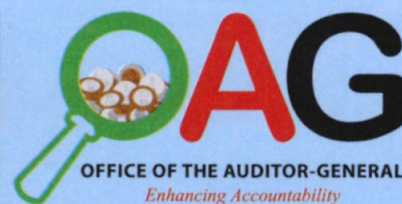


REPUBLIC OF KENYA



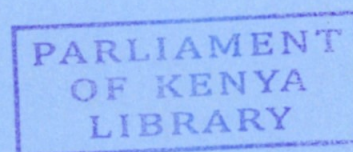
REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2026	
DAY: Tuesday	
TABLED BY:	Hon. Naomi Kiboro, CBS, MP (Deputy Majority Party Whip)
CLERK-AT THE-TABLE:	Lomale

OF

THE AUDITOR-GENERAL

ON



KANGARU SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

EMBU COUNTY



KANGARU 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)**

KANGARU SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

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KANGARU SCHOOL

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

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 01/1947 under registration number 14S30000220 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a /boarding school and had 1582 number of students as at 30th June 2022. It has 7 streams and 61 teachers of which 10 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	Mr. Patrick Kinyua Njagi	Chairman	25th April 2022
2	Mr. Paul Muriuki	Secretary - Principal	25th April 2022
3	Mrs Murugi Mugo	Member	25th April 2022
4	Dr. Peter Nyaga	Member	25th April 2022
5	Mr. George Maina	Member	25th April 2022
6	Mr. Joseph Murage Ndaru	Member	25th April 2022
7	Beatrice Karimi Nyaga	Member	25th April 2022
8	Mrs. Murugi Mugo	Member	25th April 2022
9	Ms. Beatrice Karimi Nyaga	Member	25th April 2022
10	Harrison Kiburu	Member – Rep CEB	25th April 2022
11	Mr. Mugo Brasio	Member Rep Teachers	25th April 2022
12	Mr. Rose Nyaga Mr. Ileri Waithavu Dr. Edward Kobuthi	3 Members - Sponsor	25th April 2022
13	Mr. Patrick Njamiu	Member - Community	25th April 2022
14	James Ndwiga	Member Special Needs	25th April 2022
15	Cyprian Kings Kiama	Rep Students	25th April 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**The function of the School Board of Management include:**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive	Patrick Kinyua Njagi Mr. Paul Muriuki Mrs. Patrick njamui Mr. Harrison kiburu Dr. Edward Kobuthi Joseph Murage	Chairman Secretary Member Member Member member	5
2	Audit Committee			0
3	Finance,procurement and general purposes Committee	Mr. George Maina Mr. Patrick Njamui Mrs. Rose Nyaga Mr Joseph Murage	Chairman Member Member member	3
4	Academic Committee	Dr. Edward Kobuthi Mr. Paul Muriuki DR Peter Nyaga Mr.Mugo Brasio Harrison Kiburu Beatrice Nyaga	Chairman Member Member Member Member Member	4
5	Development Committee	James Ndwiga Patrick Kinyua Mr. Paul Muriuki Mr. Mugo Brasio Mr.Joseph Murage	Chairperson Member Member Member Member	3
6	Discipline Ethics and Integrity Committee	Prof. Paul Nthakanio Mrs. Murugi Mugo Mr. John Kariuki James Ndwiga	Chairman Member Member	1

		Beatrice Gathendu	Member Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr Solomon Koech	364952
2	Deputy Principal	Mr. Abuor Christopher Mr. Mugo Brasio	468536 323879
3	School Bursar	Monicah Mutahi	22824028

(e) Schools contacts

Post Office Box: P.O. Box 17 – 60100 EMBU
Telephone: 0703136285
E-mail: kangaruschool2012@gmail.com
Website: www.kangaruschool.sc.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated number of bank accounts in the following banks:

1. Name of Bank: Cooperative (Tuition)
Branch: Embu
Account Number: 01139051721200
2. Name of Bank: Cooperative (Operational)
Branch: Embu
Account Number: 01139051721201
3. Name of Bank: Cooperative (Farm)
Branch: Embu
Account Number: 01120051721200
4. Name of Bank: Cooperative (CDF)
Branch: Embu
Account Number: 01141051721200
5. Name of Bank: Equity (School Fund)
Branch: Embu
Account Number: 0190296644447
6. Name of Bank: Equity (Farm)
Branch: Embu
Account Number: 0190263612064
7. Name of Bank: Equity (Salary)
Branch: Embu
Account Number: 0190299996611
8. Name of Bank: Equity (Development)
Branch: Embu
Account Number: 0190269139706
9. Name of Bank: Equity (Bus)
Branch: Embu
Account Number: 0190198690881

10. Name of Bank: KCB (Savings)
 Branch: Embu
 Account Number: 1102523844
11. Name of Bank: Barclays (School Fund)
 Branch: Embu
 Account Number: 0041061901
12. MPESA Pay Bill No. 906900 attached to Equity Bank Account.
 Branch: Embu
 Account Number: 0190297146230

(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:

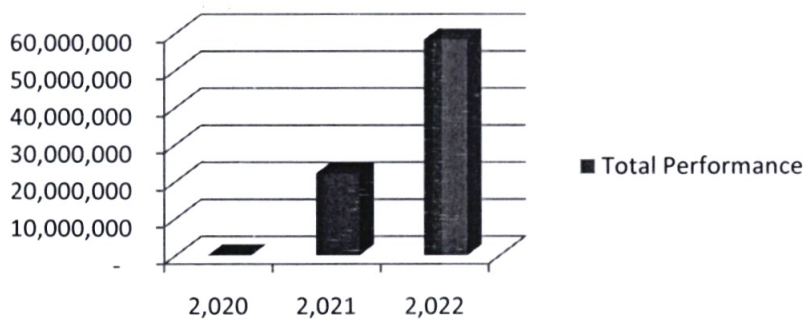
Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

Financial Performance - Deficits and/or Surpluses_ 3 Year Trend							
	Account						
	School Fund	-	Tuition	Infrastructure	Farm	CDF	Total
Year							
2,020	(3,657,997)	3,835,342	(21,257)	-	-	-	156,088
2,021	14,606,674	2,118,648	(226,693)	5,654,520	-	133,405	22,286,554
2,022	51,543,342	7,796,032	(396,362)	(1,370,784)	960,050	(132,570)	58,399,707
Total	62,492,019	13,750,022	(644,312)	4,283,736	960,050	835	80,842,349

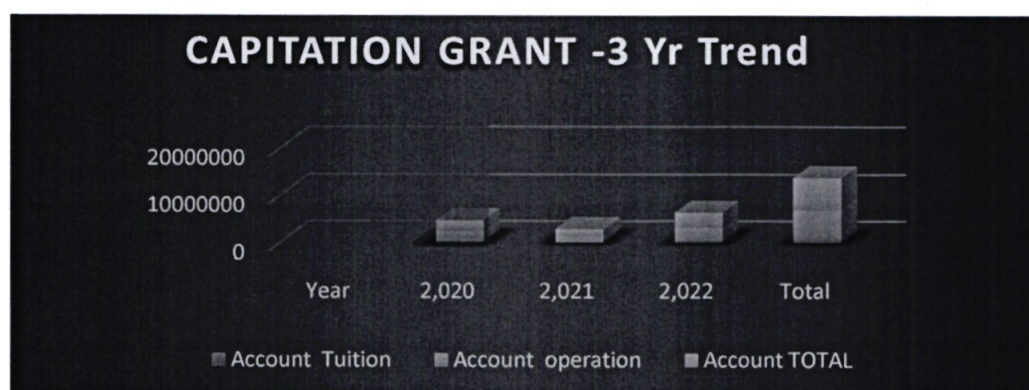
Year	Total Performance
2,020	156,088
2,021	22,286,554
2,022	58,399,707

Total Financial Performance



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

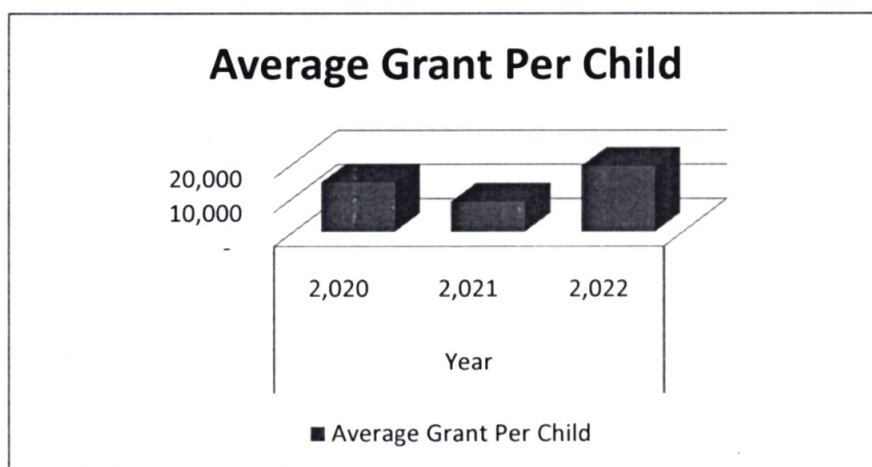
CAPITATION GRANT -3 Yr Trend				
		Account		
		Tuition	-	TOTAL
	Year			
	2,020	3,333,815	19,887,817	23,221,632
	2,021	1,595,081	12,460,186	14,055,267
	2,022	5,863,350	25,621,390	31,484,740
	Total	10,792,246	57,969,393	68,761,639



Ratio of capitation grant per student over the last three years

Capitation Grant Per Child -3 Yr Trend			
	Year		
	2,020	2,021	2,022
TOTAL GRANT RECEIVED	23,221,632	14,055,267	31,484,740
Highest Enrolment in the Year	1,598	1,594	1,630
Average Grant Per Child	14,532	8,818	19,316

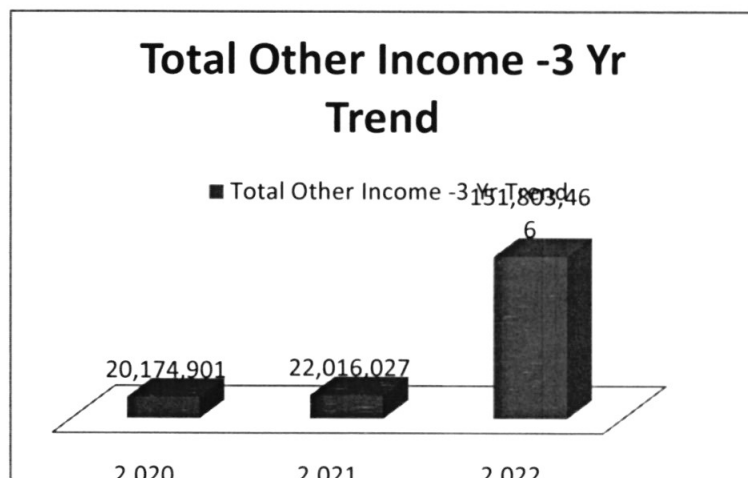
	Year		
	2,020	2,021	2,022
Average Grant Per Child	14,532	8,818	19,316



A three year overview of growth of other income(s) earned by the school.

Growth of Other Incomes -3 Yr Trend						
		Income Source				
		School Fund	Farm	Infrastructue	CDF	Total
YEAR						
	2,020	20,174,901	-	-	-	20,174,901
	2,021	15,361,507	-	5,654,520	1,000,000	22,016,027
	2,022	144,490,596	964,370	6,348,500	-	151,803,466
	Total	180,027,004	964,370	12,003,020	1,000,000	193,994,394

		Total Other Income -3 Yr Trend
Year		
	2,020	20,174,901
	2,021	22,016,027
	2,022	151,803,466



KANGARU SCHOOL

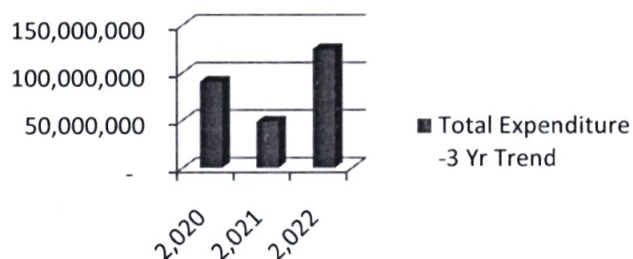
Annual Report and Financial Statements For the year ended 30th June 2022

three –year overview of growth in expenditure of the school

Expenditure -3Yr Trend							
YEAR	School Fund	OPERATION	Tuition	Farm	Infrastructure	CDF	Yr Total
2,020	71,319,663	16,052,475	3,355,072	-	-	-	90,727,210
2,021	35,498,857	10,341,538	1,821,774	-	-	866,595	48,528,764
2,022	92,947,254	17,825,358	6,259,712	4,320	7,719,284	132,570	124,888,498
Total	199,765,774	44,219,371	11,436,558	4,320	7,719,284	999,165	264,144,472

Year	Total Expenditure -3 Yr Trend
2,020	90,727,210
2,021	48,528,764
2,022	124,888,498

Total Expenditure -3 Yr Trend



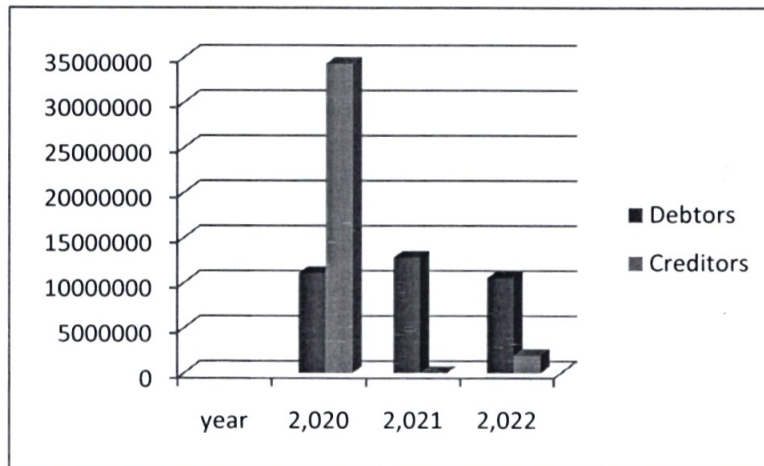
KANGARU SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Movement of debtors and creditors of the school over the last three years

Debts and Creditors -3Yr Trend									
			Account						
			School Fund	OPERATION	Tuition	Farm	Infrastructue	CDF	Yr Total
Year	2,020	Debtors	11,049,555						11,049,555
		Creditors	28,968,238	-	5,322,562	-	-	-	34,290,800
	2,021	Debtors	12,808,846	-	-	-	-	-	12,808,846
		Creditors	-	-	-	-	-	-	-
	2,022	Debtors	10,523,124	-	-	-	-	-	10,523,124
		Creditors	1,286,555	-	665,310	-	-	-	1,951,865
	Total	Debtors	34,381,525	-	-	-	-	-	34,381,525
		Creditors	30,254,793	-	5,987,872	-	-	-	36,242,665

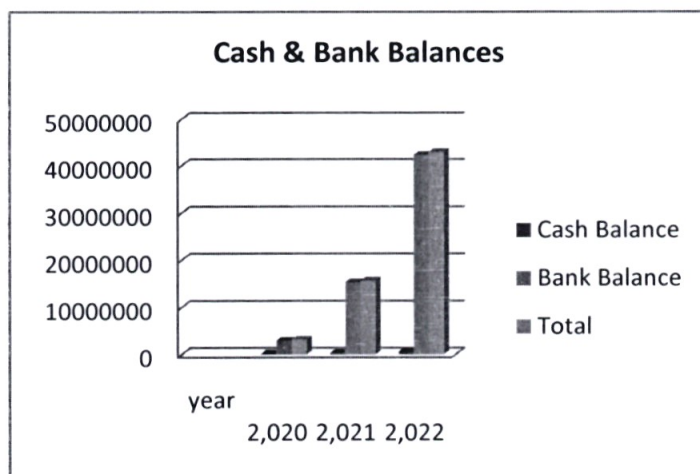
	Debtors	Creditors
year		
2,020	11,049,555	34,290,800
2,021	12,808,846	-
2,022	10,523,124	1,951,865



Movement of cash and bank balances over the last three years

Cash and Bank Balances -3Yr Trend									
			Account						
			School Fund	OPERATION	Tuition	Farm	Infrastructue	CDF	Yr Total
Year	2,020	Cash	204,800	181	-	-	-	-	204,981
		Bank	824,111	1,299,370	854,041	-	-	-	2,977,522
	2,021	Cash	335,927	181	-	-	-	-	336,108
		Bank	5,652,753	3,418,018	627,348	-	5,654,520	-	15,352,639
	2,022	Cash	643,975	181	-	550	-	-	644,706
		Bank	25,635,046	11,214,050	230,986	959,500	4,283,736	835	42,324,152
	Total	Cash	1,184,702	543	-	-	-	-	1,185,245
		Bank	32,111,910	15,931,438	1,712,375	959,500	9,938,256	835	60,654,313

	Cash Balance	Bank Balance	Total
year			
2,020	204,981	2,977,522	3,182,503
2,021	336,108	15,352,639	15,688,747
2,022	644,706	42,324,152	42,968,858



b) Teacher Student ratio:

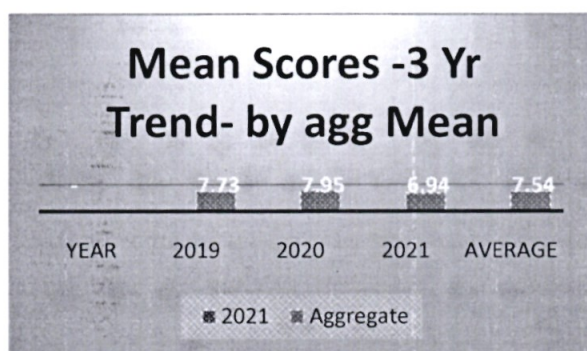
Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

Ratio of students to teachers	
Total enrolment	1,598
Total No of Teachers	57
Students : Teachers ratio	28
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	70
No of teachers employed by TSC	57
Shortage / Surplus No of teachers before BOM teachers	13
No of teachers employed by BOM	10
Net Shortage / Surplus No of teachers	3

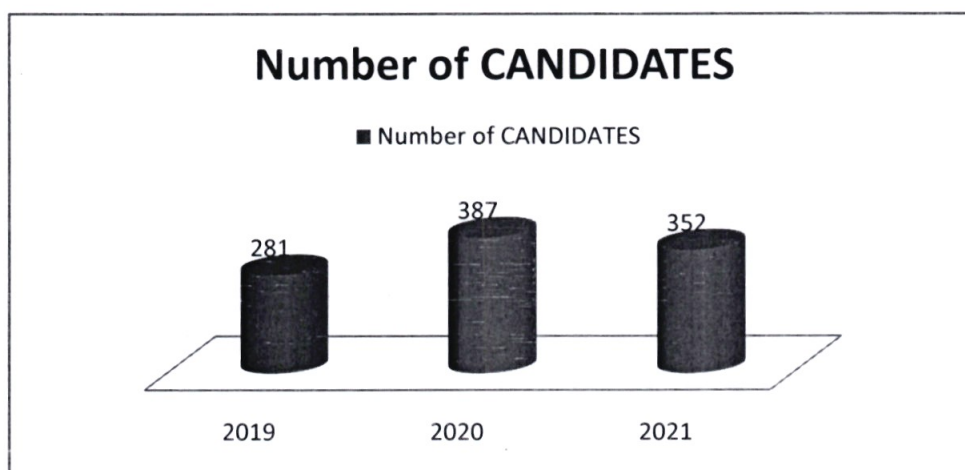
C) Mean score in the 2022 KCSE

Mean Scores -3 Yr Trend															
Subject Means															
YEAR	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	CRE	Agric	Bstud	Comp	D/D	French	Aggregate
2019	8.00	7.00	7.00	6.00	6.00	7.00	9.00	9.00	10.00	6.00	10.00	8.00	8.00	10.00	7.73
2020	8.00	7.00	6.90	5.50	5.30	6.40	9.30	10.40	9.00	10.80	8.80	11.30	8.20	6.50	7.95
2021	6.90	7.30	7.50	5.80	4.20	5.40	9.60	8.10	6.80	7.70	7.00	10.00	9.70	6.50	6.94
Average	7.63	7.10	7.13	5.77	5.17	6.27	9.30	9.17	8.60	8.17	8.60				7.54



D) Number of candidates sitting for the KCSE over the last three years

Number of CANDIDATES		
Year		
2019		281
2020		387
2021		352



E) CAPACITY OF THE SCHOOL

NO OF STREAMS

Teachers CBE

Required No of NTS

8	70	42
---	----	----

Capacity Analysis

Infrastructure TYPE	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment
Classrooms	Number	35	28	Shortage of classrooms equivalent to:	
				7	
				classroom(s)	
Laboratories	Number	8	4	Shortage of labortory facilities equivalent to:	
				4	
				Laboratories	
Toilet Doors	Number	120	93	Shortage of toilet facility equivalent to:	
				27	
				toilet doors	
Offices	Number	25	18	Shortage of office facilities equivalent to:	
				7	
				offices	
Dining Hall	Number of students well seated	1,500	800	Shortage of dining facilities equivalent to:	
				700	
				students not seated	
Library	Number of students well seated	200	55	Shortage of library facilities equivalent to:	
				145	
				students not seated	
Dormitories	Number of Decker Beds well-spaced	1,200	1,000	Shortage of dormitory facilities equivalent to:	
				200	
				decker beds	
Staffroom	Number of teachers well seated	70	50	Shortage of staffroom space equivalent to:	

				20	
				teachers not seated	
Boardroom	Number of BOM members well seated	20	-	Shortage of boardroom space equivalent to:	
				20	
				BOM members not seated	
Textbooks	Average Students - to- Course books ratio	1	1	Shortage of textbooks equivalent to:	
				-	
				% of text books required	
Water	Adequacy	ADEQUATE	ADEQUATE	Occassional / frequent shortage of water attributed to ?	
Electricity	Adequacy	ADEQUATE	ADEQUATE	Occassional / frequent shortage of power attributed to ?	
Staff housing	No of staff properly housed	100	39	Shortage of staffhousing facilities equivalent to:	
				61	
				staff not housed	

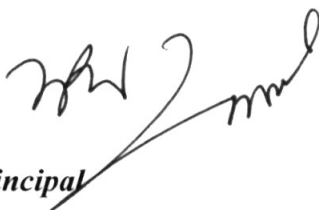
f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format

YEAR	PROJECT	SOURCE OF FUND
2021/2022	3 STORY TUITION BLOCK	FEES
	LIBRARY BLOCK	MI FUNDING
	CBC CLASSROOMS	MI FUNDING

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

The Board of Management of *Kangaru 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: JOSEPH NJERU MUGOH
Designation: CHAIRMAN, SCHOOL BOARD OF MANAGEMENT
Sign:
Date: 23 /03/2026

Name: PAUL N. MURIUKI
Designation: SECRETARY BOARD OF MANAGEMENT
Sign:
Date: 23/03/2026

Name: MONICAH MUTAHI
Designation: BURSAR/ FINANCE OFFICER
Sign:
Date: 23/03/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KANGARU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – EMBU COUNTY

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 Kangaru School set out on pages 1 to 22, which comprise of the statement of financial assets and financial liabilities for the year ended 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information in

Report of the Auditor-General on Kangaru School for the year ended 30 June, 2022 – Embu County

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kangaru 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

Unsupported Short-Term Investments

The statement of financial assets and liabilities and as disclosed in Note 10 to the financial statements reflects short-term investments balance of Kshs.897,467. However, the balance was not supported by a ledger detailing particulars or nature of the investments, investment certificates or any other relevant supporting documentation. Further, Management did not disclose any interest accruing from the investments.

In the circumstances, the accuracy and completeness of the short-term investments balance of Kshs.897,467 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.87,911,350 and Kshs.183,288,205 respectively, resulting in an under-funding of Kshs.95,376,855 or 108% of the budget. However, the School spent an amount of Kshs.124,888,498 against actual receipts amounting to Kshs.87,911,350, resulting in an over-utilization of Kshs.36,977,148 or 142% of actual receipts.

The under-funding and over-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters

described in the Basis for Qualified Opinion 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 II to XIX which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School's Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the school's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects operation fund payments amount of Kshs.17,825,358 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.86,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.86, 000 could not be confirmed.

2. 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.

3. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.41,403,269. However, included in the balance are trade payables balance of Kshs.41,399,340 which had been outstanding for more than two years (2) years, 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.

4. Irregularities in Procurement Processes

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

4.1. 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(2) 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.

4.2. Unstructured Procurement Processes

Review of procurement of infrastructure projects revealed the absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

4.3. Weaknesses in Record Keeping

During the year under review, the school did not maintain a complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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

5. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 23 February, 2026 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education Circular

Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not constitute an audit committee and 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.

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

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.39,620,422 in respect of fees arrears as disclosed in Note 11 to the financial statements which includes a balance of Kshs.22,044,283 on account of student debtors that has been outstanding for over a period of 2 years despite being collectable within one financial year. Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

3. Weak Governance Over Rental Income from School-Owned Houses

Audit inspection conducted in the school compound reveal that the school owns residential houses which are rented to Members of staff. However, there were no formal rental agreements between the school and the staffs occupying the houses, no Board of Management minutes approving the rental rates and the school did not maintain a comprehensive register of all houses indicating; the total number of houses, occupancy status, approved rental rate per unit, rental period and rental arrears in case any occupant defaults.

In the absence of formal agreements, approved rates, and a proper house register, the audit could not confirm the completeness of rental income collected.

4. Lack of Approved Staff Establishment

During the year under review, the School did not have an approved staff establishment.

In the circumstances, it was not possible to establish if the School operated at optimum staffing levels.

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 (Accrual 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

23 March, 2026

PUBLIC SECONDARY SCHOOLS KANGARU SCHOOL

Reports and Financial Statements

For the year ended 30th June 2022

V. Statement of Receipts and Payments period To 30th June 2022

DESCRIPTION OF VOTE HEAD		Note	2022	2021
			Kshs	Kshs
RECEIPTS				
Capitation grants for	Tuition	1	5,863,350	1,595,081
Capitation grants for	operation	2	25,621,390	12,460,186
Parents' Contributions income In	School Fund	3	103,577,375	34,744,024
Income- Other receipts	School Fund	4	40,913,221	15,361,507
Income in	Infrastructure	4a	6,348,500	5,654,520
Income in	Farm	4b	964,370	-
Income in	CDF	4c	-	1,000,000
Proceeds from borrowings			-	-
TOTAL RECEIPTS			183,288,205	70,815,318
PAYMENTS				
Payments for	Tuition	5	6,259,712	1,821,774
Payments for	ORERATION	6	17,825,358	10,341,538
Boarding and/or Lunch - Payments	School Fund	7	92,947,254	35,498,857
Expenses in	Infrastructure	7a	7,719,284	-
Expenses in	Farm	7b	4,320	-
Expenses in	CDF	7c	132,570	866,595
TOTAL PAYMENTS			124,888,498	48,528,764
DEFICIT/SURPLUS			58,399,707	22,286,554

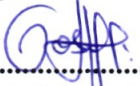
The school financial statements were approved on _____

and signed by:

Sign:

Sign

Sign







Joseph Njeru Mugoh
Chair BOM
23/03/2026

Paul Muriuki
School Principal
23/03/2026

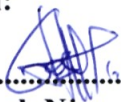
Monica Mutahi
Bursar
23/03/2026

	Note	2022	2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	42,324,152	15,486,044
Cash Balances	9	644,706	336,108
Short term Investment	10	897,467	897,467
Total Cash and cash equivalent		43,866,325	16,719,619
Account's receivables	11	39,620,422	34,849,029
TOTAL FINANCIAL ASSETS		83,486,747	51,568,648
FINANCIAL LIABILITIES			
Accounts Payables	12	41,403,269	67,884,877
NET FINANCIAL ASSETS		42,083,478	(16,316,229)
REPRESENTED BY			
Accumulated Fund b/fwd	13	(16,316,229)	(38,602,783)
Surplus/Deficit for the year		58,399,707	22,286,554
NET FINANCIAL POSITION		42,083,478	(16,316,229)
Diff = Net Assets- Net Balance of Fund		(0)	-

**VI .Statement
Of Financial
Assets And
Financial
Liabilities As
At 30th June
202**

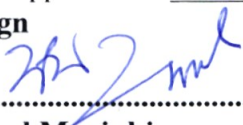
The school financial statements were approved on _____ and signed by:

Sign:



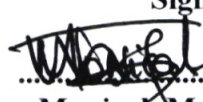
Joseph Njeru Mugoh
Chair BOM
23/03/2026

Sign



Paul Muriuki
School Principal
23/03/2026

Sign



Monica Mutahi
Bursar
23/03/2026

VII .Statement Of Cash Flows For The Period Ended 30th June 2022

			2022	2021
		Note	Kshs	Kshs
Receipts for operating income				
Capitation grants for	Tuition		5,863,350	1,595,081
Capitation grants for	operation		25,621,390	12,460,186
Income- Parents contributions/ fees	School Fund		105,580,248	36,333,813
Income- other receipts	School Fund		39,211,760	12,746,461
Receipts	Infrastructue		6,348,500	5,654,520
Receipts	Farm		964,370	-
Receipts	CDF		-	1,000,000
Total receipts			183,589,617	69,790,061
Payments				
Payments for	Tuition		6,259,712	1,821,774
Payments for	-		17,825,358	10,341,538
Boarding and/or Lunch payments in	School Fund		124,501,667	44,120,505
Payments in	Farm		4,320	-
Total payments			148,591,057	56,283,817
Net cash flow from operating activities			34,998,560	13,506,244
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets			-	-
Acquisition of Assets			(7,851,854)	(866,595)
Proceeds from investments			-	-
Purchase of investments			-	-
Net cash flows from Investing Activities			(7,851,854)	(866,595)
CASHFLOW FROM BORROWING ACTIVITIES				
Proceeds from borrowings/ loans			-	-
Repayment of principal borrowings			-	-
Overdraft			-	-
Net cash flow from financing activities			-	-

NET INCREASE IN CASH AND CASH EQUIVALENTS			27,146,706	12,639,649
Cash and cash equivalents at BEGINNING of the year			16,719,619	4,079,970
Cash and cash equivalent at END of the year			43,866,325	16,719,619
Cash and cash equivalents as per FA&FL			43,866,325	16,719,619
Diff= CF cash - FA&FL cash			(0)	-

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

Sign:



Joseph Njeru Mugoh
Chair BOM
23/03/2026

Sign



Paul Muriuki
School Principal
23/03/2026

Sign



Monica Mutahi
Bursar
23/03/2026

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

				Actual on Compara ble Basis		
			Final		Budget Utilization	
Receipt/expenses Item	Original Budget	Adjustments	Budget		Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION INCOME</i>						
Teaching & L. mat.	-	-	-	5,825,702	(5,825,702)	-
Library & ref materials/TUITION	-	-	-	10,000	(10,000)	-
RD CHEQUE	-	-	-	27,648	(27,648)	-
Total CAPITATION GRANT ON TUITION INCOME	-	-	-	5,863,350	(5,863,350)	-
<i>(2) CAPITATION GRANT ON OPERATIONS INCOME</i>						
Devt -RMI	-	-	-	8,708,500	(8,708,500)	-
LTT	-	-	-	-	-	-!
OTHERS	-	-	-	16,596,490	(16,596,490)	-
NHIF -EDU AFYA	-	-	-	316,400	(316,400)	-
Total CAPITATION GRANT ON OPERATIONS INCOME	-	-	-	25,621,390	(25,621,390)	-
<i>(3) FEES CHARGED ON PARENTS INCOME</i>						
Uniform	-	-	-	6,663,233	(6,663,233)	-
Development -MI	1,002,850	-	1,002,850	2,798,478	(1,795,628)	279
Activity	2,462,950	-	2,462,950	2,719,727	(256,777)	110
B.E and Stores	45,929,600	-	45,929,600	66,893,362	(20,963,762)	146
P/EMOLUMENTS	7,750,000	-	7,750,000	14,358,377	(6,608,377)	185
EWC	2,039,800	-	2,039,800	3,126,769	(1,086,969)	153

ADM.COST	2,035,150	-	2,035,150	4,034,167	(1,999,017)	198
LTT	1,581,000	-	1,581,000	2,983,262	(1,402,262)	189
(3) FEES CHARGED ON PARENTS INCOME	62,801,350	-	62,801,350	103,577,375	(40,776,025)	165
School Fund -OTHER INCOME						
PTA-DEVELOPMENT	3,100,000	-	3,100,000	4,487,637	(1,387,637)	145
Rent Income	-	-	-	194,250	(194,250)	-
BOM TEACHERS	6,975,000	-	6,975,000	6,799,531	175,469	97
ASP	6,975,000	-	6,975,000	6,834,637	140,363	98
PTA -INFRASTRUCTURE	7,750,000	-	7,750,000	11,450,547	(3,700,547)	148
WATER PROJECT	310,000	-	310,000	2,360,702	(2,050,702)	762
PENALTY	-	-	-	82,850	(82,850)	-
FARM ACCOUNT	-	-	-	1,293,887	(1,293,887)	-!
LIBRARY BOOKS	-	-	-	521,133	(521,133)	-
BAKERY	-	-	-	6,483,500	(6,483,500)	-
KUCCPS	-	-	-	190,200	(190,200)	-
CANTEEN RENT	-	-	-	202,150	(202,150)	-
LABORATORY DAMAGES	-	-	-	12,197	(12,197)	-
School Fund -OTHER INCOME	25,110,000	-	25,110,000	40,913,221	(15,803,221)	163
INFRASTRUCTURE INCOME						
INFRASTRUCTURE	-	-	-	6,348,500	(6,348,500)	-
Total INFRASTRUCTURE INCOME	-	-	-	6,348,500	(6,348,500)	-
FARM INCOME						
RENT	-	-	-	82,800	(82,800)	-
COFFEE	-	-	-	881,570	(881,570)	-
Total Farm Income	-	-	-	964,370	(964,370)	-
CDF INCOME						
CLASSROOM	1,000,000	(1,000,000)	-	-	-	-
Total CDF INCOME	1,000,000	(1,000,000)	-	-	-	-
TOTAL INCOME	88,911,350	(1,000,000)	87,911,350	183,288,20	(95,376,855)	208

				5		
(1) EXPENDITURE FOR TUITION						
Teaching & L. mat.	-	-	-	4,105,235	(4,105,235)	-
Library & ref materials/TUITION	-	-	-	2,126,829	(2,126,829)	-
RD CHEQUE	-	-	-	27,648	(27,648)	-
Total EXPENDITURE FOR TUITION	-	-	-	6,259,712	(6,259,712)	-
(2) EXPENDITURE FOR OPERATIONS						
Devt -RMI	-	-	-	6,348,500	(6,348,500)	-
Activity	-	-	-	247,100	(247,100)	-
Medical & ins.	-	-	-	274,972	(274,972)	-
OTHERS	-	-	-	10,918,457	(10,918,457)	-
NHIF -EDU AFYA	-	-	-	36,329	(36,329)	-
TOTAL EXPENDITURE FOR OPERATIONS	-	-	-	17,825,358	(17,825,358)	-
(3) EXPENDITURE FOR SCHOOL FUND						
Uniform	-	-	-	6,488,590	(6,488,590)	-
Development -MI	1,002,850	-	1,002,850	4,210,984	(3,208,134)	420
Activity	2,462,950	-	2,462,950	686,400	1,776,550	28
B.E and Stores	45,929,600	-	45,929,600	42,375,666	3,553,934	92
P/EMOLUMENTS	7,750,000	-	7,750,000	10,273,526	(2,523,526)	133
EWC	2,039,800	-	2,039,800	874,133	1,165,667	43
ADM.COST	2,035,150	-	2,035,150	3,328,018	(1,292,868)	164
LTT	1,581,000	-	1,581,000	2,345,285	(764,285)	148
PTA-DEVELOPMENT	3,100,000	-	3,100,000	1,566,150	1,533,850	51
BOM TEACHERS	6,975,000	-	6,975,000	1,683,100	5,291,900	24
ASP	6,975,000	-	6,975,000	9,336,244	(2,361,244)	134
PTA -INFRASTRUCTURE	7,750,000	-	7,750,000	5,505,000	2,245,000	71
WATER PROJECT						

	310,000	-	310,000	-	310,000	-
FARM ACCOUNT	-	-	-	998,300	(998,300)	-
LIBRARY BOOKS	-	-	-	11,275	(11,275)	-
BAKERY	-	-	-	3,073,083	(3,073,083)	-
KUCCPS	-	-	-	191,500	(191,500)	-
TOTAL School fund Payments	87,911,350	-	87,911,350	92,947,254	(5,035,904)	106
INFRASTRUCTURE PAYMENTS						
INFRASTRUCTURE	-	-	-	7,719,284	(7,719,284)	-
TOTAL INFRASTRUCTURE PAYMENTS	-	-	-	7,719,284	(7,719,284)	-
FARM PAYMENTS						
ADM COST	-	-	-	4,320	(4,320)	-
TOTAL FARM PAYMENTS	-	-	-	4,320	(4,320)	-
CDF PAYMENTS						
CLASSROOM	1,000,000	(1,000,000)	-	132,570	(132,570)	-
total CDF PAYMENTS	1,000,000	(1,000,000)	-	132,570	(132,570)	-
GRAND TOTAL PAYMENTS	88,911,350	(1,000,000)	87,911,350	124,888,498	(36,977,148)	142

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.

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**

	2022	2021
	Kshs	Kshs
Teaching & L. mat.	5,825,702	972,221
Library & ref materials/TUITION	10,000	622,860
Suspense Account	-	-
RD CHEQUE	27,648	-
Total	5,863,350	1,595,081

2 Capitation Grant for Operations

	2022	2021
	ksh	ksh
Devt -RMI	8,708,500	5,653,500
SUSPENSE	-	1,527,250
OTHERS	16,596,490	5,279,436
NHIF -EDU AFYA	316,400	-
Total	25,621,390	12,460,186

3 Parents Contribution/Fees - School Fund Account

	2022	2021
	ksh	ksh
Uniform	6,663,233	199,891
Other voteheads	-	-
Development -MI	2,798,478	18,763
Activity	2,719,727	70,694
B.E and Stores	66,893,362	31,068,766
P/EMOLUMENTS	14,358,377	2,929,868
EWC	3,126,769	288,808
ADM.COST	4,034,167	66,654
LTT	2,983,262	100,580
Sub-Total	103,577,375	34,744,024

4 Other Receipts – School Fund Account

Note 4 OTHER RECEIPTS	School Fund	
	2022	2021
	Kshs	Kshs
PTA-DEVELOPMENT	4,487,637	93,454
Rent Income	194,250	259,900
BOM TEACHERS	6,799,531	4,744,578
ASP	6,834,637	4,710,153
PTA -INFRASTRUCTURE	11,450,547	2,851,058
WATER PROJECT	2,360,702	104,309
PENALTY	82,850	34,333
FARM ACCOUNT	1,293,887	153,900
LIBRARY BOOKS	521,133	64,912
BAKERY	6,483,500	2,138,510
KUCCPS	190,200	206,400
CANTEEN RENT	202,150	-
LABORATORY DAMAGES	12,197	-
Total	40,913,221	15,361,507

4a - Other Receipts – Infrastructure

Note 4a – RECEIPTS	Infrastructure	
	2022	2021
	Kshs	Kshs
INFRASTRUCTURE	6,348,500	5,654,520
Sub-Total	6,348,500	5,654,520

4b. Other Receipts – Farm

Note 4b RECEIPTS	Farm	
	2022	2021
	Kshs	Kshs
RENT	82,800	-
COFFEE	881,570	-
sub-Total	964,370	-

5 PAYMENTS FOR TUITION

	2022	2021
	Kshs	Kshs
Teaching & L. mat.	4,105,235	-
Library & ref materials/TUITION	2,126,829	1,821,774
RD CHEQUE	27,648	-
Total	6,259,712	1,821,774

6 PAYMENTS FOR OPERATIONS

	2022	2021
	Kshs	Kshs
Devt -RMI	6,348,500	5,653,500
Activity	247,100	110,000
Medical & ins.	274,972	653,539
OTHERS	10,918,457	3,924,499
NHIF -EDU AFYA	36,329	-
TOTAL	17,825,358	10,341,538

7 BOARDING AND SCHOOL FUND PAYMENTS

	2022	2021
	Kshs	Kshs
Uniform	6,488,590	-
Development -MI	4,210,984	159,339
Activity	686,400	63,000
B.E and Stores	42,375,666	18,786,322
P/EMOLUMENTS	10,273,526	4,144,752
EWC	874,133	1,109,395
ADM.COST	3,328,018	746,276
LTT	2,345,285	1,252,713
PTA-DEVELOPMENT	1,566,150	2,000,000
Rent Income	-	2,500
BOM TEACHERS	1,683,100	988,720
ASP	9,336,244	3,275,137
PTA -INFRASTRUCTURE	5,505,000	668,550
WATER PROJECT	-	164,700
PENALTY	-	1,350
FARM ACCOUNT	998,300	310,538
LIBRARY BOOKS	11,275	-
BAKERY	3,073,083	1,622,565
KUCCPS	191,500	203,000
TOTAL	92,947,254	35,498,857

7a - INFRASTRUCTURE A/C PAYMENTS

	2022	2021
	Kshs	Kshs
INFRASTRUCTURE	7,719,284	-
Sub-Total	7,719,284	-

7b - FARM A/C PAYMENTS

Note	Note 7 b	Farm
	2022	2021
	Kshs	Kshs
ADM COST	4,320	-
sub-Total	4,320	-

7c -.CDF A/C PAYMENTS

Note 7 c -PAYMENTS	CDF	
	2022	2021
	Kshs	Kshs
CLASSROOM	132,570	866,595
sub-Total	132,570	866,595

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.

8 BANK ACCOUNTS

Name of Bank, and Branch	Account Name	Bank Account Number	2022	
			Kshs	Kshs
COOP BANK EMBUBRANCH TUITION c/f	Tuition	-	230,986	627,348
COOP Bank EMBU BRANCHOP C/f	-OPERATION	-	11,214,050	3,418,018
EQUITY Bank EMBU BRANCHSF C/f	School Fund	-	25,635,046	5,652,753
COOP Bank BRANCH EMBU .INFRA C/f	Infrastructue	-	4,283,736	-
BankBRANCH.....INFRA C/f	Infrastructue	-	-	5,654,520
COOP Bank EMBU BRANCH FARM C/f	Farm	-	959,500	-
COOP Bank BRANCH EMBU. CDF b/f	CDF	-	835	133,405
Total Bank Balances			42,324,152	15,486,044

9 CASH IN HAND

Description	2022	2021
	Kshs	Kshs
School Fund	643,975	335,927
-	181	181
Tuition	-	-
Infrastructure	-	-
Farm	550	-
CDF	-	-
Total Cash Balances	644,706	336,108

10 SHORT TERM INVESTMENTS

Description	2022	2021
	Kshs	Kshs
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	114,619	114,619
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	44,078	44,078
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	738,770	738,770
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	-	-
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	-	-
Total	897,467	897,467

11 ACCOUNTS RECEIVABLE

Description	2,022	2,021
	Kshs	Kshs
School Fund -Fees Debtors	39,620,422	34,853,129
School Fund - Advances	-	-
School Fund - DR SUSPENSE	-	-
Total ACCOUNTS RECEIVABLE	39,620,422	34,853,129

Includes an ageing of the fees arrears below

Description	2,022	2,021
	Kshs	Kshs
Fees arrears for current year (Listed)	10,523,124	12,808,846
Fees arrears for the previous year	7,053,015	3,864,665
Fees arrears for prior periods (over two years)	22,044,283	18,179,618
Total	39,620,422	34,853,129

Note 12 - ACCOUNTS PAYABLE

Description	2,022	2,021
	Kshs	Kshs
School Fund -Prepaid Fees	1,468,029	2,754,755
Trade Creditors -School Fund	34,074,752	59,273,734
Trade Creditors - Tuition	5,322,562	5,322,562
School Fund -Student Deposits	4,100	-
Borrowings	533,826	533,826
Total Payables	41,403,269	67,884,877

Includes an ageing of the trade creditors below

Description	2,022	2,021
	Kshs	Kshs
Trade creditors for current year	1,286,555	-
Trade creditors for the previous year	(26,485,537)	(5,178,428)
Trade creditors for prior periods (over two years)	67,884,877	73,985,766
Total	41,403,269	67,884,877

Note 13 - FUND BALANCE BROUGHT FORWARD

Description	2022	2022
	Kshs	Kshs
Bank balances	15,486,044	2,123,481
Cash balances	336,108	1,059,022
Short Term Investments	897,467	897,467
Receivables	34,853,129	31,303,013
Payables	(67,888,977)	(73,985,766)
Total	(16,316,229)	(38,602,783)

 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	2022	2022
	Kshs	Kshs
Bank loan(s)	533,826	533,826
Total	533,826	533,826

BIOLOGICAL ASSETS Counting & Valuation as at Jul,01 and June 30th -2022								
Source of Information: Livestock and Crop Register and/ or physical count on date								
NO	Location	Asset	Unit	QTY counted		Value Per unit -	Total value of stock	
		Description				Purchase Price		
						OR		
				Jul,01,2021	June,30,2022	FAIR VALUE	Jul,01,2021	June,30,2022
				(A)	(B)	(C)	D=A*C	E= B*C
1	Farm	COWS	No	5	5	150,000	750,000	750,000
3		HEIFERS	NO	2	2	70,000	140,000	140,000
4		CALVES	NO	2	2	25,000	50,000	50,000
5		BULLS	NO	2	2	30,000	60,000	60,000
6		PIGS-LARGE	NO	4	20	25,000	100,000	500,000
7		PIG -MEDIUM	NO	9	-	5,000	45,000	-
8		PIGLETS	NO	13	12	4,500	58,500	54,000
9		MAIZE FIELD	BAGS	48	48	3,000	144,000	144,000
10	ALONG GTI	LARGE TREES	PCS	15	12	40,000	600,000	480,000
11	ALONG GTI	MEDIUM TREES	PCS	36	33	10,000	360,000	330,000
12	KIANUGU AREA	MEDIUM TREES	PCS	35	28	10,000	350,000	280,000
13	FARM CENTRAL AREA	MEDIUM TREES	PCS	228	228	10,000	2,280,000	2,280,000
14	SCHOOL AREA	LARGE TREES	PCS	30	30	40,000	1,200,000	1,200,000
15		MEDIUM TREES	PCS	84	84	5,000	420,000	420,000
Total Value							6,557,500	6,688,000

16 Borrowings

Description	2,022	2,022
	KShs	KShs
Borrowing at beginning of the year	533,826	533,826
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	533,826	533,826

Other important disclosure notes

17 Stock/ Inventory

Description	2,022	2,021
	KShs	KShs
Stock/ inventory at beginning of the year	2,292,984	2,183,794
Stock/ inventory purchased during the year	112,399,648	43,675,888
Stock/ inventory issued during the year	108,958,001	43,566,698
Balance at end of the year	5,734,632	2,292,984

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)

PUBLIC SECONDARY SCHOOLS KANGARU SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

					Outstanding Balance	Outstanding Balance	Comments
		Original Amount	Date Contracted	Amount paid To- Date	2,022	2,021	
		a	b	c	d=a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
S/No	Names of suppliers who supplied Materials and/service for Construction of buildings/works						
1	bititecc systems	149,000		-	149,000	-	
2	mugmuc bookseller	7,850		-	7,850	-	
3	binpoint ltd	6,000		-	6,000	-	
4	dunann ltd	89,175		-	89,175	-	
5	zen dairy ltd	358,200		-	358,200	-	
6	alfataah meat supplies	174,280		-	174,280	-	
7	jacqwa enterprises	389,550		-	389,550	-	
8	manpower ltd	112,500		-	112,500	-	
	Sub-Total	1,286,555		-	1,286,555	-	
	Names of suppliers who supplied Common user goods						
	nechal enterprises	665,310		-	665,310	-	
	beekay suppliers	324,270		-	324,270	-	
	frasam building	525,065		-	525,065	-	
	Sub-Total	1,514,645		-	1,514,645	-	

PUBLIC SECONDARY SCHOOLS KANGARU SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Non -Current Assets COUNTING & VALUATION		
	Value	
CATEGORY	as at 01/07/2021	as at 30/6/2022
LAND	1,275,000,000	1,275,000,000
BUILDINGS	130,200,000	130,200,000
PLANT AND MACHINERY	8,960,300	8,960,300
OFFICE EQUIPMENT	1,442,700	1,442,700
ICT LEARNING EQUIPMENT.	620,000	620,000
BOARDING EQUIPMENTS	15,419,000	15,419,000
KITCHEN EQUIPMENTS	4,669,085	4,669,085
LIBRARY	239,100	262,100
TEXT BOOKS	21,304,588	21,304,588
LAB EQUIPMENT	5,764,880	5,764,880
FARM EQUIPMENTS	283,000	283,000
TUITION EQUIPMENT	8,735,000	8,735,000
GAMES EQUIPMENTS	169,042	236,162
SOFTWARE EQUIPMENT	1,725,000	1,725,000
BIOLOGICAL ASSETS	6,557,500	6,688,000
OTHER ASSETS	-	-
	1,481,089,195.0	1,481,309,815.0

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