

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

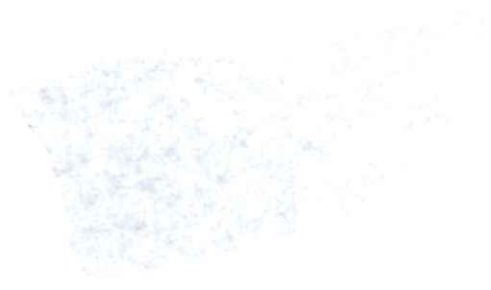
ON

KIBICHIKU SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD
ENDED 30 JUNE, 2021**

KIAMBU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	05 MAR 2025
TABLED BY:	Hon. Naomi Wageri, MP Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	Ar Shabako





**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

	Page
Table of Contents	
I. KEY SCHOOL INFORMATION AND MANAGEMENT.....	i - v
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	vi -xvi
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY.....	xvii
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF KIBICHIKU SECONDARY SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021.....	xviii
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2021.....	1
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2021.....	2
VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2021.....	3
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2021.....	4 - 7
IX. SIGNIFICANT ACCOUNTING POLICIES.....	8 - 9
X. NOTES TO THE FINANCIAL STATEMENTS.....	10 - 19
ANNEX 1- AANALYSIS OF PENDING ACCOUNTS PAYABLE.....	20
ANNEX 2- SUMMARY OF FIXED ASSETS REGISTER.....	21

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended *30th June 2021*

PUBLIC SECONDARY SCHOOLS – KIBICHIKU SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

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

The school is a day/boarding school and had 371 number of students as at 30th June 2021. It has 2 streams and 17 teachers of which 2 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

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

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

(d) School operation Management

For the financial year ended 30th June 2021 the School days-to-day management was under the following persons:

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

(e) Schools contacts

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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(f) School Bankers

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

1. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106764897
Account Name : SCHOOL FUNDS

2. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106770250
Account Name : OPERATION

3. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106765133
Account Name : TUITION

4. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1170857469
Account Name : VISION 2020 BEYOND

5. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1203194153
Account Name : GRATUITY

6. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1217048065
Account Name : INFRASTRUCTURE

7. MPESA Pay Bill No.522123 attached to 1106764897 school funds bank account

(g) Independent Auditors

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

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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 AND DEFICIT FOR THE THREE

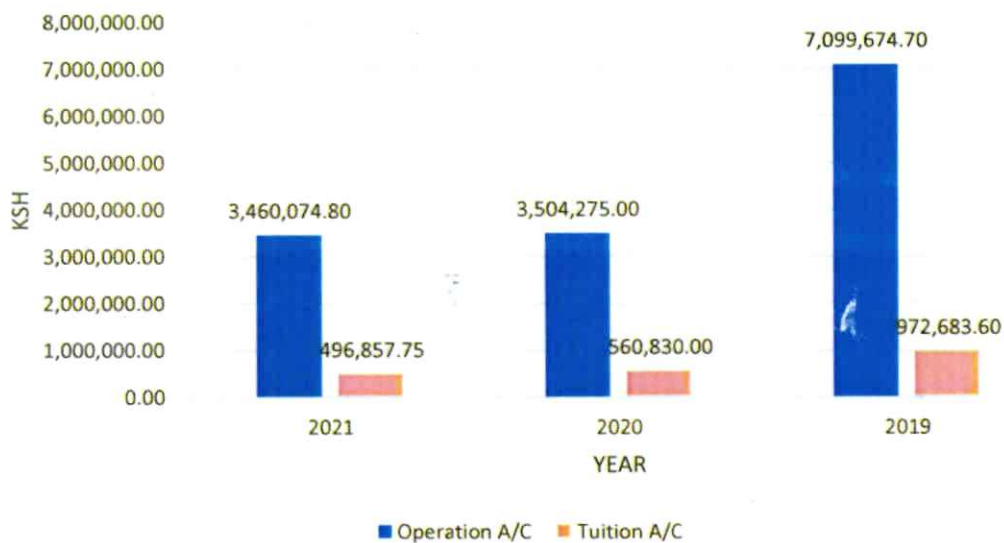
ACCOUNTS	2021	2020	2019
	Kshs	Kshs	Kshs
Surplus/Deficit	1,018,723	(1,333,657)	485,604



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended *30th June 2021*

CAPITATION GRANTS FROM THE MINISRY OF EDUCATION FOR THE LAST THREE YEAR AND CAPITATION PER STUDENT FOR THE LAST THREE YEARS					
NO	ACCOUNT	2021	2020	2019	
1	Operation account	3,460,075	3,504,275	7,099,675	
2	Tuition account	496,858	560,830	972,684	
	Total	3,956,933	4,065,105	8,072,358	
	Number of students	371	323	292	
	Ratio of capitation per student	1:10,66.59	1:12,585.46	1:27,645.06	

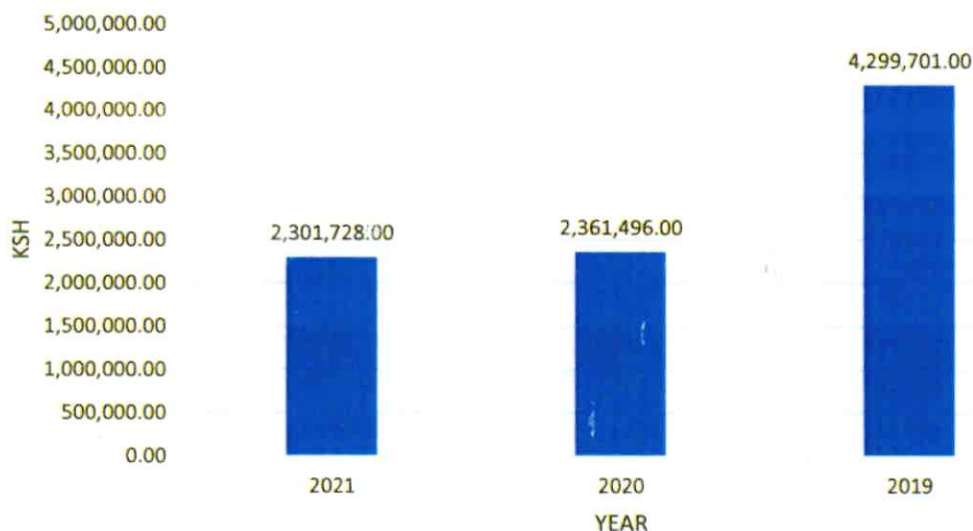
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

OVERVIEW OF GROWTH OF OTHER INCOME				
NO	INCOME	2021	2020	2019
1	Water	161,800	434,690	486,300
2	Farm	4,300	2,920	-
3	Parent contribution	2,128,402	1,863,386	3,756,871
4	School ID	3,600	34,500	35,650
5	Photo	3,626	14,000	19,200
6	Ground hire	-	6,000	-
7	Knec	-	6,000	-
8	Adminatration cost	-	-	1,680
TOTAL		2,301,728	2,361,496.00	4,299,701

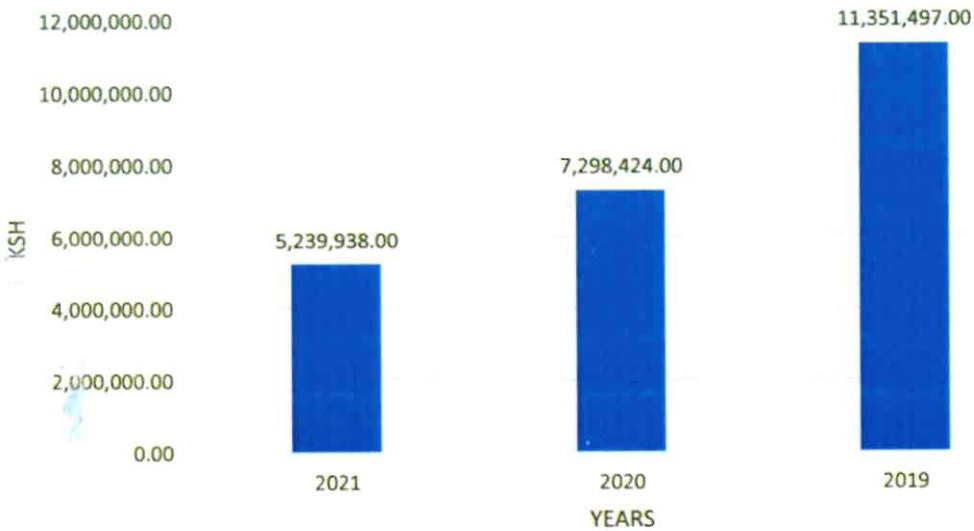
GROWTH OF OTHER INCOME



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

OVERVIEW OF GROWTH IN EXPENDITURE		
2021	2020	2019
5,239,938	7,298,424	11,351,497

GROWTH IN EXPENDITURE



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE THREE YEARS

NO	ACCOUNTS	2021	2020	2019
	School fund	ksh	ksh	ksh
1	Debtors	4,045,580	3,811,542	460,481

MOVEMENT OF DEBTORS



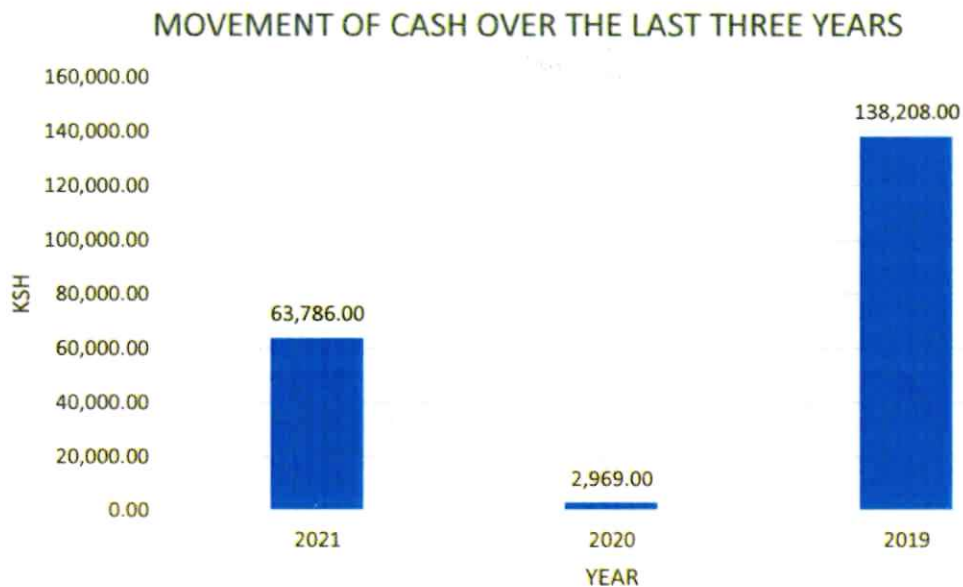
**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE THREE YEARS				
NO	ACCOUNTS	2021	2020	2019
		ksh	ksh	ksh
1	Creditors	1,010,005	26,130	195,686



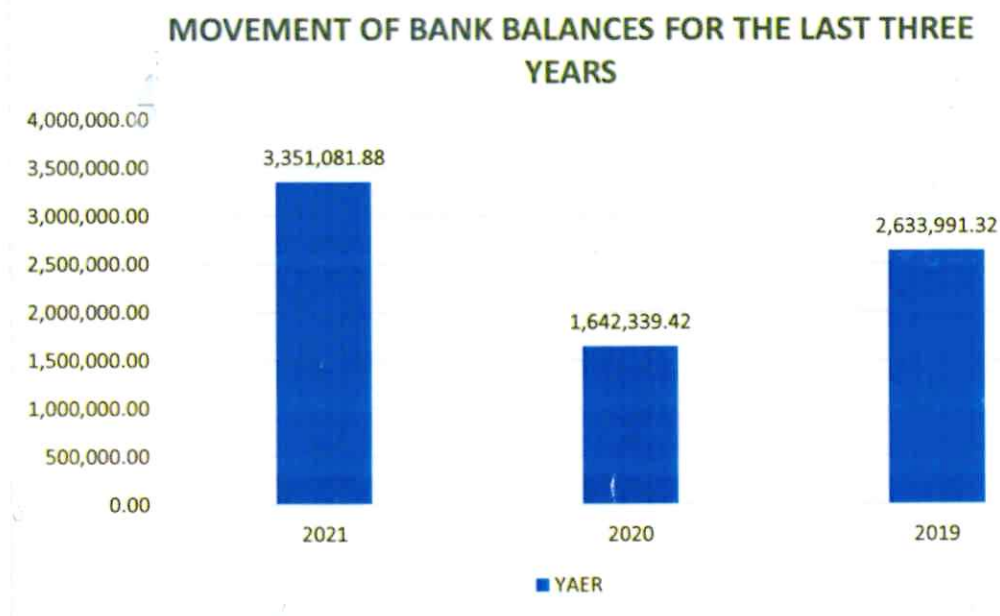
**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

MOVEMENT OF CASH OVER THE LAST THREE YEARS				
NO	ACCOUNT	2021	2020	2019
1	School fund account	63,786	2,969	93,524
2	Operation account	-	-	44,684
		63,786	2,969	138,208



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

MOVEMENT OF BANK BALANCES OVER THE LAST THREE YEARS				
NO	ACCOUNT	2021	2020	2019
1	School fund account	600,385	206,242	801,135
2	Operation account	1,316,762	16,946	487,954
3	Tuition account	168,536	172,049	172,049
4	Infrastructure account	900,030	766,689	770,110
5	Vision 2020	3,405	3,405	3405
6	Gratuity account	361,964	480,009	399,339
	TOTAL	3,351,082	1,642,339	2,633,991



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

b) Teacher Student ratio:

The teacher student ratio 1:22

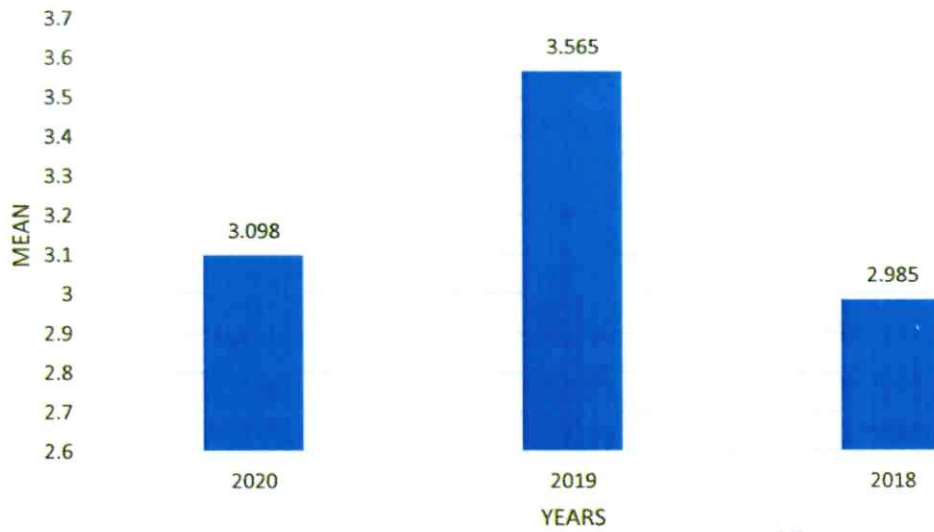
There were 17 teachers posted by the teacher service commission and 2 recruited by the board of management. There was no retiree or transfers during the year.

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

c) Mean score in the 2020 KCSE:

YEAR	ENROLLMENT	MEAN	TRANSITION	TRANSITION	SCHOOL TARGET
2020	71	3.098	37	52%	4
2019	46	3.565	41	89%	3.5
2018	67	2.985	57	85%	3.8

MEAN SCORE OF CANDIDATE



**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

d) Number of Candidates in the 2021 KCSE:

YEAR	ENROLLMENT
2020	71
2019	46
2018	67

e) Capacity of the school

ITEM	REQUIRED	AVAILABLE	VARIANCE
Science laboratories	3	1	2
Classrooms	18	9	9
Toilet	17	15	2
Computer laboratories	1	1	0
Staff room	2	2	0
Library	1	0	1
Dining hall	1	0	1
Kitchen	1	1	0
Food store	1	1	0

f) Development projects carried out by the school

NO	PROJECT	STATUS	SOURCE OF FUND
1	6 Class rooms	Complete	M.O.E & CDF

Sign.....  25/07/2021
School Principal

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**


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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name : Herman Mbugua Kairu
Designation : Chairman, School Board of Management
Sign : 
Date : 25/07/2021

Name : Rose Muthoni Chege
Designation : School Principal & Secretary to Board of Management
Sign : 
Date : 25/07/2021

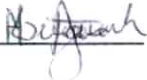
Name : Tabitha Wanjira Mungai
Designation : Bursar/ Finance Officer
Sign : 
Date : 25/07/2021

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	496,858	601,291
Capitation grants for operations	2	3,460,075	3,128,285
School Fund Income- Parents' Contributions	3	2,128,402	1,791,581
School Fund Income- Other receipts	4	173,326	443,610
Proceeds from borrowings		-	-
TOTAL RECEIPTS		6,258,661	5,964,767
PAYMENTS			
Payments for Tuition	5	871,040	897,780
Payments for operations	6	2,464,298	3,563,546
Boarding and school fund payments	7	1,904,600	2,837,098
TOTAL PAYMENTS		5,239,938	7,298,424
SURPLUS/DEFICIT		1,018,723	(1,333,657)

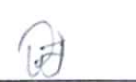
The school financial statements were approved on 07/06 2023 and signed by;

Sign: 

Name :Herman Mbugua
Chair BOM

Sign: 

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

Sign: 

Name :Tabitha.W.Mungai
Bursar/
Finance Officer

Date: 25/07/2024

Date: 25/07/2024

Date: 25/07/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIBICHIKU SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kibichiku Secondary School set out on pages 1 to 19, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended,

Report of the Auditor-General on Kibichiku Secondary School for the six (6) months' period ended 30 June, 2021 – Kiambu County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kibichiku Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects Kshs.2,576,210 and Kshs.3,730,384 in respect to budget utilization difference for total income and total expenditure respectively. However, a re-computation gives Kshs.2,656,641 and Kshs.3,675,362 resulting to a variance of Kshs.80,431 and Kshs.55,022 respectively.

1.2 Biological Assets

Note 15 to the financial statements reflects nil balances in respect to biological assets as at 30 June, 2021. It was noted that 100 trees were disclosed, however, there were no supporting documents including the register showing historical cost, number of trees and their values and dates trees were planted. This is contrary to Section 23(1) of Part 1 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management of a public institution of basic education shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the institution.

1.3 Annex 2 – Summary of Fixed Assets Register

The summary of fixed assets register does not include the historical cost brought forward, additions and historical cost carried forward.

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

2. Capitation Grants

2.1 Inaccuracies in Capitation Grants for Operations

Review of the National Education Management Information System (NEMIS) capitation disbursements made to the School against the amount received by the School revealed that the School disclosed capitation grant for operations of Kshs.3,460,074 compared to disbursed amount of Kshs.3,703,500 from 01 January, 2021 to 30 June, 2021 resulting to unexplained and unreconciled variance of Kshs.243,426.

In the circumstances, the accuracy of capitation grants of Kshs.3,460,074 could not be confirmed.

2.2 Inaccuracy of Student Enrollment Data

Review of the class registers provided for audit revealed discrepancies between the data in the NEMIS and School registers relating to the enrolment of students as shown below;

Month Disbursement was Received	Capitation Disbursed (Kshs)	Number of Students as per NEMIS	Number of Students as per Register	Variance
July, 2020	1,043,000	280	369	(89)
December, 2020	1,277,478	376	377	(1)
February, 2021	1,283,970	381	414	(33)
April, 2021	1,082,052	387	414	(27)

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

In the circumstances, the School may have been under funded due to inaccurate enrolment in the NEMIS system.

2.3 Inaccuracies in Capitation Grants for Tuition

Review of the NEMIS capitation disbursements made to the School against the amount receipted by the School during the financial year 2020-2021 revealed that the School disclosed capitation grant for tuition of Kshs.496,857 compared to disbursed amount of Kshs.634,146 from 01 January, 2021 to 30 June, 2021 resulting to unreconciled and unexplained variance of Kshs.137,289.

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

3. Unsupported Financial Statements Comparative Balances

Review of the financial statements for the year ended 30 June, 2021 revealed that the School prepared six months financial statements with unaudited comparative balances of the previous year closing balances.

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

4. Variances Between the Approved Budget and the Statement of Budgeted Versus Actual Amounts

The approved budget reflects total expenditure budget of Kshs.8,991,048 while the statement of budgeted versus actual amounts reflects Kshs.8,915,300 on the same item resulting to unreconciled and unexplained variance of Kshs.75,748.

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

5. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,047,580 as disclosed in Note 11 to the financial statements. However, included in the balance are receivables in respect to fees arrears amounting to Kshs.3,322,049 which had been outstanding for more than two (2) years. In addition, the School has not developed a recoverability policy on accounts receivables. It was therefore not possible to confirm how the School intends to recover the fee arrears.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.4,047,580 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects approved final budgeted receipts of Kshs.8,915,300 and actual receipts of Kshs.6,258,658 resulting to a revenue shortfall of Kshs.2,656,642 or 30% of the budget.

Similarly, the School spent Kshs 5,239,938 against actual receipts of Kshs.6,258,658 resulting to under-utilization of Kshs.1,018,720 or 16% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of receipts and payments reflects payment for operations amount of Kshs.2,464,298 and as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.160,800 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.160,800 could not be confirmed.

2. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 13 June, 2023 instead of the statutory deadline of 30 September, 2021. 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.

3. Failure to Transfer Infrastructure Funds from Operational Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,460,074 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,705,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities.

However, only Kshs.1,610,500 was transferred to infrastructure account, leaving a balance of Kshs.94,500 as at 30 June, 2021. This was contrary to The Ministry of Education Circular Ref: No.MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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 law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure by the Receipting System to Generate Reports

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects Kshs.2,128,402 in respect to school fund income-parents contributions. However, review of the records provided for audit revealed that the system could not generate reports showing details of students, amounts paid and outstanding balances.

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

2. Failure to Conduct Quarterly and Annual Stock Take

Note 17 to the financial statements reflects a balance of Kshs.673,440 in respect to stock/inventory. However, quarterly and annual stock take was not conducted as envisaged in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

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

3. Lack of a Text Book Management Policy

The School did not have a text book management policy in place as at the end of the financial year 2021.

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

4. Summary of Fixed Asset Register

4.1 Lack of Land Ownership Documents

The summary of fixed assets register for the year ended 30 June, 2021 reflects nil balance on two pieces of land (Land 1 and Land 2). The register reflects the land is located in Kabete but does not indicate the acreages and land title numbers. Although documents provided revealed that the School is in the process of acquiring the land titles, the title documents had not been obtained as at the time of audit in June, 2024. Therefore, the ownership of the said parcels of land could not be confirmed.

In the circumstances, the ownership and valuation of the land could not be confirmed.

4.2 Disclosure of Assets

The summary of fixed assets register reflects nil balance. However, the register does not include land and buildings of unknown value where the School is located which were physically verified, for instance, class halls, kitchen and administration block. Further, the fixed assets register which was provided for audit review lacked the information on the cost, date purchased, asset coding and serial numbers of the assets.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 January, 2025


**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2021**

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,351,082	1,645,339
Cash Balances	9	63,786	2,969
Short term Investment	10	-	-
Total Cash and cash equivalent		3,414,868	1,648,308
Account's receivables	11	4,047,580	3,811,540
TOTAL FINANCIAL ASSETS		7,462,448	5,459,850
FINANCIAL LIABILITIES			
Accounts Payables	12	1,010,005	26,130
NET FINANCIAL ASSETS		6,452,443	5,433,720
REPRESENTED BY			
Accumulated Fund b/fwd		5,433,720	6,767,138
Surplus/Deficit for the year		1,018,723	(1,333,657)
NET FINANCIAL POSSITION		6,452,443	5,433,720

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

Name: Herman Mbugua
Chairman, BoM

Sign: 

Date: 25/07/2024

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

Sign: 

Date: 25/07/2024

Name: Tabitha.W.Mungai
Bursar/Finance


Sign: 


Date: 25/07/2024


KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	496,858	601,291
Capitation grants for operations	2	3,460,075	3,128,285
School fund income- Parents contributions/ fees	3	2,128,402	1,791,581
School fund income- other receipts	4	173,326	443,610
Total receipts		6,258,661	5,964,767
Payments			
Payments for Tuition	5	871,040	897,780
Payments for operations	6	1,797,639	3,563,546
Boarding and school fund payments	7	1,904,600	2,837,098
Total payments		4,573,279	7,298,424
Net cash flow from operating activities		1,685,382	(1,333,957)
Adjusted for:			
Changes in Receivables	11	(236,038)	(210,096)
Change in payable	12	983,875	(1,334,812)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(666,659)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(666,659)	
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,766,560	(2,878,565)
Cash and cash equivalent at BEGINNING of the year		1,648,308	4,526,873
Cash and cash equivalent at END of the year		3,414,868	1,648,308


Herman Mbugu
Chair of Board
25/07/2021


Rose Muthoni Chege
Principal
25/07/2021


Tabitha Mungai
Bursar
25/07/2021

PUBLIC SECONDARY SCHOOLS – KIBICHIKU SECONDARY SCHOOL

Reports and Financial Statements

For the year ended 30th June 2021

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	260,000	-	260,000	90,000	170,000	35%
Laboratory equipment	155,000	-	155,000	149,124	5,876	96%
Internal exams	168,000	-	168,000	24,838	143,162	15%
Teaching / learning materials	391,300	-	391,300	208,057	183,243	53%
Chalks	-	-	-	-	-	-
Administration costs	25,000	-	25,000	24,838	162	99%
Teachers guides		-	-			
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,009,067	-	1,009,067	611,624	397,443	61%
Repairs and maintenance	1,500,000	-	1,500,000	1,702,310	(202,310)	113%
Local transport / travelling	455,000	-	455,000	247,922	207,078	54%
Electricity and water	360,000	-	360,000	249,724	110,276	69%
Teaching / learning materials	151,502	-	151,502	151,501	1	100%
Medical	100,000	-	100,000	67,458	32,542	67%
Administration costs	214,000	-	214,000	429,535	(215,535)	201%
Activity	450,000	-	450,000		450,000	-
Gratuity	80,431	-	80,431	-	-	-
SMASSE		-	-	-	-	-
		-				

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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
(3) FEES CHARGED ON PARENTS						
LUNCH	3,596,000	-	3,596,000	2,128,402	1,467,598	59%
Repairs and maintenance	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	-	-	-	-	-	-
OTHER INCOME						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
passport	-	-	-	3,626	-3,626	-
Student ID	-	-	-	3,600	3,600	-
Water income	-	-	-	161,800	161,800	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Farm activities	-	-	-	4,300	-4,300	-
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	8,915,300		8,915,300	6,258,658	2,576,210	70%

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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

(1) EXPENDITURE FOR TUITION

Textbooks and reference materials	-	-	-	-	-	-
Exercise books	260,000	-	260,000	166,200	93,800	64%
Laboratory equipment	155,000	-	155,000	208,510	(53,510)	134%
Internal exams	168,000	-	168,000	105,000	63,000	63%
Teaching / learning materials	391,300	-	391,300	350,350	40,950	90%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	25,000	-	25,000	40,500	(15,980)	162%
Bank Charges	-	-	-	480	-	-

(2) EXPENDITURE FOR OPERATIONS

Personnel emoluments	1,009,067	-	1,009,067	498,150	510,917	49%
Service gratuity	80,431	-	80,431	117,445	(37,014)	100%
Repairs, maintenance & improvements	500,000	-	500,000	402,606	97,394	81%
Local transport / travelling	455,000	-	455,000	26,255	428,745	6%
Electricity, water and conservancy	360,000	-	360,000	180,500	179,500	50%
NSSF	-	-	-	30,400	-	-
NHIF	-	-	-	19,400	-	-
Teaching / learning materials	151,502	-	151,502	8,000	143,502	5%
Medical	100,000	-	100,000	860	99,140	1%
Administration costs	214,000	-	214,000	344,623	(130,623)	161.0%
Activity Expenses	450,000	-	450,000	168,800	281,200	37%
Bank charges	-	-	-	600	-	-

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

(3) EXPENDITURE FOR SCHOOL FUND		-	-	-	-	-
Lunch	3,596,000	-	3,596,000	1,900,458	1,695,542	53%
Repairs, maintenance and improvement	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity, water and conservancy	-	-	-	-	-	-
Bore hole	-	-	-	700	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Lunch programme	-	-	-	-	-	-
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure for Income Generating Activity	-	-	-	-	-	-
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
farm	-	-	-	1,000	-	-
Bank Charges	-	-	-	2,442	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	1,000,000	-	1,000,000	666,659	333,341	67%
TOTALS	8,915,300		8,915,300	5,239,938	3,730,384	59%

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		60,129
Exercise books	90,000	180,387
Laboratory equipment	149,124	180,387
Internal exams	24,838	50,065
Teaching / learning materials	208,057	120,193
Admin cost	24,838	10,130
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	496,857	601,291

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	611,624	525,138
Repairs and maintenance	1,702,310	965,639
Local transport / travelling	247,922	195,364
Electricity and water	249,724	539,724
Teaching and learning materials	151,501	0
Medical	67,458	60,600
Administration costs	429,535	720,620
Activity		121,200
Total	3,460,074	3,128,285

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	-	-
lunch	2,128,402	1,791,581
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	2,128,402	1,791,581

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Income from farming activities	4,300	8,920
Insurance compensation	-	-
Income from Posho mill	-	-
Passport	3,626	-
ID	3,600	-
Income from grants and donations*	-	-
Sale of borehole water	161,800	434,690
Dividends income	-	-
Total	173,326	443,610

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	166,200	120,600
Laboratory equipment	208,510	360,700
Internal exams	105,000	69,520
Teaching / learning materials	350,350	346,960
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	40,500	-
Bank Charges	480	-
Total	871,040	897,780

KIBICHIKU SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	498,150	1,009,050
Service Gratuity	117,445	-
Administration Cost	341,493	472,300
Repairs and maintenance & improvements	402,606	967,477
Local transport / travelling	26,255	175,620
Electricity and water	180,500	190,000
Medical	860	26,673
Activity Expenses	168,800	715,770
NSSF	30,400	-
NHIF	19,400	-
Teaching / learning materials	8,000	4,556
Insurance Cost	-	-
Bank Charges Gratuity A/C	600	-
Bank Charges	3,130	2,100
Acquisition of Assets	666,659	-
TOTAL	2,464,298	3,563,546

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	-	-
Service Gratuity	-	-
Repairs and maintenance & Improvements	-	-
Local transport / travelling	-	-
Water	700	-
Medical Expenses	-	-
Administration costs	-	-
Lunch Programme	1,900,458	2,837,098
Bank Charges	2,442	-
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	-	-
farm	1,000	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	1,904,600	2,837,098

KIBICHIKU SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1106765133	168,536	172,049
Operations Account	1106770250	1,316,762	16,946
School Fund Account/Boarding	1106764897	600,385	206,242
Gratuity	1203194153	361,964	480,009
Parent Association Development Account		-	-
Vision 2020	1170857469	3,405	3,405
Infrastructural Account		900,030	766,689
Total		3,351,082	1,645,339

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	63,786	2,969
Total	63,786	2,969

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	4,045,580	3,811,542
Other non-fees receivables	-	-
Salary advances	2,000	-
Imprest	-	-
Total	4,047,580	3,811,542

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	308,138	489,493
Fees arrears for the previous year	415,393	460,481
Fees arrears for prior periods (over two years)	3,322,049	2,861,568
Total	4,045,580	3,811,542

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	892,545	-
Prepaid fees	117,460	26,130
Retention monies	-	-
Total	1,010,005	26,130

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	892,545	-
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
Total	892,545	-

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020 Kshs	2019 Kshs
Bank balances	1,645,339	1,269,674
Cash balances	2,969	93,524
Short Term Investments	-	-
Receivables	3,811,542	3,601,446
Payables	(6,130)	(1,360,942)
Total	5,453,720	3,603,702

**KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	100	-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings	-	-
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	520,000	120,000
Stock/ inventory purchased during the year	1,353,440	880,000
Stock/ inventory issued during the year	(1,200,000)	(480,000)
Balance at end of the year	673,440	520,000

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)

Rose Mukuoni Chege
 Principal
 25/07/2024



KIBICHIKU SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
Sub-Total						
Supply of goods						
3. Chagam Agencies	73,800	17/11/2020	42,000	31,800		Supply of toner
4. Luckyanns Enterprises	106,990	28/12/2020	79,995	26,995		Supply of cabbages and onion
5. Primeline enterprises	566,465	28/12/2020	291,165	275,300		Supply of stationery
6. Joyland Groceries	711,740	28/12/2020	474,440	237,300		Supply of foodstuff
7. Gewawa Fabrication and general supply	234,550	28/12/2020	-	234,550		Supply of desk /locker
8. Shademwa investment	68,000	-	-	68,000		Supply of desk /locker
9. Travejade company	11,000	-	-	11,000		Supply of exam
10. Studio mark ltd	7,600	-	-	7,600		School photo
11.	-	-	-	-		
Sub-Total	1,780,145		887,600	892,545		
Supply of services						
12.						
13.						
14.						
Sub-Total						
Grand Total	1,780,145		887,600	892,545		

KIBICHIKU SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	B/F	Kabete				
Buildings And Structures	B/F	Kabete				
Motor Vehicles						
Borehole	B/F	Kabete				Donation
CCTV Cameras	B/F	Kabete				450,400
Projector	B/F	Kabete				75,000
Kyocera 2560	B/F	Kabete				94,000
Bizhub Konica minolta	B/F	Kabete				150,000
Hp laserjet 2055dn	B/F	Kabete				Donation
Hp laser jet 1020	B/F	Kabete				Donation
Office Equipment, Furniture And Fittings	B/F	Kabete				
Students lockers & chairs	B/F	Kabete				2,588,850
Water tanks	B/F	Kabete				Donation
ICT Equipment, And Other ICT Assets						
Computers and laptops	B/F	Kabete				Donation
Tools And Apparatus	B/F	Kabete				
Textbooks	B/F	Kabete				
Other Machinery And Equipment	B/F	Kabete				
Heritage And Cultural Assets	B/F	Kabete				
Intangible Assets- Soft Ware	B/F	Kabete				
Total						