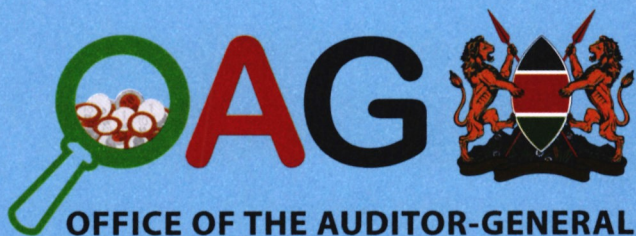


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS Laid

DATE: 07 DEC 2023

OF

TABLED
BY:

CLERK AT

*Attorney
Hon. Onen Baya, CBS MP
Deputy majority leader*

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

Miriam

ON

P.C.E.A KARAI SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

KIAMBU COUNTY



Revised 30th June 2021.



**P.C.E.A KARAI
SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

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(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

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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 Kiambu County, Kikuyu Sub-County

The school was registered in January 1966 under registration number 22S00300274 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 701 number of students as at 30 June, 2021. It has 5 streams and 37 teachers of which 6 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	Nancy Waringa Munene	Chairperson	18 April, 2019
2	Peter Githuku Mwangi	Secretary - Principal	18 April, 2019
3	Dr. Naomi Gikonyo	Member	18 April, 2019
4	Sarah Karanja	Member	18 April, 2019
5	Wilfred Njoroge	Member	18 April, 2019
6	Peter Njoroge	Member	18 April, 2019
7	Ann Wairimu	Member	18 April, 2019
8	Joseph Njogu	Member	18 April, 2019
9	Livingstone Njuguna	P.A Chairperson	18 April, 2019
10	Rev. Kogu	Member – Rep CEB	18 April, 2019
11	Joyce Onsoti	Deputy- Rep Teachers	18 April, 2019
12	Charles Njunge	Member – Rep Sponsor	18 April, 2019
13	Joyce Wanjiku Kimani	Member – Rep Sponsor	18 April, 2019
14	Kelvin Githinji	Member – Rep Sponsor	18 April, 2019
15	George Mungai	Member – Rep Community	18 April, 2019
16	Rhoda Muthoni	Member - Rep Community	18 April, 2019
17	Rev Robert Mbugua	Member- Rep Community	18 April, 2019
18	Haron Maina	Rep Students	18 April, 2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule 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	Peter Githuku	Principal	3
		Livingstone Njuguna	P.A chair	3
		George Mungai	Member	3
		Sarah Karanja	Member	3
		Nancy Munene	B.O.M Chair	3
2	Audit Committee			
		Peter Githuku	Principal	3
		Livingstone Njuguna	P.A chair	3
		Nancy Munene	B.O.M Chair	3
		Dr. Naomi Gikonyo	Member	3
3	Finance, procurement and general purposes Committee			
		Peter Githuku	Principal	3
		Nancy Munene	B.O.M Chair	3
		Livingstone Njuguna	Member	3
		Kelvin Githinji	Member	3
4	Academic Committee	Peter Githuku	Principal	3

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

		Joyce Kerubo	Deputy	3
		Rev Kogu	Member -CEB	3
		Dr Naomi Gikonyo	Member	
		Livingstone Njuguna	P.A chair	3
5	Development Committee			
		Joseph Njogu	Member	3
		Eliud Muriithi	Member	3
		George Mungai	Member	3
		Rev Kogu	Member CEB	3
6	Discipline and welfare Committee			
		Peter Githuku	Principal	3
		Joyce Kerubo	Deputy	3
		Sarah Karanja	Member	3
		Kelvin Githinji	Member	3
		Livingstone Njuguna	P.A chair	3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Peter Githuku Mwangi	350781
2	Deputy Principal	Joyce Kerubo Onsoti	309891
3	School Bursar	Ruth Nyambura Kamau	13674722

(e) Schools contacts

Post Office Box: 138-00902 KIKUYU
Telephone: 0792001279
E-mail: karaisec@gmail.com

(f) School Bankers

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

1. SCHOOL FUND A/C
Name of Bank: K.C.B
Branch: Kikuyu
Account Number: 1102934208
2. OPERATIONS A/C
Name of Bank: Equity
Branch: Kikuyu
Account Number: 0570291736495
3. TUITION A/C
Name of Bank: K.C.B
Branch: Kikuyu
Account Number: 11022950394
4. INFRASTRUCTURE A/C
Name of Bank: EQUITY
Branch: Kikuyu
Account Number: 0570280111751
5. CDF A/C
Name of Bank: EQUITY
Branch: Kikuyu
Account Number: 0570293476425
6. SAVING ACCOUNT
Name of Bank: KCB
Branch: Kikuyu
Account Number: 1106792963

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

(g) Independent Auditors

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

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

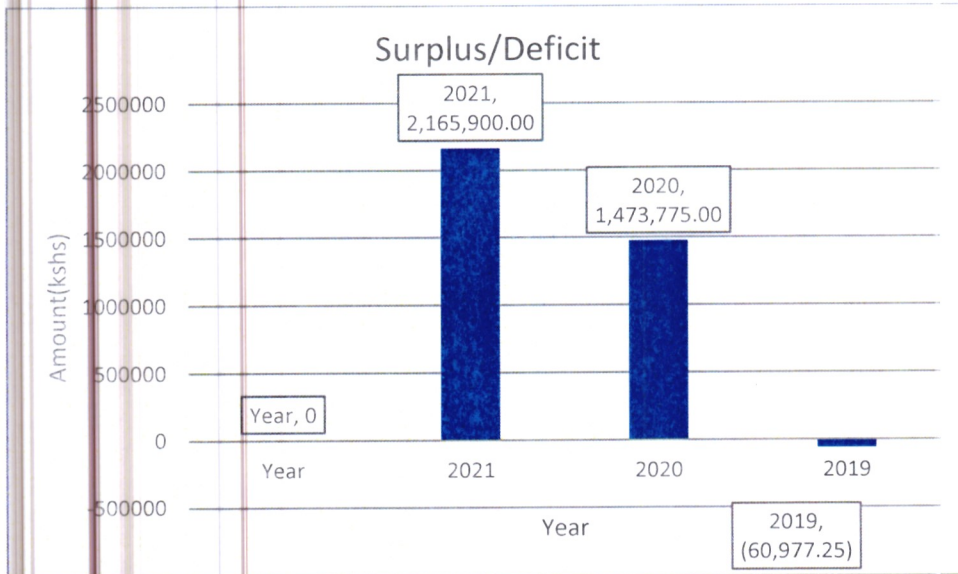
II. Summary Report Of Performance Of The School

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

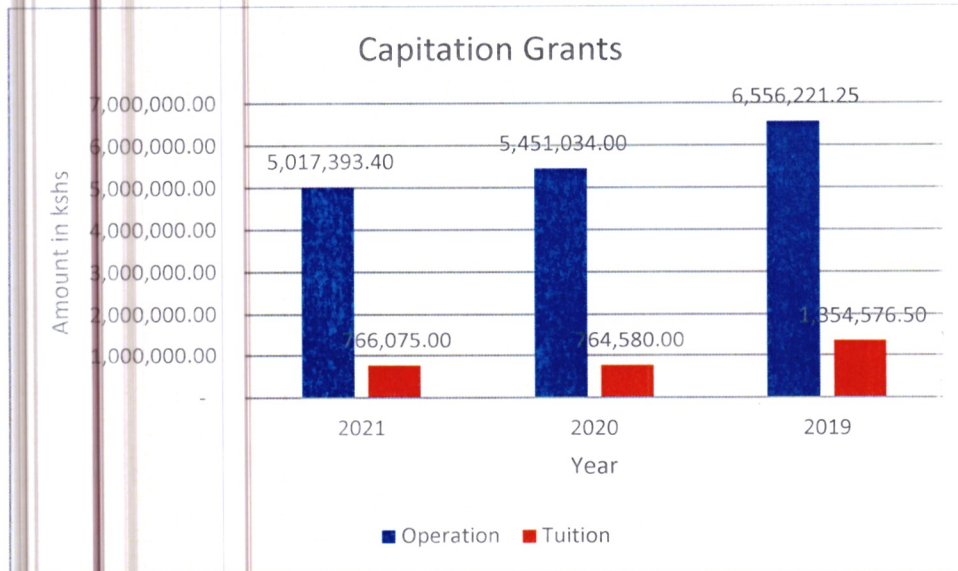
a) Financial performance:

Year	Surplus/Deficit	Capitation Grant			Ratio of capitation grant per student	Income	Expenditure	Debtors	Creditors	Cash&bank balances
		Operation	Tuition	Total						
2021	2,165,900.00	5,017,393.40	766,075.00	5,783,468.40	8,533.00	4,341,753.00	7,959,320.50	5,974,704.00	2,000,642.00	2,371,153.22
2020	1,473,775.00	5,451,034.00	764,580.00	6,215,614.00	10,570.80	4,814,840.00	10,602,499.00	5,243,731.00	1,974,250.00	1,052,453.32
2019	(60,977.25)	6,556,221.25	1,354,576.50	7,910,797.75	19,062.20	5,465,430.00	13,359,233.00	4,491,375.00	2,546,455.00	(310,717.98)

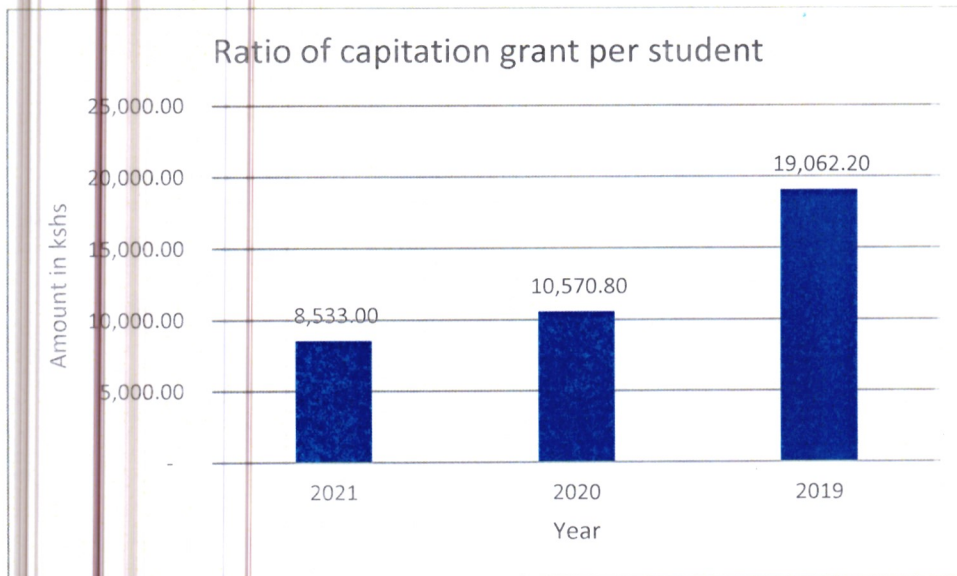
1. Chart showing Surplus/deficit over the last three years



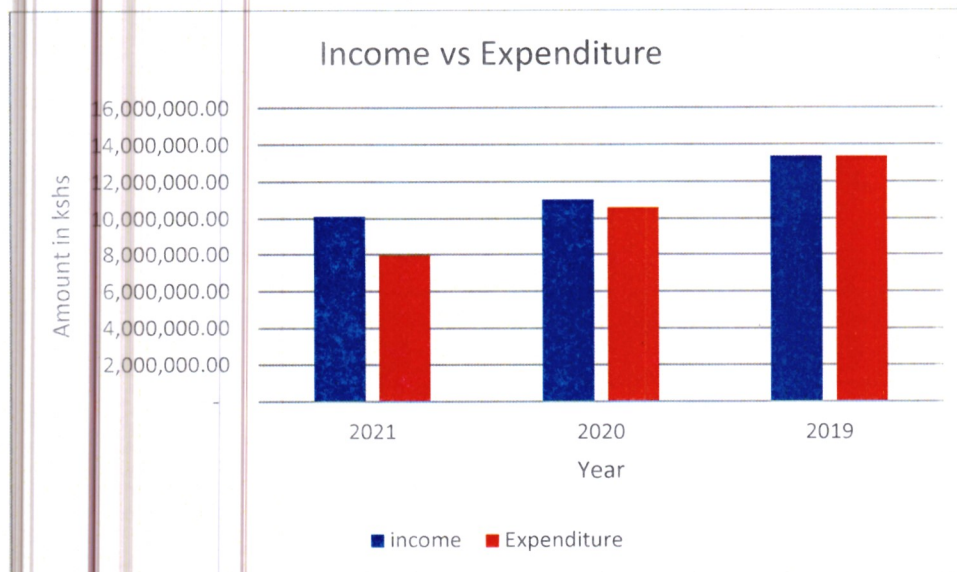
2. Chart showing capitation grant in various accounts



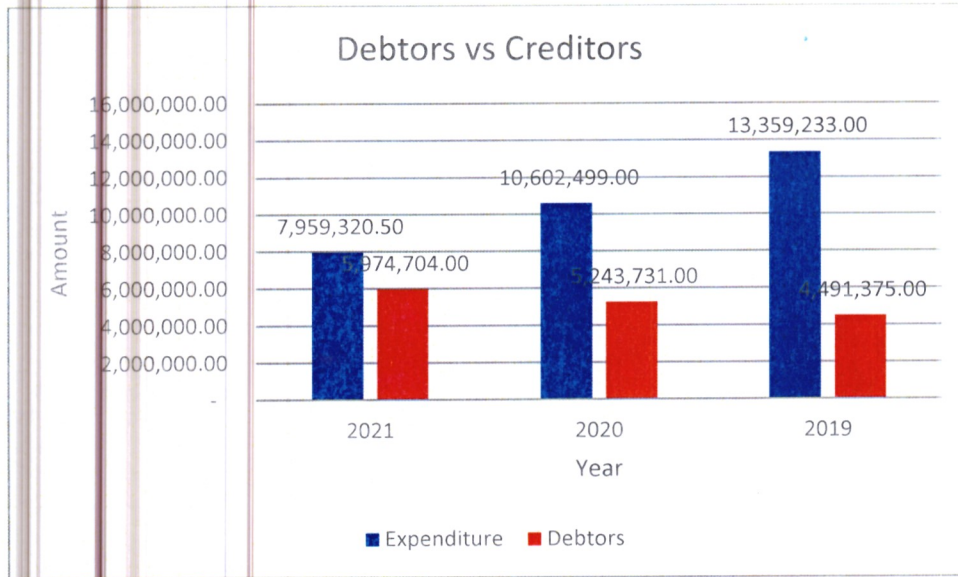
3. Chart showing ratio of capitation grant per student over the last three years



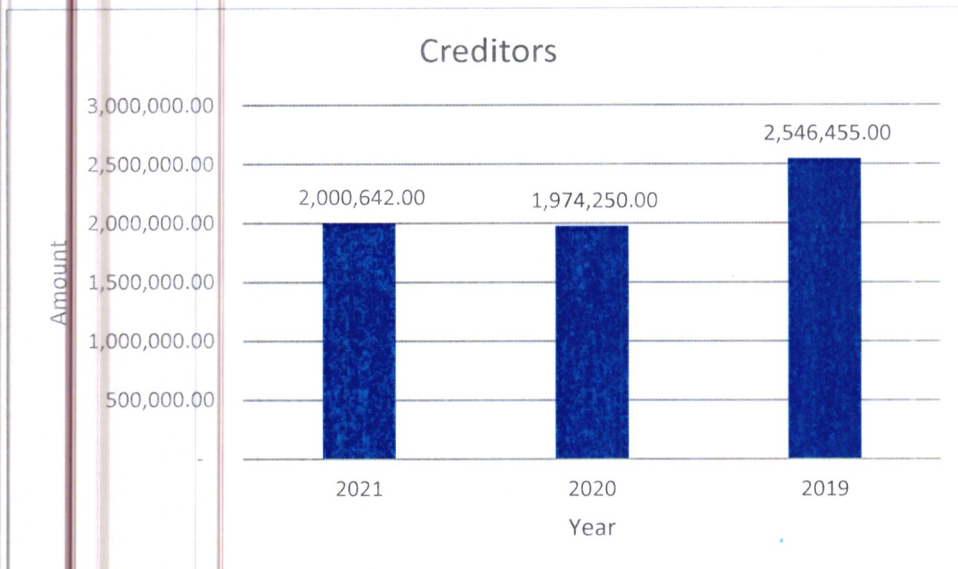
4. Chart showing income and expenditure over the last three years



5. Chart showing debtors and creditors over the last three years



6. Charts showing cash and bank balances over the last three years



b) **Teacher Student ratio:**

Teachers employed by T.S.C: 31

Teachers employed by BOM :6

Teachers recruited: 4

Teachers Transferred/ retired/ exited: 4

Teacher Student ratio: 1:18

Shortage 8 => Math/Phyc , Math/Phyc, Bio/Agri, Bio/Agri, Eng/lit , Maths/Phyc,

Bio/Chem, Kisw/C.R.E

c) **Mean score in the 2020 KCSE:**

<i>KCSE YEAR</i>	<i>MEANS CORE</i>	<i>C AND ABOVE</i>	<i>COMMENTS</i>
2020	4.159	21	Improvement
2019	3.907	19	Improvement
2018	2.928	7	Drop

d) **Number of Candidates in the 2020 KCSE:**

<i>KCSE YEAR</i>	<i>NO OF CANDIDATES</i>
2020	107
2019	98
2018	126

e) **Capacity of the school:**

Number of students: 701

Number of boys: 500

Number of girls: 201

Boarders: 50

Day scholars: 650

Dining Hall: 0

Laboratories: 2

Toilets: 36

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

Urinals: 6

Borehole: 1

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

PROJECTS	FUNDING	STATUS
DORMITORY	C.D. F	COMPLETED



.....
School Principal

P.C.E.A KARAI MIXED SEC. SCHOOL
P. O. Box 138 - 00902 KIKUYU

Date:.....Sign:.....

(Indicate actual name of the School)

Reports 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 (PSASB) 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 P.C.E.A KARAI 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.

Nancy W. Munene
.....

Name: *NANCY W MUNENE*

Designation: Chairman, School Board of Management

Date:

Francis W. Nwatha
.....

Name: *FRANCIS W. NWATHA*

Designation: School Principal & Secretary to Board of Management

Date:

P.C.E.A KARAI MIXED SEC. SCHOOL
P. O. Box 138 - 00902 KIKUYU

Date:.....Sign:.....

Ruth N. Kamau
.....

Name:

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON P.C.E.A KARAI SECONDARY SCHOOL FOR THE YEAR 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 P.C.E.A Karai Secondary School - Kiambu County set out on pages 1 to 22, 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 the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Variances in Capitation Grants for Operations

The statement of receipts and payments reflects total receipts amount of Kshs.5,017,393 relating to receipt of capitation grants for operations. However, the amount is at variance with the supporting schedule amount of Kshs.3,591,661 resulting in an unreconciled variance of Kshs.1,425,732.

In the circumstances, the accuracy and completeness of the amount for receipt of capitation grants for operations of Kshs.5,017,393 could not be confirmed.

2. Unsupported Boarding and School Fund Payments

The statement of receipts and payments reflects an amount of Kshs.3,973,544 in respect of boarding and school fund payments. Included in the amount is Kshs.2,395,786, Kshs.813,455, Kshs.18,700, Kshs.105,800, Kshs.226,352, Kshs.115,040, Kshs.162,571 and Kshs.115,840 in respect of lunch, boarding and equipment, routine maintenance, local travel and transport, administration costs, electricity and water, personal emolument, and school farm respectively as disclosed in Note 7 to the financial statements. However, no expenditure schedules/ledgers were provided. Further, included in these amounts were expenditures totalling to Kshs.346,100.00 being payments for remedial claims. However, there was no written authority to justify these payments.

In addition, from the sampled payment vouchers provided for audit review, was an amount of Kshs.791,100 which was lacking goods received note attached to support these payments. Therefore, it was not possible to ascertain if the goods supplied were actually taken on charge.

In the circumstances, the accuracy of the boarding and school fund payments amount of Kshs.3,973,544 could not be confirmed.

3. Variance in Payments for Operations

The statement of receipts and payments reflects an amount of Kshs.3,113,144.50 relating to payments for operations. However, the amounts differ with the supporting schedule

provided amounting to Kshs.10,756,264.40 resulting to an unreconciled variance of Kshs.7,643,119.90. The variance has not been explained or supported.

In the circumstances, the payments for operations amount of Kshs.3,973,544 could not be confirmed.

4. Unsupported Accounts Receivables

The statement of financial position as disclosed in Note 11 to the financial statement reflects a balance of Kshs.5,974,704 in respect of accounts receivables. Included in this figure is an amount of Kshs.4,190,240 being fees arrears for prior periods (over two years). Review of the documents availed for audit revealed that the amounts were not supported by the relevant document.

In the circumstances, the accounts receivables balance of Kshs.4,190,240 as at 30 June, 2022 being could not be confirmed.

5. Unreconciled Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.2,374,143.37 which includes a cash balance of Kshs.49,659.80 as disclosed in Note 9 to the financial statements. However, Board of Survey report confirming the cashbook balances for all the bank accounts was not provided for audit. Further, Note 8 to the financial statements reflects bank balances of Kshs.2,324,483.57 which includes savings account balance of Kshs.13,466.45 which was not supported by bank statements, cash book and bank reconciliation statements. Also, the School's fund account has a negative cashbook balance of (Kshs.343,287.45) and has been offset against other positive cashbook balances.

In addition, the School Management did not prepare bank reconciliation statements every month for each account and the few bank reconciliation statements prepared were not reviewed by an independent officer from the one handling cash. Bank certificates for all the School Bank Accounts were also not provided.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2,371,153.22 could not be confirmed.

6. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects Kshs.1,424,927 in respect of accounts payables as disclosed in Note 12 to the financial statements. However, this amount was revised from the initial submitted financial assets and financial liabilities balance of Kshs.2,230,890 resulting to a variance of Kshs.805,965 which was not supported by any journal voucher to explain the difference.

Included in the amount is Kshs.1,168,285, Kshs.805,965 and Kshs.230,250 relating to trade creditors for the previous year, trade creditors for prior periods (over two years) and pre-paid fee respectively which were not supported with aging analysis, copies of invoices and copies of receipts to confirm prepaid fee.

In the circumstances, the completeness and accuracy of the accounts payables balance of Kshs.1,424,927 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the P.C.E.A Karai 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 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.

Other Matter

1. Budgetary Control and Performance

The statement of budget versus actual amounts reflects final receipts budget of Kshs.14,615,562 and actual on comparable basis of Kshs.10,125,221 resulting to an under performance of Kshs.4,490,341 equivalent to 30% of the budget. Similarly, the statement reflects final expenditure budget of Kshs.14,588,959 and actual on comparable basis of Kshs.7,959,321 resulting to an under expenditure of Kshs.6,629,638 equivalent to 45% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery by the school.

2. Unapproved Itemized Final Budget

Examination of records show that the School had a final budget of Kshs.14,377,959 whose itemized budget provided was not however approved by the Board of Management and it was not aligned to the financial statements components as outlined in the Public Sector Accounting Standards Board (PSASB) reporting template for schools.

In the circumstances, the comparability of financial statement items could not be confirmed.

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

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August 2021, requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing the financial statements for longer period is due to the adoption of IPSAS for schools and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020-2021 with comparative balances for financial year 2019-2020. Therefore, the financial statements have not been prepared for eighteen (18) months as prescribed by the Public Sector Accounting Standards Board.

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to the longer period covered by the current financial period.

In the circumstances, Management was in breach of the Public Sector Accounting Standards Board reporting requirements.

2. Reallocation of Funds Without Approval

The statement of receipts and payments reflects an amount of Kshs.3,113,144.50 in respect of payments of operations as disclosed in Note 6 to the financial statements. The amount includes expenditure on acquisition of assets of Kshs.384,755. Review of sampled payments vouchers under the vote head of infrastructure and maintenance (acquisition of assets) revealed that transactions amounting to Kshs.295,825 were diverted to other vote head items with no authority approving the same. This was contrary to the Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 9 January, 2008 and MOE HQS/3/13/3 dated 16 June, 2021 directs that under the Operations Account, schools may seek authority from the CEBs to vire savings or surplus funds from one item to another, when it is absolutely necessary but no Virement from the Tuition and Infrastructure Account will be allowed.

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

3. Non-Compliance with Law on Public Procurement

Review of the school procurement records revealed the following;

- i. During the year under review, it was noted that the school did not have a procurement plan as required by Public Procurement and Asset Disposal

Act, 2015. This was contrary to the Public Procurement and Asset Disposal Act, 2015 which requires entities to have in place procurement and asset disposal plans that are based on indicative or approved budgets which shall be integrated with the applicable budget process.

- ii. The statement of receipts and payments as disclosed under Note 6 of the financial statement reflects an amount of Kshs.3,113,144.50 on payment of operations. Included in this figure is an amount of Kshs.384,755 being acquisition of assets and repairs and maintenance of Kshs.154,470. Review of sampled payment vouchers provided shows that the school paid Kshs.118,150 to different suppliers. However, the method of procurement used could not be confirmed since firms were not in the entity's approved register of suppliers and therefore it was not possible to determine how it was identified, evaluated and awarded to provide goods and services.

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. Weak Internal Controls

The school internal controls which included financial and operations had a number of areas which were noted not to be working as expected to prevent occurrence of error, fraud or general inefficiency. These areas included:

- i. Inadequate segregation of responsibilities in the accounting department. Same officer is involved in verification and approval of payments is also the cashier;
- ii. Inadequate internal controls in accounting department was observed. Same officer receives receipts from students, enters the transaction in the cashbook and performs bank reconciliation;
- iii. The finance department does not follow a finance manual in its operations;

- iv. Policies to guide management of liabilities, receivables, inventories and non-current assets have not been prepared; and
- v. Absence of business continuity plan including adequate storage of the software data.

In the circumstances, the effectiveness of internal controls in relation to financial management and segregation of duties could not be confirmed.

2. Delays in Transfer of Infrastructure Funds from the Operations Bank Account

The school received capitation grants for operations amounting to Kshs.5,017,393 during the period under review out of which Kshs.1,676,000 was transferred to the infrastructure account. However, it was not possible to establish why the school did not transfer any amounts from capitation grants received in March, April and May totalling Kshs.2,197,610 hence the transfers could not be confirmed. Additionally, the School did not observe the deadline to transfer the funds received in January, 2021 within the fifteen (15) days since receipt of the same.

In the circumstances, there was non-compliance to the circulars and guidelines in the management of the operation grants

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 control, 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 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 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 control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control 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 control 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 School 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	766,075.00	764,580.00
Capitation grants for operations	2	5,017,393.40	5,451,034.00
School fund income- parents' contributions	3	4,334,653.00	4,817,830.15
School fund income- other receipts	4	7,100.00	-
Proceeds from borrowings			
Total Receipts		10,125,221.40	11,033,444.15
Payments			
Payments for tuition	5	872,632.00	752,785.00
Payments for operations	6	3,113,144.50	4,465,304.00
Boarding and school fund payments	7	3,973,544.00	3,413,684.00
Total Payments		7,959,320.50	8,631,773.00
Surplus/Deficit		2,165,900.90	2,401,671.15

The school financial statements were approved on 24/7/2023 2023 and signed by:


.....

Name: NANCY W. MUNENE
Chair BOM

Date: 24/7/2023


.....

Name: FRANCIS W. MWATHA
School Principal/ Secretary to
BOM

Date: 24/7/2023

P.C.E.A KARAI MIXED SEC. SCHOOL
P.O. Box 138 - 00902 KIKUYU
Date:.....Sign:.....


.....

Name: _____
Bursar/ Finance Officer

Date: 24/7/2023

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	2,324,483.57	1,036,534.67
Cash balances	9	49,659.80	18,908.80
Short term investment	10		
Total cash and cash equivalent		<u>2,374,143.37</u>	<u>1,055,443.47</u>
Account's receivables	11	597,470.00	5,243,731.00
Total financial assets		8,348,847.37	6,299,174.47
Financial liabilities			
Accounts payables	12	1,424,927.00	1,541,155.00
Net financial assets		6,923,920.37	4,758,019.47
Represented by			
Accumulated fund b/fwd	13	4,758,019.47	1,565,168.47
Surplus/deficit for the year		2,165,900.90	3,192,851.00
Net financial position		6,923,920.37	4,758,019.47

The school's financial statements were approved on 24/7/2023 and signed by:

Nancy W Munene

Francis W Mwatha

Deith N. Kamari

Name: NANCY W MUNENE

Name: FRANCIS W MWATHA

Name: DEITH N. KAMARI

Chair BOM

School Principal/ Secretary to BOM

Bursar/ Finance Officer

Date: 24/7/2023

Date: 24/7/2023

Date: 24/7/2023

P.C.E.A KARAIWASSI SEC. SCHOOL
P.O. Box 138 - 00902 KISUMU

Date:..... Sign:.....

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	766,075.00	764,050.00
Capitation grants for operations	2	5,017,393.20	6,426,625.00
School fund income- parents contributions/ fees	3	4,854,216.00	5,196,553.15
School fund income- other receipts	4	-	-
Total receipts		10,644,784.20	12,387,228.15
Payments			
Payments for tuition	5	689,362.00	751,475.00
Payments for operations	6	3,292,771.50	5,107,321.00
Boarding and school fund payments	7	4,959,196.00	4,534,237.00
Total payments		8,941,329.50	10,393,033.00
Net cash flow from operating activities		1,703,454.70	1,994,195.15
Cashflow from investing activities			
Proceeds from sale of assets			
Acquisition of assets		384,755.00	639,040.00
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities		(384,755.00)	(639,040.00)
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		1,318,699.70	1,355,155.15
Cash and cash equivalent at beginning of the year		1,055,443.47	(299,711.48)
Cash and cash equivalent at end of the year		2,374,143.17	1,055,443.47

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB).

(Indicate actual name of the 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 a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books	337585.00		337585.00	337585.00	-	100%
Laboratory Equipment	189066.00		189066.00	189066.00	-	100%
Internal Exams	135483.00		135483.00	135483.00	-	100%
Teaching / Learning Materials	103941.00		103941.00	103941.00	-	100%
Chalks						
Exams And Assessment						
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments	1393292.50		1393292.50	1393292.50		100%
Repairs And Maintenance	2045000.00		2045000.00	2045000.00		100%
Local Transport / Travelling	464462.50		464462.50	464462.50		100%
Electricity And Water	743056.00		743056.00	743056.00		100%
Medical	10000.00		10000.00		10000.00	0%
Administration Costs	371582.40		371582.40	371582.40		100%
Activity	25660.00		25660.00		25660.00	0%
Gratuity						

(Indicate actual name of the School)
Reports and Financial Statements For the year ended 30th June 2021

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Smasse						
(3) Fees Charged on Parents						
Personnel Emoluments	192276.00		192276.00	192276.00		100%
Repairs And Maintenance	210000.00		210000.00	64855.00	145145.00	30.9%
Local Transport / Travelling	211640.00		211640.00	65193.00	146447.00	30.8%
Electricity And Water	368625.00		368625.00	109424.00	259201.00	29.7%
Id/ file	21703.00		21703.00	21703.00		100%
Administration Costs	169640.00		169640.00	63363.00	106277.00	37.4%
Activity	26250.00		26250.00	8744.00	17506.00	33.3%
lunch	4725000.00		4725000.00	2918708.00	1806292.00	61%
Fee On Boarding Equipment and Stores	2665400.00		2665400.00	890387.00	1775013.00	33.4%
Other Income						
Uniform	5900.00		5900.00	5900.00		100%
Income From Farming Activities	200000.00		200000.00	1200	198800	0.6%
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground And Equipment						
Interest Income						
Income From Any Other Investment						
Total Income	14,615,562.00		14,615,562.00	10,125,221.00	4,490,341.00	



(Indicate actual name of the School)
Reports and Financial Statements For the year ended 30th June 2021

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books	337585.00		337585.00	91520.00	246065.00	27.1%
Laboratory Equipment	189066.00		189066.00	710250.00	(521184.00)	375.7%
Internal Exams	135481.00		135481.00	70616.00	64867.00	52.1%
Teaching / Learning Materials	103941.00		103941.00		103941.00	0%
Chalks						
Exams And Assessment						
Teachers Guides						
Administration Costs						
Bank Charges	1000.00		1000.00	246.00	754.00	24.6%
(2) Expenditure For Operations						
Personnel Emoluments	1393292.50		1393292.50	705978.00	687315.00	51%
Repairs, Maintenance & Improvements	2045000.00		2045000.00	541658.00	1503343.00	26%
Local Transport / Travelling	464462.00		464462.00	360860.00	103603.00	78%
Electricity, Water and Conservancy	743056.00		743056.00	230046.00	513010.00	31%
Medical	10000.00		10000.00	5510	4490.00	55.1%
Administration Costs	371582.00		371582.00	1243433	(871851)	335%
Activity Expenses	25660.00		25660.00	25660	-	100%
Gratuity						
Smasse						

(Indicate actual name of the School)
Reports and Financial Statements For the year ended 30th June 2021

Receipts/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
(3) Expenditure For School Fund						
Personnel Emoluments	192276.00		192276.00	162571.00	29705.00	85%
Repairs, Maintenance and Improvements	210000.00		210000.00	18700	191300	9%
Local Transport / Travelling	211640.00		211640.00	105800.00	105840	50%
Electricity, Water and Conservancy	368625.00		368625.00	115040.00	253585.00	31%
Medical Expenses						
Administration Costs	169640.00		169640.00	226352	(56712)	133%
Activity	26250.00		26250.00	-	26250.00	0%
Gratuity						
Lunch Programme	4725000.00		4725000.00	2395786.00	2329214.00	51%
Boarding Equipment and Stores	2665400.00		2665400.00	833455.00	1831945.00	31%
Expenditure For Income Generating Activity-farm	200000		200000	115840	84160	58%
Insurance Costs						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						
Totals	14,588,959.00		14,588,959.00	7,959,321.00	6,629,638.00	

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

(Indicate actual name of the School)
Reports and Financial Statements For the year ended 30th June 2021

- i. *PCEA KARAI SECONDARY SCHOOL*
- ii. *Xxxx*

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

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.

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

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.

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books	337,585.00	336,330.00
Laboratory Equipment	189,066.00	188,510.00
Internal Exams	135,483.00	123,085.00
Teaching / Learning Materials	103,941.00	101,505.00
Chalks	0.00	
Exams And Assessment		
Teachers Guides		
Total	766,075.00	764,580.00

2 Capitation Grant for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	1,393,292.50	1,534,455.00
Repairs And Maintenance	2,045,000.00	1,917,000.00
Local Transport / Travelling	464,462.50	481,830.00
Electricity And Water	743,056.00	820,911.00
Medical	0.00	82,600.00
Administration Costs	371,582.40	499,038.00
Activity	0.00	165,200.00
Total	5,017,393.40	5,451,034.00

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	192,276.00	305,202.00
Repairs and maintenance	64,855.00	90,371.00
Local transport / travelling	65,193.00	104,822.00
Electricity and water	109,424.00	115,574.00
lunch	2,918,708.00	2,803,729.00
Administration costs	63,363.00	2,990.15
Activity	8,744.00	12,911.00
Fee on boarding equipments & stores	890,387.00	1,201,982.00

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

Students ID and File	21,703.00	84,318.00
Total	4,334,653.00	4,817,830.15

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
KCSE	0.00	-
Uniform	5,900.00	-
Income From Farming Activities	1,200.00	-
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Total	7,100.00	-

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

5 Payments For Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books	91 520.00	233,310.00
Laboratory Equipment	710 250.00	476,475.00
Internal Exams	70 616.00	-
Teaching / Learning Materials	-	43,000.00
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	246.00	-

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

Total	872,632.00	752,785.00
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(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	705,978.00	1511575.00
Service Gratuity	0.00	0.00
Administration Cost	1,243,433.00	792,419.00
Repairs And Maintenance & Improvements	154,470.00	0.00
Local Transport / Travelling	360,860.00	847,631.00
Electricity And Water	230,046.00	159,080.00
Medical	5,510.00	12,020.00
Activity Expenses	25,660.00	503,179.00
Smasse	0.00	0.00
Insurance Cost	0.00	0.00
Bank Charges	2,432.50	360.00
Acquisition Of Assets	384,755.00	639,040.00
Total	3,113,144.50	4,465,304.00

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	162,571.00	400,198.00
Id/file	0.00	20,250.00
Repairs And Maintenance & Improvements	18,700.00	8,950
Local Transport / Travelling	105,800.00	18,235
Electricity And Water	115,040.00	422,810
Medical Expenses	0.00	0.00
Administration Costs	226,352.00	69,132.00
Lunch Programme	2,395,786.00	1,788,515
Bank Charges	0.00	0.00
Expenses On Income Generating Activities- farm	115,840.00	0.00
Fee On Boarding Equipment and Stores	833,455.00	682,819.00
Activity		2,775.00
KCSE		
Welfare sacco		
Uni form		
Acquisition Of Assets		
Total	3, 973, 544.00	3,413,684.00

*(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

(Indicate actual name of the School)

Reports 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	1102950394	114,821.00	38,108.00
Operations Account	0570291736495	876,891.07	20,362.67
School Fund Account/Boarding	1102934208	(343,287.45)	(209,182.45)
Savings Account	1106792963	13,466.45	13,466.45
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account	0570280111751	1,662,592.50	1,173,780.00
Total		2,324,483.57	1,036,531.67

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	0.00	5,474.00
School Fund account	49,659.80	13,434.80
Total	49,659.80	18,908.80

10 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

(Indicate actual name of the School)

Reports 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	5,921,704.00	5,223,731.00
Other Non-Fees Receivables		
Salary Advances	53,000.00	20,000.00
Imprest		
Total	5,974,704.00	5,243,731.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	78,090.00	1,033,482.00
Fees Arrears For The Previous Year	951,365.00	471,684.00
Fees Arrears For Prior Periods (Over Two Years)	4,190,249.00	3,718,565.00
Total	5,921,704.00	5,223,731.00

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,194,677.00	1,168,285.00
Prepaid Fees	230,250.00	372,870.00
Retention Monies		
Total	1,424,927.00	1,541,155.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year	1,144,386.00	1 168 285.00
Trade Creditors for The Previous Year	49,841.00	(2 546 055.00)
Trade Creditors for Prior Periods (Over Two Years)		2 546 055.00
Total	1,194,677.00	1 168 285.00

(Indicate actual name of the School)

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	2,321,493.42	1,036,534.67
Cash Balances	49,659.80	18,908.80
Short Term Investments		
Receivables	5,974,704.00	5,243,731.00
Payables	(1,424,927.00)	(1,541,155.00)
Total	6,920,930.22	4,758,019.47

(Indicate actual name of the School)

Reports 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		-	-
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	-	-

(Indicate actual name of the School)

Reports 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) Inventory		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
Balance at end of the year	-	-



(Indicate actual name of the School)
Reports and Financial Statements For the year ended 30th June 2021

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)



 Sign and Date 24/7/2023
 Principal

P.C.E.A KARAI MIXED SEC. SCHOOL
 P.O. Box 138 - 00902 KIKUYU

Date:.....Sign:.....

(Indicate actual name of the School)
Reports 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 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
Construction Of Buildings						
1. NONE						N0 pending creditors
Sub-Total						
Supply Of Goods						
2 . J.K STATIONERS		1 ST Jan 2021				Pending amount for stationery
3. COUNTY TRIO ENTERPRISE		1 ST Jan 2021				Pending amount for lab. Equipment & chemicals
4. TRANSPARENT GENERAL SUPPLIERS		1 ST Jan 2021				
5. PRIMAX OFFICE EQUIPMENT		1 ST Jan 2021				Pending amount for master papers & tonner cartridges
6. MARTIN KARIUKI MUTHONI		1 ST Jan 2021				Pending amount for foodstaff
7. GENX COMPUTER SOLUTIONS		1ST Jan 2021				
Sub-Total						
Supply Of Services						
Sub-Total						

(Indicate actual name of the School)
Reports and Financial Statements For the year ended 30th June 2021

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
Grand Total						

(Indicate actual name of the School)
Reports 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	36 acres					36 acres
Land 2						
Buildings And Structures						
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets						
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment		Other Machinery And Equipment				
Heritage And Cultural Assets		Heritage And Cultural Assets				
Intangible Assets- Soft Ware		Intangible Assets- Soft Ware				
Total		Total				

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

P.C.E.A KARAI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

STATIONARY INVENTORY 2021

	ITEM	UNIT	OPENING	PURCHASED	ISSUED	CLOSING
1	RULED EXERCISE BOOKS	PCS	432	2016	1656	792
2	SQUARE EXERCISE BOOKS	PCS	144		144	
3	RED BIROS	PCS	75	250	325	
4	BLUE BIROS	PCS		350	350	
5	BLACK BIROS	PCS		350	350	
6	WHITE OUT	PCS			0	
7	CHALK WHITE	PKTS		216	173	43
8	COLOURED CHALKS	PCS		144	144	
9	SPRING FILES	PCS			0	
10	RULED PAPERS	REAM			0	
11	DUSTERS	PCS	24		24	
12	BOX FILES	PCS		5	5	
14	RUBBERS	PCS	17		0	17
15	COUNTER BOOK 1 QUIRE	PCS	3	36	12	27
16	COUNTER BOOK 2 QUIRE	PCS		48	30	18
17	COUNTER BOOK 3 QUIRE	PCS		60	27	33
18	PENCILS	PCS		60	60	
19	GRAPH PAPERS	REAM	2	5	7	
20	RUBBER BANDS	PKTS	2	3	5	
21	GLUE PRITT	PCS	2		1	1
22	PRINTING PAPERS	REAM	40	150	160	30
23	MASKING TAPE	PCS	25		24	1
24	B4 ENVELOPE	PCS	500	500	1000	
25	COPY PRINTER MASTER PAPER	PCS		16	16	
26	A5 ENVELOPES	PCS		500	500	
31	COPY PRINTER INK	PCS		15	15	
32	MARK BOOKS	PCS			0	
33	STAPLER	PCS	5		5	
34	GRAPH BOOKS	PCS	144		0	144
35	STAPLES	PKTS		15	5	10
40	LASER JET TONNERS	PCS		6	6	

P.C.E.A KARAI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

KITCHEN INVENTORY 2021

NO	ITEM	UNIT	PRICE	INVENTORY BF 2020	VALUE	PURCHASE	ISSUE	INVENTORY 2021	VALUE
1	TEA LEAVES	PCS	35	8	280.00	120	69	59	2,065.00
2	SUGAR	KG	105	27	2,835.00	1850	1277	600	63,000.00
3	SALT	KG	28	4	112.00	240	177	67	1,876.00
4	COOKING FA	KG	168	2	336.00	290	196	96	16,128.00
5	CABBAGE	KG	21		-	9084	8884	200	4,200.00
6	RICE	KG	84	490	41,160.00	3175	2782	883	74,172.00
7	UNGA	KG	70	24	1,680.00	2016	1948	92	6,440.00
8	MAIZE	KG	70	26	1,820.00	1890	1379	537	37,590.00
9	BEAN	KG	140	170	23,800.00	2340	2239	271	37,940.00
10	DETERGENT	LTRS	42	78	3,276.00	400	414	64	2,688.00
11	SUPER BRIGH	PCS	35	11	385.00	192	50	153	5,355.00
12	STEEL WIRE	SPCS	14	5	70.00	72	74	3	42.00
13	MATCH BOX	PCS	5	147	735.00		49	98	490.00
14	ONION	KG	84		-	101	81	20	1,680.00
	TOTAL				76,489.00				253,666.00

LAB CHEMICALS AND EQUIPMENT

NO	ITEM	INVENTORY 2021
1	VOLTMETER	10
2	WHITE SCREEN PLAIN	10
3	WHITE SCEEN WITH CROSS WIRE	10
4	GLASS STIRRING RED	5
5	TEST TUBE STANDS	25
6	MOTOR AND PESTLE	5
7	VISKING TUBING 10 MTRS	0
8	MAGNESIUM RIBBON	0
9	IRON METAL POWDER	1
10	AMYLASE 25G (S)	0
11	BAR MAGNETS	5
12	PEPSIN 100GM	0
13	ALUMINIUM SO4	0
14	ALBUMIN FROM EGG	0
15	GLUCOSE PURE	0
16	PENDULUM BOB	10
17	RETORT STAND COMPLETE	15
18	CONVEX LENS F/L 10	0
19	CONNECTING WIRES	0
20	AMMETER ANALOGUE	5
21	SODIUM HYDROXIDE	0
22	THERMOMETER CLINICAL	20
23	THERMOMETER MAX & MIN	0
24	BULB TOUCH	0
25	BULB HOLDER	10
26	ROUND BOTTOM FLASK	0
27	FLAT BOTTOM FLASK	0
28	CORK BORER SET	0
29	MULTIMETER	0
30	MALEIC ACID	0
31	BIO MOTHYMOL BLUE SOLN SL	0
32	GLASS BEAKER 100ML	100
33	TEST TUBE WITH RIM	150
34	GAS CANNISTER	10
35	CROCODILE CLIPS	0
36	GLASS PRISM TRIANGULAR	40
37	CELL HOLDERS PLASTIC 2 CELLS	30
38	SPIRAL SPRING	0
39	BALL & RING APPARATUS	0
40	PENDULUM BOB SILVER	10
41	RHEOSTAT 100 OHM	10
42	RHEOSTAT 200 OHMS	0

P.C.E.A KARAI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

43	NICHROME WIRE REEL SWA 32	0
44	BEAKER GLASS 1000ML	0
45	BEAKERS PLASTIC 50 ML	25
46	MEASURING CYLINDER 50 ML	25
47	WATCH GLASS	10
48	ELECTRONIC BALANCE	0
49	BOILING TUBES 24*150	100
50	PLANE MIRROR 5CM *5CM	0
51	AMMETER 0-1A	15
52	PLASTICINE 500 GMS	0
53	MULTIMETER AVOMETER	0
54	RUBBER STOPPER	10
55	MAGNETIC PLOTTING COMPASS 25M	5
56	BURETTE ROTA FLO	15
57	WIZE GAUZE	3
	TOTAL	689

**FURNITURE
INVENTORY**

	ITEM	QUANTITY
1	BEDS	62
2	BENCHS	100
3	TABLES	50
4	CHAIRS	701
5	LOCKERS	701
6	OFFICE TABLE	53
7	OFFICE CHAIR	59
8	CABINETS	4

INVENTORY OF BOOKS 2021					
SUBJECT	FORM ONE	FORM TWO	FORM THREE	FORM FOUR	TOTAL
MATH	310	310	227	186	1033
KISW	310	310	227	186	1033
ENG	310	310	227	161	1008
PHYSICS	310	310	98	55	773
AGRICULTURE	310	174	120	83	687
CHEMISTRY	310	310	161	161	942
BIOLOGY	310	310	145	167	932
HISTORY	182	322	138	175	817
CRE	181	323	290	169	963
GEO	177	330	118	84	709

SET BOOKS

BOOKS	NUMBER
A DOLLS HOUSE	259
THE PEARL	259
BLOSSOMS	259
MEMORIES WE LOST	259
A SILENT SONG	259
CHOZI LA HERI	259
KIGOGO	259
TUMBO	
LILILOSHIBA	259
INHERITANCE	259
BEMBEA YA	
MAISHA	219
MAPAMBAZUKO	219
AN ARTS OF FLOATING WORLD	219
TOTAL	2988

(P. C. E. A KARAI SECONDARY SCHOOL)
Reports 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) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1			36 Acres	0	0	36 Acres
Buildings And Structures						
Classes			15	0	0	15
Laboratories			2	0	0	2
Toilets			36	0	0	36
Urinals			6	0	0	6
Multipurpose hall			1	0	0	1
Mabati hall			1	0	0	1
Motor Vehicles			0	0	0	0
Office Equipment, Furniture And Fittings						
Chairs			59	0	0	59
Tables			53	0	0	53
Cabinets			4	0	0	4
ICT Equipment, And Other ICT Assets						

(P. C. E. A KARAI SECONDARY SCHOOL)

Reports and Financial Statements For the year ended 30th June 2021

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Computers			24	3	12	9
Projectors			1	0	0	1
Printers			4	0	0	4
Tools And Apparatus						
voltmeter			30,000	0	0	30,000
Thermometer clinical			23,000	0	0	23,000
Thermometer Max & Min			0	0	0	0
Electronic Balance			10	0	0	10
Ammeter 0-1a			45000	0	0	45000
Ammeter analogue			15,000	0	0	15,000
Textbooks						
Math						1033
Kisw						1033
Eng						1008

(P. C. E. A KARAI SECONDARY SCHOOL)

Reports and Financial Statements For the year ended 30th June 2021

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Physics						773
Agriculture						687
Chemistry						942
Biology						932
History						817
CRE						963
Geography						709
Setbooks						2988
Other Machinery And Equipment						
Generator			1	0	0	1
Heritage And Cultural Assets			0			0
Intangible Assets- Soft Ware						
Accounting software			0	0	0	1