bursary	87,000	83,500	3,500
Payments for Tuition			
Exercise Books	101,730	131,730	30,000
Laboratory Equipment	196,800	296,800	100,000
Teaching / Learning Materials	1,266,942	387,200	879,742
Internal Exams	331,000	406,000	75,000
Chalk	14,000	7,000	7,000
Bank Charges	1,263	2,005	742
Payment for Operations			
Personnel Emoluments	2,604,030	2,668,780	64,750
Administration Cost	771,830	756,009	15,821
Local Transport /Travelling	185,300	180,500	4,800
Electricity and Water	788,809	756,179	32,630
Activity Expense	37,800	-	37,800
Insurance Cost	53,671	-	53,671
Bank Charges	2,528	120	2,408
Transfers to Infrastructure	-	2,159,000	2,159,000
Boarding and School Fund Payments			
Personnel Emoluments	15,500	9,100	6,400
Repairs and Maintenance and Improvements	399,550	141,050	258,500
Local Transport /Travelling	218,400	291,570	73,170
Electricity and Water	118,345	119,865	1,520
Medical	7,220	-	7,220
Administration Costs	382,175	316,380	65,795
Bus Hire	3,500	-	3,500
Bank Charges	4,806	-	4,806
Expenses on Income Generating Activities	98,250	-	98,250
Fee on Boarding Equipment and Stores	4,683,012	4,616,133	66,879
Activity	15,000	17,000	2,000
Bursary	87,000	90,500	3,500
Acquisition of Assets	2,155,550	2,105,550	50,000

PUBLIC SECONDARY SCHOOLS – FRIENDS SCHOOL KIKAI BOYS SECONDARY
Reports and Financial Statements
For the year ended 30th June 2022

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

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020/2021
		Kshs	
RECEIPTS			
Capitation grants for tuition	1	1,510,275.00	546,833.00
Capitation grants for operations	2	4,378,302.90	3,850,277.70
School Fund Income- Parents' Contributions	3	5,509,423.00	2,195,359.00
School Fund Income- Other receipts	4	2,484,600.00	1,968,472.00
Proceeds from borrowings		-	-
TOTAL RECEIPTS		13,882,600.90	8,560,941.70
PAYMENTS			
Payments for Tuition	5	1,903,004.80	985,297.00
Payments for operations	6	6,872,288.00	3,777,023.00
Boarding and school fund payments	7	5,863,618.00	4,626,610.00
TOTAL PAYMENTS		14,638,910.80	9,388,930.00
SURPLUS/DEFICIT		(756,309.90)	(827,988.30)

The school financial statements were approved on 27/8/2022 and signed by:

Sign: 

Name :Habakkuk Nakiboli

Chair BOM

Date:27/8/2022

Sign

Name:Saul Kituyi

School Principal/
Secretary to BOM

Date 27/8/2022

Sign

Name.Concephta Wasike

Bursar/
Finance Officer

Date:27/8/2022

PUBLIC SECONDARY SCHOOLS – FRIENDS SCHOOL KIKAI BOYS SECONDARY
Reports and Financial Statements
For the year ended 30th June 2022

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

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	39,507.70	69,468.60
Cash Balances	9	393.45	936.45
Short term Investment	10	-	
Total Cash and cash equivalent		<u>39,901.15</u>	<u>70,405.05</u>
Account's receivables	11	14,390,059.00	13,286,125.00
TOTAL FINANCIAL ASSETS		14,429,960.15	13,356,530.05
FINANCIAL LIABILITIES			
Accounts Payables	12	4,283,191.00	2,453,451.00
NET FINANCIAL ASSETS		10,146,769.15	10,903,079.05
REPRESENTED BY			
Accumulated Fund b/fwd	13	10,903,079.05	11,731,067.35
Surplus/Deficit for the year		(756,309.90)	(827,988.30)
NET FINANCIAL POSSITION		10,146,769.15	10,903,079.05

The School's financial statements were approved on 27/8/2022 and signed by:

Name: Habakkuk Nakiboli.
Chairman, BoM

Sign: 

Date: 27/8/2022

Name: Saul Kituyi
School Principal/Secretary
to BoM

Sign: 

Date: 27/8/2022

Name: Concephta Wasike
Bursar

Sign: 

Date: 27/8/2022

PUBLIC SECONDARY SCHOOLS – FRIENDS SCHOOL KIKAI BOYS SECONDARY
Reports and Financial Statements
For the year ended 30th June 2022

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

		2021-2022	2020-2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,510,275.00	546,833.00
Capitation grants for operations	2	4,378,302.90	2,040,777.70
School fund income- Parents contributions/ fees	3	5,509,423.00	2,195,359.00
School fund income- other receipts	4	2,484,600.00	1,968,472.00
Total receipts		13,882,600.90	6,751,441.70
Payments			
Payments for Tuition	5	1,903,004.80	985,297.00
Payments for operations	6	4,458,968.00	1,967,523.00
Boarding and school fund payments	7	8,188,308.00	4,626,610.00
Total payments		14,550,280.80	7,579,430.00
Cash flow from operating activities before		(667,679.90)	(827,988.30)
Add /Less decrease /increase in receivables		(1,192,564.00)	(477,162.00)
Add/Less increase /decrease in payables		(1,829,740.00)	1,331,774.00
Net cash flow from operating Activities		(30,503.90)	26,623.70
CASHFLOW FROM INVESTING ACTIVITIES			-
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(30,503.90)	26,623.70
Cash and cash equivalent at Beginning of the year 2021	10	70,405.05	43,781.35
Cash and cash equivalent at END of the year 2022		39,901.15	70,405.05

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 cash flow as recommended by PSASB).

The School's financial statements were approved on 27/8/ 2022 and signed by:

Name: Habakkuk Nakiboli
Chairman, BOM

Sign: 

Date: 27/8/2022

Name: Saul Kituyi

School Principal/Secretary
to BOM

Sign: 

Date: 27/8/2022

Name: Conceptha Wasike

Bursar

Sign: 

Date: 27/8/2022

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	225,000.00	0	225,000.00	0	225,000.00	0
Exercise Books	265,500.00	63,000.00	319,500.00	150,000.00	169,500.00	47%
Laboratory Equipment	353,915.00	150,000.00	503,915.00	300,000.00	203,915.00	60%
Internal Exams	553,000.00	23,700.00	576,700.00	250,390.00	326,310.00	43%
Teaching / Learning Materials	476,700.00	23,300.00	500,000.00	809,885.00	-309,885	162%
Chalks	18,000.00	0	18,000.00	0	18,000.00	0
Exams And Assessment	86,000.00	0	86,000.00	0	86,000.00	0
Teachers Guides			0			
(2) Capitation Grant on Operations						
Personnel Emoluments	1,250,000.00	144,000.00	1,394,000.00	2,673,926.00	-1279926	192%
Local Transport / Travelling	462,000.00	-	462,000.00	324,926.90	137074	70%
Electricity And Water	532,000.00	-	532,000.00	736,600.00	-204600	138%
Medical	156,800.00	-	156,800.00	95,000.00	61,800.00	61%
Administration Costs	462,000.00	-	462,000.00	547,850.00	-85,850	118%
Activity	439,800.00	-	439,800.00	0	439,800.00	0
Insurance	192,000.00	-	192,000.00	0	192,000.00	0
Smasse	-	-		0		

(FRIENDS SCHOOL KIKAI BOYS SECONDARY SCHOOL)
 Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d Kshs	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
(3) Fees Charged on Parents						
Personnel Emoluments	290,000.00	0	290,000.00	310,336.00	-20336	107%
Repairs And Maintenance	229,800.00	0	229,800.00	526,126.00	-296326	228%
Local Transport / Travelling	120,000.00	0	120,000.00	224,800.00	-104800	187%
Electricity And Water	220,000.00	0	220,000.00	395,800.00	-175800	180%
Medical	50,800.00	0	50,800.00	111,994.00	-61194	220%
Administration Costs	150,000.00	0	150,000.00	263,200.00	-113200	175%
Activity	79,800.00	0	79,800.00	137,326.00	-57526	172%
Smasse	-	0	-	0	0	
Fee On Boarding Equipment and Stores	5,013,600.00	0	5,013,600.00	3,539,841.00	1473759	71%
Other Income						
Rent Income	-		-	-		0
Income From Farming Activities	130,000.00	0	130,000.00	135,540.00	-5540	104%
Insurance Compensation	0	0	0	0	0	0
Income From Posho Mill	106,000.00	0	106,000.00	96,060.00	9940	91%
Income From Bus Hire	60,000.00	0	60,000.00	7,000.00	53,000.00	12%
Fee For Hire of Ground And Equipment	-	0		87,000.00	0	0
Income from grants & infrastructure	1,200,000.00	1,000,000.00	2,200,000.00	2,159,000.00	41,000.00	98%
Income From bursary	-	-	-			
Total Income	13,113,715.00	1,404,000.00	14,517,715.00	13,882,000.00	635,715.00	96%
(1) Expenditure For Tuition						

(FRIENDS SCHOOL KIKAI BOYS 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
Textbooks And Reference Materials	225,000.00	0	225,000.00	0	225,000.00	0
Exercise Books	265,500.00	63,000.00	319,500.00	101,730.00	122700	32%
Laboratory Equipment	353,915.00	150,000.00	503,915.00	196,800.00	307,115	39%
Internal Exams	553,000.00	23,700.00	576,700.00	331,000.00	245,700	57%
Teaching / Learning Materials	476,700.00	23,300.00	500,000.00	1,266,942.00	-766942	253%
Chalks	18,000.00	0	18,000.00	5,270.00	12,730	29%
Exams And Assessment	86,000.00	0	86,000.00	0	86000	0
Teachers Guides	0	-	0	0	0	0
Administration Costs	0	-	0	0	0	0
Bank Charges	0	-	0	1,262.80	0	0
(2) Expenditure For Operations						
Personnel Emoluments	1,250,000.00	144,000.00	1,394,000.00	2,604,030.00	-1210030	186%
Local Transport / Travelling	462,000.00	0	462,000.00	185,300.00	276700	40%
Electricity, Water and Conservancy	532,000.00	0	532,000.00	788,809.00	-256809	149%
Medical	156,800.00	0	156,800.00	15,000.00	141,800	10%
Administration Costs	462,000.00	0	462,000.00	771,830.00	-309830	167%
Activity Expenses	439,800.00	0	439,800.00	37,800.00	402000	9%
Insurance costs	192,000.00	0	192,000.00	53,671.00	138329	28%
Bank charges				2,528.00	0	0
(3) Expenditure For School Fund						
Personnel Emoluments	290,000.00	0	290,000.00	15,500.00	274500	5%

(FRIENDS SCHOOL KIKAI BOYS 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
Repairs, Maintenance and Improvements	229,800.00	0	229,800.00	399,550.00	-169750	173%
Local Transport / Travelling	120,000.00	0	120,000.00	218,400.00	-98400	182%
Electricity, Water and Conservancy	220,000.00	0	220,000.00	118,345.00	101655	54%
Medical Expenses	50,800.00	0	50,800.00	7,220.00	43580	14%
Administration Costs	150,000.00	0	150,000.00	382,175.00	-232175	254%
Activity	79,800.00	0	79,800.00	15,000.00	64800	19%
Gratuity	0	0		0	0	0
Lunch Programme	0	0	0	0	0	0
Boarding Equipment and Stores	5,013,600.00	0	5,013,600.00	4,683,012.00	330,588	93%
Expenditure For Income Generating Activity	32,500.00	0	32,500.00	101,750.00	-69250	313%
Insurance Costs	83,000.00	0	83,000.00	0	83000	0
Other Expenses On Investments	-	0	0		0	0
Rent Expenses	-	0	0		0	0
Bank Charges	9,600.00	0	9,600.00	4,806.00	4,794	50%
Loan Interest Repayment	-	-				
Loan Principal Repayment	-					
Acquisition Of Assets	1,200,000.00	1,000,000.00	2,200,000.00	2,155,550.00	44,450.00	97%
Totals	12,942,815.00	1,404,000.0.	14,346,815.00	14,550,280.00	-203465	

Physical enrolment of the school increased from 417-494, which led to increase in Nemis, thus capitation went up compared to what the school had budgeted basing on the actual figures of last year. Also farm outputs were good. The school bus had mechanical break down which consumed much on repair.

IV. 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.

V. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and Reference materials	-	.00
Exercise books	150,000.00	40,000.00
Laboratory equipment	300,000.00	150,525.00
Internal exams	250,390.00	153,865.00
Teaching / learning materials	809,885.00	202,443.00
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	1,510,275.00	543,833.00

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	2,673,926.00	1,098,600.00
Local transport / travelling	324,926.90	227,759.00
Electricity and water	736,600.00	335,760.00
Medical	95,000.00	-
Administration costs	547,850.00	378,658.70
Activity	-	-
Total	4,378,302.90	2,040,777.70

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	310,336.00	103,500.00
Repairs and maintenance	526,126.00	122,156.00
Local transport / travelling	224,800.00	65,100.00
Electricity and water	395,800.00	125,820.00
Medical	111,994.00	32,540.00
Administration costs	263,200.00	85,500.00
Activity	137,326.00	50,238.00
Fee on Boarding Equipment and Stores	3,539,841.00	1,610,505.00
Total	5,509,423.00	2,195,359.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Rent income	-	-
Income from farming activities	135,540.00	69,212.00
Insurance compensation	0	0
Income from Posho mill	96,060.00	52,760.00
Income from Bus Hire	7,000.00	37,000.00
Fee for hire of ground and equipment	-	-
Income from grants and Infrastructure	2,159,000.00	1,809,500.00
Interest income	-	-
Dividends income	-	-
Bursary	87,000.00	
Total	2,484,600.00	1,968,472.00

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

5 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	101,730.00	79,080.00
Laboratory equipment	196,800.00	542,217.00
Internal exams	331,000.00	102,000.00
Teaching / learning materials	1,266,942.00	262,000.00
Chalks	5,270.00	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	1,262.80	-
Total	1,903,004.80	985,297.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	2,604,030.00	1,223,160.00
Service Gratuity	-	-
Administration Cost	771,830.00	356,225.00
Repairs and maintenance & improvements	-	-
Local transport / travelling	185,300.00	22,500.00
Electricity and water	788,809.00	214,000.00
Medical	15,000.00	-
Activity Expenses	37,800.00	-
Insurance Cost	53,671.00	151,638.00
Bank Charges	2,528.00	
Acquisition of Assets	-	
TOTAL	4,458,968.00	1,967,523.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	15,500.00	6,000.00
Repairs and maintenance & Improvements	399,550.00	90,590.00
Local transport / travelling	218,400.00	65,770.00
Electricity and water	118,345.00	125,820.00
Medical Expenses	7,220.00	5,600.00
Administration costs	382,175.00	263,865.00
Bus Hire	3,500.00	-
Bank Charges	4,806.00	4,320.00
Expenses on Income Generating Activities	98,250.00	72,230.00
Fee on Boarding Equipment and Stores	4,683,012.00	2,166,465.00
Activity Expenses	15,000.00	1,000.00
Insurance Cost	-	13,500.00
Bursary	87,000.00	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets (Renovation of classrooms)	2,155,550.00	1,811,450.00
TOTAL	8,188,308.00	4,626,610.00

*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	011390499 36000	8,926.95	45,914.75
Operations Account	011390499 36001	2,821.30	10,078.40
School Fund Account/Boarding	010210546 19700	17,418.65	6,684.65
Savings Account	324	1000.30	1,000.30
Parent Association Development Account	-	-	-
Income generating activities Account	-	-	-
Infrastructural Account	011390499 36002	9,340.50	5,790.50
Total		39,507.70	69,468.60

9 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	83.00	190.00
School Fund account	100.00	546.45
Infrastructure Account	210.45	200.00
Total	393.95	936.45

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	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	14,390,059.00	13,180,025.00
Other non-fees receivables		-
NHIF	2500.00	25,750.00
NSSF	86,130.00	80,350.00
Total	14,478,689.00	13,286,125.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	1,988,932.00	928,678.00
Fees arrears for the previous year	149,780.00	573,912.00
Fees arrears for prior periods (over two years)	12,251,347.00	11,677,435.00
Total	14,390,059.00	13,180,025.00

12 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	4,283,191.00	2,453,451.00
Prepaid fees	-	-
Retention monies	-	-
Total	4,283,191.00	2,453,451.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	3,348,290.00	1,390,615.00
Trade creditors for the previous year	372,065.00	498,300.00
Trade creditors for prior periods (over two years)	562,836.00	564,536.00
Total	4,283,191.00	2,453,451.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	69,468.60	43,417.90
Cash balances	936.45	363.45
Short Term Investments	-	-
Receivables	13,286,125.00	12,808,963.00
Payables	(2,453,451.00)	(1,121,667.00)
Total	10,903,079.05	11,731,067.35

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	2020-2021	2019-2020
	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	5	135,000.00	120,000.00
Goats	-	-	-
Trees	39	97,500.00	97,500.00
Coffee plantation	660	90,804.00	231,000.00
Poultry	-	-	-
Total		323,304.00	448,500.00

16 Borrowings

Description	2020-2021	2019-2020
	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) Borrowings		
Stock/ inventory at beginning of the year	17,720.00	336,500.00
Stock/ inventory purchased during the year	1,880,950.00	1,210,400.00
Stock/ inventory issued during the year	1,720,890.00	1,529,180.00
Balance at end of the year	177,780.00	17,720.00

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)
FSKB/24/04/2026	-Inaccuracy in financial statements	Proper & accuracy financial statements should be maintained		
	-Non-compliance	Compliance should be key factor in preparation of financial statements		
	-Huge outstanding fees arrears	-Enhance fees collection policy,to recover fees arrears.		
	-Long lasting creditors	-Pay creditors within financial,make income generating projects to be active,which will also assist the school to offset the creditors.		

PUBLIC SECONDARY SCHOOLS – FRIENDS SCHOOL KIKAI BOYS SECONDARY
Reports and Financial Statements
For the year ended 30th June 2022

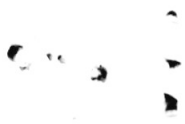
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of buildings					
1. Dining Hall	2,500,000.00	16/12/2016	2,300,000.00	200,000.00	
2. Renovation of Science Laboratory	2,548,000.00	23/03/2019	2,413,635.00	134,365.00	
3. Bio-Digester	2,760,000.00	23/03/2020	2,582,080.00	177,920.00	
Sub-Total	7,808,000.00		7,295,715.00	512,285.00	
Supply of goods					
4. BES Goods	850,220.00	12/01/2021	640,000.00	210,220.00	
5. Tuition Goods	768,297.00	16/3/2021	488,000.00	280,297.00	
6. Operation Goods	772,098.00	24/2/2021	605,000.00	167,098.00	
Sub-Total	2,390,615.00		1,733,000.00	657,615.00	
Supply of services					
7. Labour	180,000.00	16/7/2021	180,000.00	0	
8.					
9.					
Sub-Total	180,000.00		180,000.00	0	
Grand Total	10,378,615.00		9,208,715.00	1,169,900.0	

PUBLIC SECONDARY SCHOOLS – FRIENDS SCHOOL KIKAI BOYS SECONDARY
Reports and Financial Statements
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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposal during the year (Kshs)
Land 1	09/11/2012	Kikai	370,000.00	380,000.00	
Land 2	11/7/2019	Kikai	600,000.00	580,000.00	
Buildings and structures	23/5/2004	Kikai	3,200,000.00	1,600,000.00	
Motor vehicles	26/11/2010	Kikai	5,200,000.00	0	
Office equipment, furniture and fittings	16/5/2019	Kikai	540,500.00		
ICT Equipment, and Other ICT Assets	27/3/2021	Kikai	234,000.00	0	
Tools and apparatus	13/04/2021	Kikai	5,200.00	0	
Textbooks	20/1/2021	Kikai	10,123 pieces of text books	4,000 pieces addition during the year.	
Other Machinery and Equipment	-	-	-	-	
Heritage and cultural assets	-	-	-	-	
Intangible assets- soft ware	25/05/2021	Kikai	5,600.00	0	
Total			10,155,300.00	2,560,000.00	



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