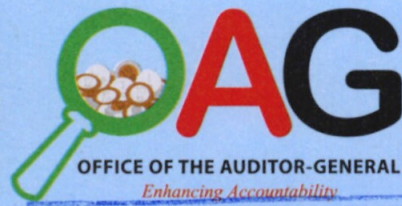


REPUBLIC OF KENYA

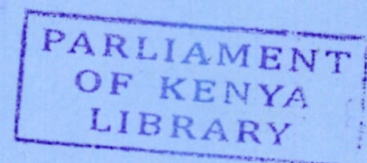


REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUN 2026	
DAY: Tuesday	
TABLED BY:	The Deputy Majority Whip
CLERK-AT THE-TABLE:	Gertrude Chebet

THE AUDITOR-GENERAL

ON



KATOTENI SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

KITUI COUNTY



KATOTENI 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 Kitui County, Migwani Sub-County

The school was registered in JUNE 2006 under registration number GP/A/3806/2006 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 310 number of students as at 30th June 2022. It has 2 streams and 17 teachers of which 5 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	NICHOLAS N KIMANZI	Chairman	4th May 2022
2	JANE M MUTUNE	Secretary - Principal	4th May 2022
3	PAUL MUTUNGA	Vice chairman	4th May 2022
4	ANNA MUNUVE	Member	4th May 2022
5	FRANCIS KILANGO	Member	4th May 2022
6	JANE NGULA	Member	4th May 2022
7	ONESMUS KIIYA	Member	4th May 2022
8	COSMAS KAKULI	Member – Rep CEB	4th May 2022
9	CONSOLATA NTHIGA	Member Rep Teachers	4th May 2022
10	CYRUS MUATHA	3 Members - Sponsor	4th May 2022
11	PENINAH MUSANGI MWANY'A	Member	4th May 2022
12	FRANCISCA MUNYOKI	Member	4th May 2022
13	PENINAH MULEWA	Member	4th May 2022
14	NORAH KAMBUA	Member - Community	4th May 2022
15	ERASTUS KANYOLO	MemberSpecial Needs	4th May 2022
16	MARTIN NDIGIRIGI	Rep Students	4th May 2022

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

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee			1
		NICHOLAS KIMANZI	CHAIRMAN	
		PAUL MUTUNGA	VICE CHAIRMAN	
		FRANCIS KILANGO	MEMBER	
		JANE NGULA	MEMBER	
		JANE M MUTUNE	SECRETARY	
2	Audit Committee			
3	Finance, procurement and general purposes Committee			1
		NICHOLAS KIMANZI	CHAIRMAN	
		JANE MUTUNE	SECRETARY	
		NORAH KAMBUA	MEMBER	
		PAUL MUTUNGA	MEMBER	
		COSMAS KAKULI	MEMBER	
		FRANCIS KILANGO	MEMBER	
		FRANCISCA MUNYOKI	MEMBER	
4	Academic Committee			1
		NICHOLAS KIMANZI	CHAIRMAN	
		CONSOLATA NTHIGA	SECRETARY	

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

		JANE MUTUNE	MEMBER	
		FRANCIS KILANGO	MEMBER	
		COSMAS KAKULI	MEMBER	
		JANE NGULA	MEMBER	
5	Development Committee (SIC)			2
		PAUL MUTUNGA	CHAIRMAN	
		JACOB MUNYAO	SECRETARY	
		JANE MUTUNE	MEMBER	
		NICHOLAS KIMANZI	MEMBER	
		FRANCIS KILANGO	MEMBER	
		NORAH KAMBUA	MEMBER	
		SCDE – (MIGWANI)	MEMBER	
6	Discipline and welfare Committee			
		NICHOLAS KIMANZI	CHAIRMAN	
		JANE MUNUE	SECRETARY	
		PAUL MUTUNGA	MEMBER	
		CYRUS MUATHA	MEMBER	
		ANNA MUNUVE	MEMBER	
		PENINAH MWANIA	MEMBER	
		ERASTUS MBILO	MEMBER	
7	Adhoc Committee (if any during the year)			

The meeting were conducted by the outgoing sub-committees.

(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	JANE M MUTUNE	236469
2	Deputy Principal	JACOB M MUNYAO	409817
3	School Bursar	MARY MUTHUI	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 574 – 90400, MWINGI
Telephone: 0114767258
E-mail: katotenisec@gmail.com
Website: XXXXXXXXX
Facebook:
Twitter:

(f) School Bankers

The following school operated 5 numbers of bank accounts in the following banks:

1. Name of Bank: KENYA COMMERCIAL
Branch: MWINGI
Account Number: 1102979783 – BOARDING A/C
 2. Name of Bank: KENYA COMMERCIAL
Branch: MWINGI
Account Number: 1107758327 – FUND A/C
 3. Name of Bank: KENYA COMMERCIAL
Branch: MWINGI
Account Number: 1102978981 – TUITION A/C
 4. Name of Bank: KENYA COMMERCIAL
Branch: MWINGI
Account Number: 1216701520 – INFRASTRUCTURE A/C
 5. Name of Bank: KENYA COMMERCIAL
Branch: MWINGI
Account Number: 1225709873 – BUS FUND A/C
6. MPESA Pay Bill No. 522123 attached to Boarding bank account

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

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

Surplus for the year ended 30th June 2022 – Ksh. 2,228,876.00

YEAR	SURPLUS	DEFICIT
2022	2,228,876.00	-
2021	1,331,980.00	-
2020	-	372,458.00

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

YEAR	TUITION A/C	OPERATIONS A/C	TOTALS
2022	1,091,944.00	4,777,521.00	5,869,465.00
2021	404,367.00	2,524,146.00	2,928,513.00
2020	638,677.00	4,465,625.00	5,104,302.00

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

YEAR	RATIO
2022	1:18,934
2021	1:9,477
2020	1:16,102

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

BOARDING ACCOUNT

YEAR	INCOME EARNED
2022	12,944,907.00
2021	5,555,258.00
2020	6,948,887.00

A three-year overview of growth in expenditure of the school

YEAR	TUITION A/C	OPERATIONS A/C	BOARDING A/C
2022	1,090,416.00	4,925,905.00	12,559,336.00
2021	404,014.00	3,006,213.00	4,860,821.00
2020	608,442.00	4,488,024.00	7,690,011.00

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

YEAR	CREDITORS	DEBTORS
2022	157,730.00	2,652,429.00
2021	185,750.00	-
2020	771,571.00	649,155.00

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

YEAR	CASH	BANK
2022	30,001.00	1,783,417.00
2021	33,586.00	2,090,915.00
2020	40,259.00	1,465,814.00

b) Teacher Student ratio: 1:18

12 TSC Teachers and 5 BOM teachers.

SUBJECT	NO OF TEACHERS	TSC/BOM
ENGLISH/LIT	3	TSC 2, BOM 1
KISWAHILI	3	TSC 3, BOM 1
MATHEMATICS	4	TSC 3, BOM 1
BIOLOGY	4	TSC 3, BOM 1
PHYSICS	3	TSC 2, BOM 1
CHEMISTRY	2	TSC 2
HISTORY	1	TSC 2
GEOGRAPHY	1	BOM 1
CRE	3	TSC 2, BOM 1
AGRICULTURE	2	TSC 1, BOM 1
BUSINESS STUDIES	3	TSC 2, BOM 1

c) Mean score in the 2021 KCSE:

KCSE YEAR	MEAN SCORE	UNIVERSITY ENTRIES	DEV
2021	5.845	19	0.04
2020	5.805	29	0.238
2019	5.567	20	0.96

d) Number of Candidates in the 2021 KCSE:

2021 KCSE RESULTS FOR 71 STUDENTS

ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	TT	M/S	DEV
71	0	0	2	3	7	7	19	20	10	3		415	5.845	0.04

Candidates sitting for KCSE over the last three years.

KCSE YEAR	NO. CANDIDATES
2021	71
2020	82
2019	67

e) Capacity of the school:

SCHOOL ENROLMENT: 152 Boys and 158 Girls

AMENITY	NUMBER
Dormitories	2
Dining Hall	1
Science Laboratory	1
Boys Latrines	13
Girls latrines	6
Classrooms	11

f) Development projects carried out by the school:

PROJECT	SOURCE OF FUNDS
Renovation of 4 classrooms	RMI – MOEST Grants

Sign

[Signature]

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

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

Name: MOSES M. MUTUA
Designation: Chairman, School Board of Management
Sign: *mha*
Date: 14/3/2026

Name: OLIVE KOLI THYAKA
Designation: School Principal & Secretary to Board of Management
Sign: *[Signature]*
Date: 14/03/2026



Name: MARY MUTHUI
Designation: Bursar/ Finance Officer
Sign: *[Signature]*
Date: 14/03/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KATOTENI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022-KITUI COUNTY

PREAMBLE

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

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

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 Katoteni Secondary School set out on pages 1 to 16 which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of

Report of the Auditor-General on Katoteni Secondary School for the year ended 30 June, 2022-Kitui County

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 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 the Katoteni Secondary School as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Modified Cash Basis) and comply with the Public Finance Management Act, 2012, and the Basic Education Act, 2013.

Basis for Qualified Opinion

Long Outstanding Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivable balance of Kshs.7,094,544 in respect of fees arrears and salary advance as disclosed in Note 9 to the financial statements. Included in the balance is an amount of Kshs.4,442,125, which has been outstanding for more than two years. However, the School had no policy in place for the impairment of long outstanding fees arrears, casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.4,442,125 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Katoteni Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 effects of the matter described in the Basis for Qualified Opinion, 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 pages iv to xii, which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of the 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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.

1. Late Submission of Financial Statements for Audit

The financial statements for the year under review were submitted for audit on 11 February 2025, which was past the statutory deadline of 30 September 2022. This was contrary to Section 81(4) of the Public Finance Management Act, 2012, which states that not later than three (3) months after the end of each financial year, the accounting officer shall submit the entity's financial statements to the Auditor-General with a copy to the Controller of Budget and The National Treasury.

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

2. Underfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.1,091,944 and Kshs.4,777,521, respectively, as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, the National Education Management Information System (NEMIS) reported a total of three hundred and thirty-five (335) students, while the School's enrolment records indicated a total of three hundred and eighty-four (384), resulting in an unexplained variance of forty-nine (49) students. As a result of the variances, the School was under-funded by an amount of Kshs.1,089,956.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

3. Unconfirmed Students' Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and operations totaling Kshs.5,869,465. Comparison of data from the National Education Management Information System (NEMIS) with those from the County Director of Education revealed that NEMIS reflected three hundred and thirty-five (335) students, while records from the County Director of Education had three hundred and eighty-four (384) students. This discrepancy resulted in an underfunding of the School by an amount of Kshs.1,089,956. This was contrary to the Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021, requiring all learners to be accurately registered in NEMIS.

In the circumstances, underfunding of the School may have affected service delivery to the students.

4. 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 Ministry of Education guidelines.

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 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Internal Control Deficiencies in Assets Management

Annex 2 to the financial statements reflects summary of fixed assets register, including buildings, furniture and fittings, computers, among other classes of assets. However, it was noted that the asset register did not have key details such as dates of acquisition, historical costs, current values, manufacturer's warranty period where applicable, maintenance history, remaining useful life, disposals during the year and salvage value where applicable. Further, several assets at the School were not tagged.

In the circumstances, the existence of effective measures for the management of assets could not be confirmed.

2. Lack of an Audit Committee

During the year under review, the School had not constituted an audit committee as required by Regulation 166(2) of the Public Finance Management (National Government), 2015, which states that each year the Audit Committee shall carry out annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report. Further, Section 61 (2)(d) of the Basic

Education Act 14 of 2013, requires the Board of Management to establish an Audit Committee among other Board committees.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

27 April, 2026

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

DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	2020-2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,091,944.00	404,367.00
Capitation grants for operations	2	4,777,521.00	2,524,146.00
School Fund Income- Parents' Contributions	3	15,035,146.00	5,234,989.00
TOTAL RECEIPTS		20,904,611.00	8,163,502.00
PAYMENTS			
Payments for Tuition	4	904,666.00	23,864.00
Payments for operations	5	4,902,543.00	2,490,197.00
Boarding and school fund payments	6	12,868,526.00	4,317,461.00
TOTAL PAYMENTS		18,675,735.00	6,831,522.00
SURPLUS/DEFICIT		2,228,876.00	1,331,980.00

The school financial statements were approved on 14th March 2026 and signed by:

Sign: [Signature]

Sign: [Signature]

Sign: [Signature]

Name: MOSES M. MUTITHI

Name: OLIVE K. THAKA

Name: NANCY MUTITHI

Chair BOM

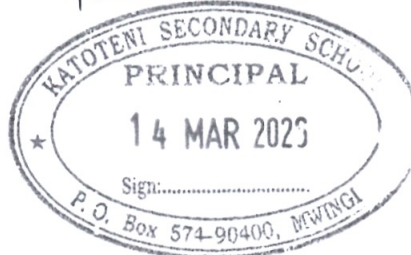
School Principal/
Secretary to BOM

Bursar/
Finance Officer

Date: 14/03/2026

Date: 14/03/2026

Date: 14/03/2026



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

	Note	2021 – 2022 KShs	2020-2021 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7	1,783,417.00	2,090,915.00
Cash Balances	8	30,001.00	33,586.00
Total Cash and cash equivalent		<u>1,813,418.00</u>	<u>2,124,501.00</u>
Account's receivables	9	7,094,544.00	4,453,745.00
TOTAL FINANCIAL ASSETS		8,907,962.00	6,578,246.00
FINANCIAL LIABILITIES			
Accounts Payables	10	286,600.00	185,750.00
NET FINANCIAL ASSETS		8,621,372.00	6,392,496.00
REPRESENTED BY			
Accumulated Fund b/fwd	11	6,392,496.00	5,060,516.00
Surplus/Deficit for the year		2,228,876.00	1,331,980.00
NET FINANCIAL POSSITION		8,621,373.00	6,392,496.00

The School's financial statements were approved on 14th March 2026 and signed by:

Name: Moses M. Muriu
Chairman, BoM

Sign: mha

Date: 14/03/2026

Name: OLIVE-K. THYAKA
School Principal/Secretary to BoM

Sign: [Signature]

Date: 14/03/2026

Name: MARY MUTHAI
Bursar/Finance

Sign: [Signature]

Date: 14/03/2026



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

		2021 - 2022	2020 - 2021
			Kshs.
Receipts for operating income			
Capitation grants for tuition	1	1,091,944.00	404,367.00
Capitation grants for operations	2	4,805,521.00	2,543,146.00
School fund income- Parents contributions/ fees	3	12,520,207.00	5,110,258.00
Total receipts		18,417,672.00	8,057,771.00
Payments			
Payments for Tuition	4	1,090,416.00	404,014.00
Payments for operations	5	3,296,868.00	1,813,117.00
Boarding and school fund payments	6	12,710,796.00	4,498,132.00
Total payments		17,098,080.00	6,715,263.00
Net cash flow from operating activities		1,319,592.00	1,342,508.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets – classrooms renovation		(1,630,675.00)	(724,080.00)
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		(311,083.00)	618,428.00
Cash and cash equivalent at BEGINNING of the year		2,124,501.00	1,506,073.00
Cash and cash equivalent at END of the year		1,813,418.00	2,124,501.00

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

Receipt/expense item	Original Budget Kshs.	Adjustments Kshs.	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Budget Utilization Kshs.	% of Utilization Kshs.
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Tuition	1,346,760.00	-	1,346,760.00	1,091,944.00	254,816.00	81.1%
Teaching / learning materials	-	-	-	-	-	-
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments			1,724,500.00	1,630,675.00	93,825.00	94.6%
Repairs and maintenance	1,724,500.00					
Local transport / travelling						
Electricity and water			3,008,000.00	2,986,021.00	21,979.00	99.3%
Other vote-heads	3,008,000.00	-				
Administration costs			487,500.00	0	487,500.00	
Activity	487,500.00	-				
Gratuity						
SMASSE						

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=d-a	f=d/c %
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	341,000.00	-	341,000.00	150,700.00	190,300.00	79.2%
Repairs and maintenance	433,500.00	-	433,500.00	554,450.00	(120,950.00)	127.9%
Local transport/travelling	71,500.00	-	71,500.00	27,650.00	43,850.00	38.7%
Electricity and water	539,000.00	-	539,000.00	237,000.00	302,000.00	44.0%
Medical	-	-	-	-	-	
Administration costs	203,500.00	-	203,500.00	90,250.00	113,250.00	44.3%
Activity	142,500.00	-	142,500.00	165,500.00	(23,000.00)	116.1%
Bus hire	500,000.00	-	500,000.00	191,000.00	309,000.00	38.2%
Fee on Boarding Equipment and Stores	6,376,850.00	-	6,376,850.00	7,665,897.00	(1,289,047.00)	120.2%
TOTAL INCOME	15,174,610.00		15,174,610.00	14,791,087.00	383,523.00	97.5%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	1,346,760.00	-	1,346,760.00	688,280.00	658,480.00	51.1%
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges				2,106.00	(2106.00)	

KATOTENI SECONDARY SCHOOL

Annual Report 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
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,911,204.00	-	1,911,204.00	1,587,329.00	323,875	83.1%
Repairs, maintenance & improvements	2,425,000	-	2,425,000.00	1,630,675.00	794,325.00	133.2%
Local transport / travelling	300,000.00	-	300,000.00	285,500.00	14,500.00	95.2%
Electricity, water and conservancy	181,000.00	-	181,000.00	379,100.00	(198,100)	209.4%
Infrastructure	1,630,675.00	-	1,630,675.00	1,630,675.00	-	
Administration costs	763,820.00	-	763,820.00	1,018,301.00	794,325.00	67.2%
Activity Expenses						
Bank charges				1,638.00		
SMASSE						
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,026,836.00	-	1,026,836.00	1,322,712.00	(295,87600)	128.8%
Repairs, maintenance and improvements	358,500.00	-	358,500.00	241,180.00	117320.00	67.3%
Local transport / travelling	421,500.00	-	421,500.00	267,890.00	153,610.00	63.6%
Electricity, water and conservancy	1,088,920.00	-	1,088,920.00	785,340.00	303,580.00	72.1%
Pta Devt' funds	960,000.00	-	960,000.00	1,421,330.00	(461,330)	
Administration costs	512,500	-	512,500	1,838,153		
Activity	142,500.00	-	142,500.00	8,500.00	134,000.00	6.0%
Gratuity						
Boarding Equipment and Stores	6,265,700.00	-	6,265,700.00	6,341,117.00	(75,417)	101.2%
Bus fund account	487,215.00	-	487,215.00	296,014.00	191,202.00	60.8%
TOTALS	19,822,130.00	-	19,822,130.00	20,045,375.00	(223,245.00)	101.1%

V. 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.

VI. NOTES TO THE FINANCIAL STATEMENTS**1 CAPITATION GRANT FOR TUITION**

	2021-2022	2020-2021
	KShs	KShs
Tuition	286,275.00	-
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	805,669.00	404,367.00
Teachers guides		
Total	1,091,944.00	404,367.00

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	KShs	KShs
Personnel emoluments		-
Repairs and maintenance	1,724,500.00	1,154,500.00
Local transport / travelling		
Other vote Heads	2,986,021.00	1,369,646.00
Electricity and water		
Medical	67,000.00	
Infrastructure grants – 3 classrooms		
Total	4,777,521.00	2,524,146.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	KShs	KShs
Personnel emoluments	162,900.00	304,300.00
BES	9,265,346.00	3,072,759.00
Repairs and maintenance	701,000.00	177,350.00
Local transport / travelling	28,750.00	62,350.00
Electricity and water	242,100.00	463,400.00
Fees refund		7,500.00
Administration costs	91,750.00	176,730.00
Activity	226,250.00	35,750.00
KCSE exams	69,600.00	19,700.00
Pta Devt' funds	807,850.00	810,150.00
Bus Hire	191,000.00	102,000.00
Tender fees	48,000.00	3,000.00
Other vote-heads	3,115,650.00	-
Farm Accounts	84,950.00	-
Total	15,035,146.00	5,234,989.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 PAYMENTS FOR TUITION

	2021 - 2022	2020-2021
		Kshs
Tuition	214,280.00	-
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	688,280.00	23,000.00
Chalks		
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	2,106.00	864.00
Total	904,666.00	23,864.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,587,329.00	594,413.00
Service Gratuity		
Administration Cost	1,018,301.00	589,590.00
Repairs and maintenance & improvements	-	-
Local transport / travelling	285,500.00	200,500.00
Electricity and water	379,100.00	381,110.00
SHIF		-
Activity Expenses		-
Infrastructure grant – classrooms renovation	1,630,675.00	724,080.00
BOM teachers' salaries		-
Insurance Cost		-
Bank Charges	1,638.00	504.00
Acquisition of Assets		
TOTAL	4,902,543.00	2,490,197.00

6 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,322,712.00	824,033.00
Service Gratuity		-
Repairs and maintenance & Improvements	241,180.00	11,095.00
Local transport / travelling	267,890.00	87,090.00
Electricity and water	785,340.00	89,400.00
Pta Devt funds	1,421,330.00	742,070.00
Administration costs	1,838,153.00	81,945.00
Bus maintenance/expenditure	296,014.00	209,507.00
School farm	101,950.00	-
Bank Charges	1,260.00	504
Fees refund	2,500.00	5,000.00
Fee on Boarding Equipment and Stores	6,480,197.00	2,247,792.00
KCSE	89,500.00	-
Activity	8,500.00	11,025.00
Tender fees	12,000.00	8,000.00
TOTAL	12,868,526.00	4,317,461.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	KCB – 1102978981	4,191.00	2,663.00
Operations Account	KCB – 1107758327	45,451.00	195,219.00
School Fund Account/Boarding	KCB – 1102979783	329,278.00	70,263.00
Bus fund account	KCB – 1225709873	32,611.00	543,071.00
Infrastructural Account	KCB – 1216701520	1,371,886.00	1,279,699.00
Total		1,783,417.00	2,090,915.00

8 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	30,001.00	33,586.00
Bus fund account	-	-
Total	30,001.00	33,586.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	7,094,554.00	4,450,745.00
Other non-fees receivables		-
Salary advances		3,000.00
Imprest		-
Total	7,094,554.00	4,453,745.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year 2022	2,652,429.00	-
Fees arrears for the previous year 2021	-	139,122.00
Fees arrears for prior periods (over two years)	4,442,125.00	4,311,623
Total	7,094,554.00	4,450,745.00

10 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	157,730.00	185,750.00
Prepaid fees	128,870.00	
Retention monies		
Total	286,600.00	185,750.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year 2022	157,730.00	-
Trade creditors for the previous year - 2021	-	185,750.00
Trade creditors for prior periods (over two years)	-	
Total	157,730.00	185,750.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 FUND BALANCE BROUGHT FORWARD

Description	2021 – 2022	2020 – 2021
	Kshs	Kshs
Bank balances	1,783,417.00	2,090,915.00
Cash balances	30,001.00	33,586.00
Receivables	7,094,554.00	4,453,745.00
Payables	(286,600.00)	(185,750.00)
Total	8,621,372.00	6,392,496.00

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.

12 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	0	0	0
Goats	0	0	0
Trees	APROX. 100	0	-
Coffee or tea plantation	0	0	-
Poultry	0	-	-
Total		-	-

13 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Borrowings		
Stock/ inventory at beginning of the year	482,745.00	543,920.00
Stock/ inventory purchased during the year	6,470,529.00	9,278,572.00
Stock/ inventory issued during the year	5,145,408.00	9,339,747.00
Balance at end of the year	1,807,866.00	482,745.00

14 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)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Construction of buildings						
Sub-Total						
Supply of goods						
1. ROBERT NDULUL MUANGE					13,250.00	LOAVES
2. PENZI PUBLISHERS LTD					18,650.00	EXAMS
3. PENINAH MWENDE MUUSYA					48,720.00	MEAT
4. JENDUTECH SOLUTIONS					56,020.00	FRUITS/VEGETABLES
Sub-Total					136,640.00	
Supply of services						
5. CIESTA MILLERS					21,090.00	
6.						
7.						
Sub-Total					21,090.00	
Grand Total					157,730.00	

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

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

					0	0	330,000.00
Land 1	1990	Within the school	300,000.00	30,000.00			
		0	0		0	0	0
Land 2					0	0	18,629,000.00
Buildings and structures	1990 – 2021	Within the school	20,699,080.00	2,070,080.00			
					0	0	4,360,000.00
Motor vehicles	2013	Within the school	5,450,000.00	1,090,000.00			
					0	0	3,000,000.00
Office equipment, furniture and fittings	1990 – 2020	Offices	3,000,000.00		0		
					0	0	2,000,000.00
ICT Equipment, and Other ICT Assets	2009	Offices	2,000,000.00				
					0	0	2,400,000.00
Tools and apparatus	2005 – 2007	Lab	3,000,000.00	600,000.00			
					0	0	6,000,000.00
Textbooks	1995 – 2020	Bookstore/with the student	6,000,000.00		0	0	2,000,000.00
					0	0	
Other Machinery and Equipment	1995 – 2020	Offices	2,000,000.00				
					0	0	1,000,000.00
Heritage and cultural assets	1995 – 2020	Within the school	1,000,000.00				
					0	0	500,000.00
Intangible assets-soft ware	2012	Offices	500,000.00				
					0		40,219,000.00
Total			43,979,080.00	3,700,080.00			