

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 13 JUN 2026

DAY.

Tuesday

TABLED
BY:

Hon. Naomi Wazir CBS, MP
(Deputy majority party to the)

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PARLIAMENT
OF KENYA
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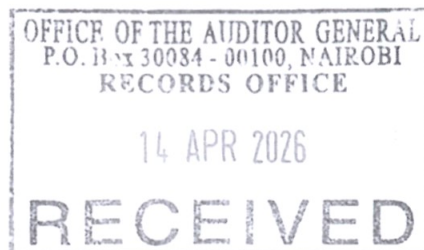
THE AUDITOR-GENERAL

ON

KATHAANA DEB SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

MACHAKOS COUNTY



**KATHAANA DEB SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR SIX MONTHS PERIOD ENDED
30th JUNE 2021**

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Background information**

Kathaana D.E. B secondary school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Machakos County, Kangundo Sub-county, Kangundo West ward.

The school was registered in **2014** under the registration number **PU/S/2/10165/14** and is currently categorized as a **sub-county school**.

Kathaana D.E. B secondary school is a **mixed day school** and had **302** students as 30th June 2021. It had two streams and **13** teachers out of which 2 were employed by the Board of management. The number of support staff stood at eight (8).

The school was established in 2012 and sits on 2 acres piece of land. It is a **DEB sponsored** school. The first infrastructure was donated by CDF which comprises of 4 classrooms and 1 administration block.

The school's present development has come through the grants from the CDF projects, parents' contribution and Ministry of Education (M.O.E). As at 30th June 2021, the school infrastructure consisted of 8 permanent classrooms, 1 Administration block and a Kitchen.

(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	Prof. Gideon Kikuvu	Chairman	28/5/2019
2	Mr. Benjamin Nzioka	Secretary- Principal	28/5/2019
3	Ms. Ruth Nzioka	Member	28/5/2019
4	Ms. Ann Mueni	Member	28/5/2019
5	Mr. Stephen Wambua	Member	28/5/2019
6	Ms. Milcah Mutuku	Member	28/5/2019
7	Ms. Mary Mutindi	Member	28/5/2019
8	Mr. Dennis Makau	Member – Rep CEB	28/5/2019
9	Ms. Catherine Mutiso	Member Rep Teachers	28/5/2019
10	Prof. Gideon Kikuvu Prof. Paul Katuse Mrs. Angela Muli	3 Members - Sponsor	28/5/2019
11	Mr. Stephen Kilonzo	Member - Community	28/5/2019
12	Mr. David Kilonzo	Member Special Needs	28/5/2019
13	Johnstone Aenea	Rep Students	28/5/2019

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	Prof. Gideon Nzuki Mr. Benjamin Nzioka Mr. Gideon Nzuki	Chairperson Member Member	3 out of 3 3 out of 3 2 out of 3
2	Audit Committee	Ms. Milcah Mutuku Mr. Dennis Makau Ms. Ruth Nzioka Ms. Catherine Mutiso	Member Chairperson Member Member	3 out of 3 3 out of 3 3 out of 3 2 out of 3
3	Finance, procurement and general purposes Committee	Ms. Milcah Mutuku Mr. Dennis Makau Ms. Ruth Nzioka Ms. Catherine Mutiso	Member chairperson Member Member	2 out of 3 3 out of 3 3 out of 3 2 out of 3
4	Academic Committee	Mr. Gideon Nzuki Ms. Catherine Mutiso Ms. Agnes Mbatha Ms. Ann Mueni	Member Chairperson Member Member	3 out of 3 3 out of 3 3 out of 3 2 out of 3
5	Development Committee	Mr. Stephen Kilonzo Prof. Gideon Kikuvu Ms. Angela Muli Mr. Benjamin Nzioka	Chairperson Member Member Member	3 out of 3 2 out of 3 3 out of 3 2 out of 3
6	Discipline and welfare Committee	Mr. Stephen Wambua Ms. Mary Mutindi Ms. Gideon Nzuki Ms. Agnes Mbatha	Chairperson Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Benjami Nzioka	341502
2	Deputy Principal	Ms. Pauline Mwinzi	371869
3	School' Account Clerk	Ms. Elizabeth Nzioka	I.D No. 26466595

(e) Schools contacts

Post Office Box: 1190-90115, Kangundo.
Telephone: 0795358285
E-mail: kaathaanas@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks:

1. Name of Bank: Equity bank
Branch: Tala
Account Number: 0900XXXXXXXXXX (Operational A/C)
2. Name of Bank: Equity Bank
Branch: Tala
Account Number: 0900XXXXXXXXXX (Tuition A/C)
3. Name of Bank: Equity Bank
Branch: Tala
Account Number: 0900XXXXXXXXXX (Infrastructure A/C)
4. Name of Bank: Equity Bank
Branch: Tala
Account Number: 0900XXXXXXXXXX (Lunch Programme)

(g) Independent Auditors

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

KATHAANA DEB 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:

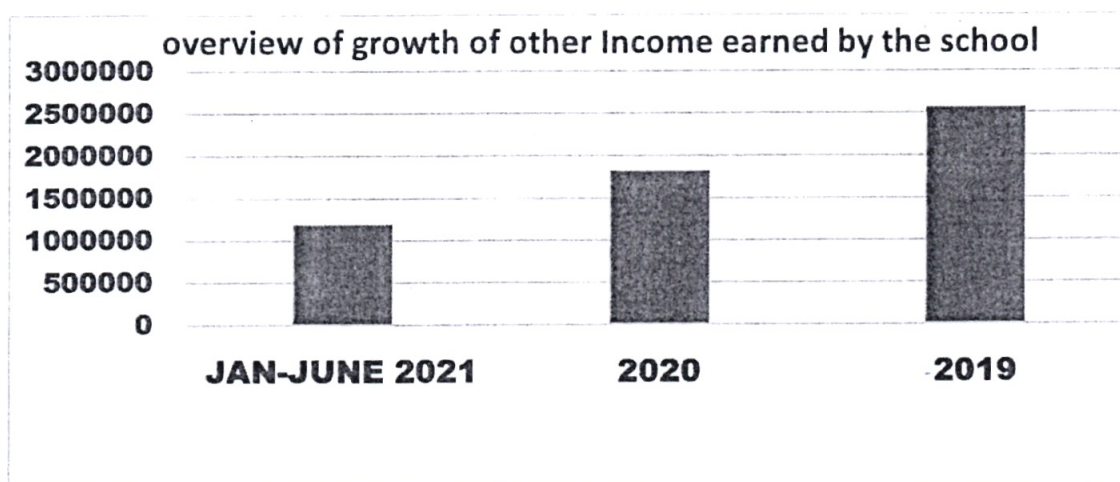
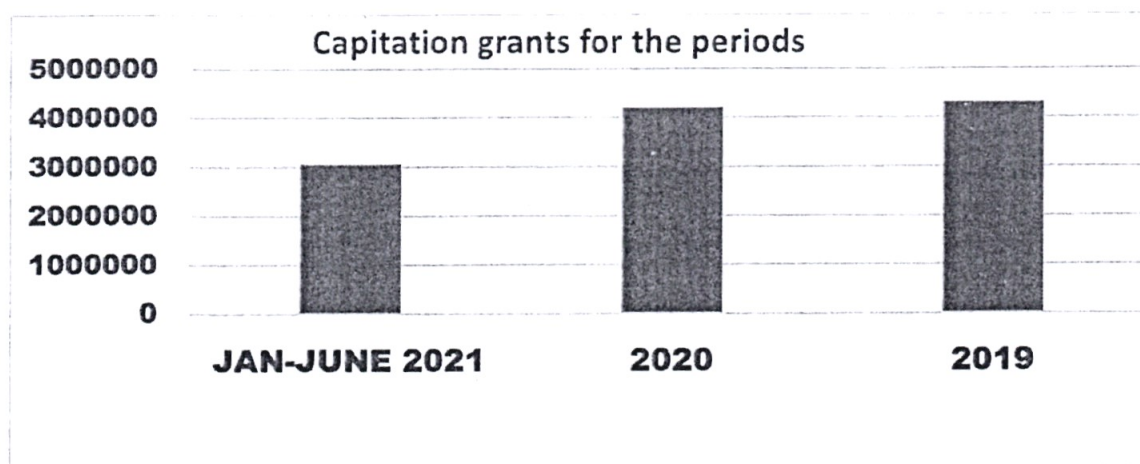
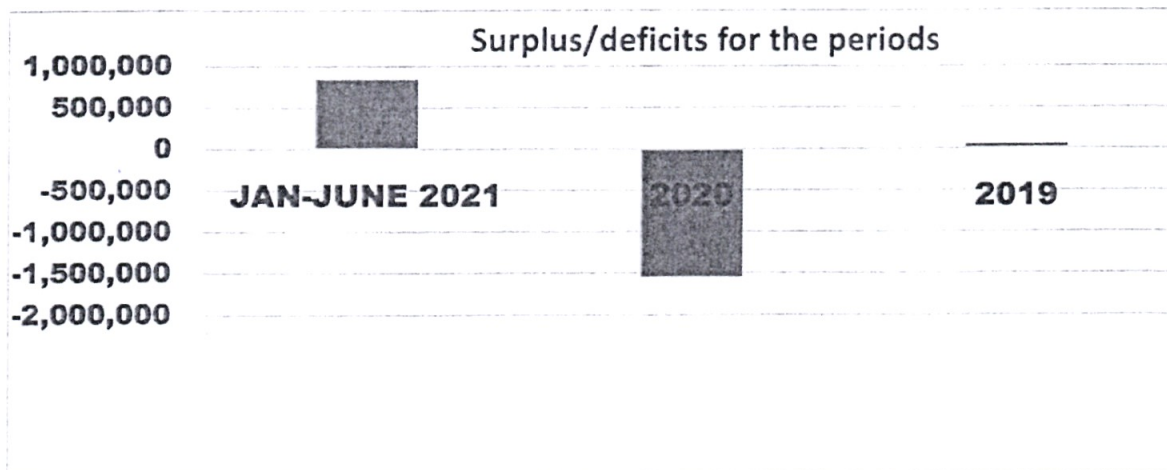
a) Financial performance:

DETAILS	JAN-JUNE 2021	2020	2019
Surplus/Deficit for the year	841,917	(1,542,853)	52,932
Capitation grants	3,050,776	4,193,946	4,297,197
Ratio of capitation grant per student	1:10,102	1:13,106	1:15,347
Overview of growth of other income earned by the school	1,192,126	1,825,057	2,561,476
Overview of growth in expenditure of the school	3,400,986	7,561,856	8,504,443
Movement of debtors of the school	1,678,802	1,398,571	5,447,619
Movement of creditors of the school	315,777	138,157	932,748
Movement of cash balances	1,198.00	-	-
Movement of bank balances	975,856	237,748	465,284

KATHAANA DEB SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

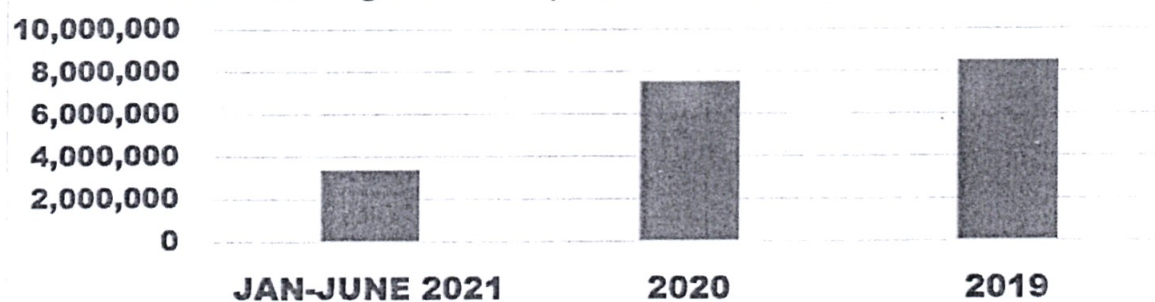
GRAPHICAL PRESENTATION OF FINANCIAL PERFORMANCE.



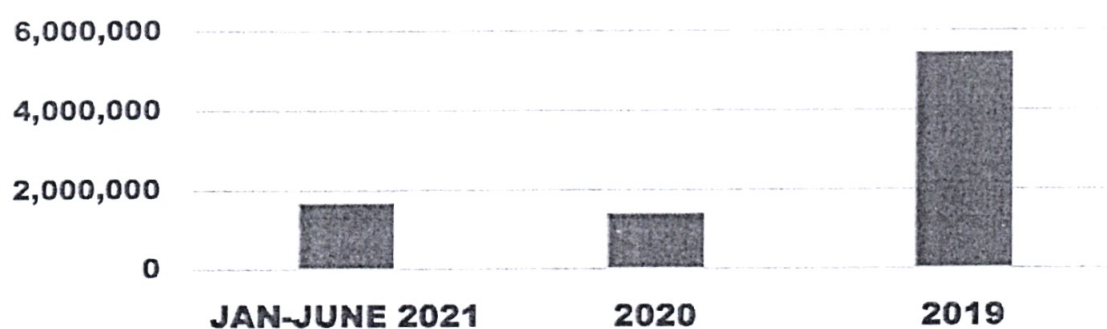
KATHAANA DEB SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

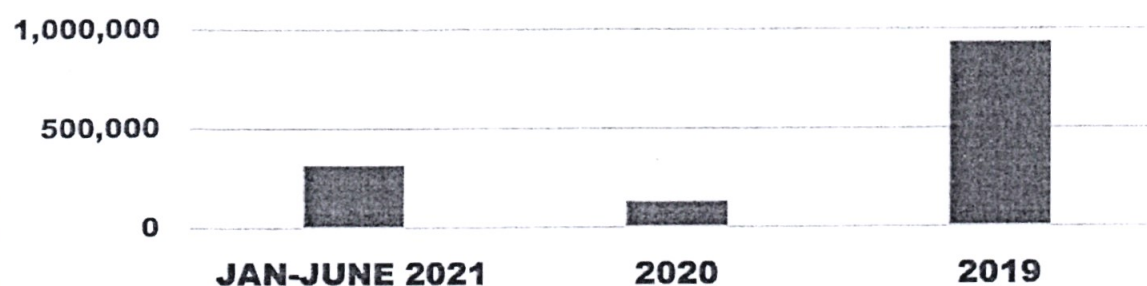
overview of growth in expenditure of the school

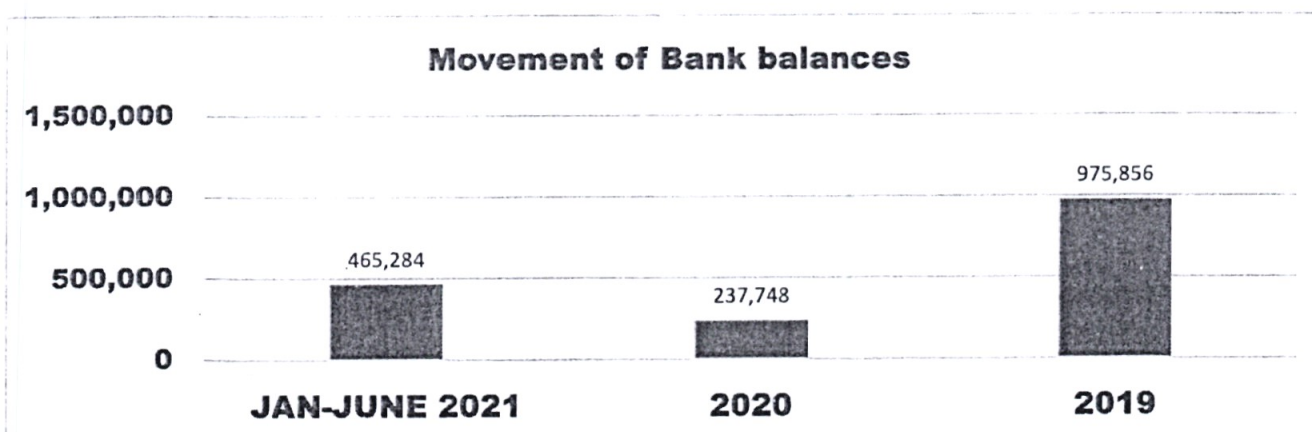
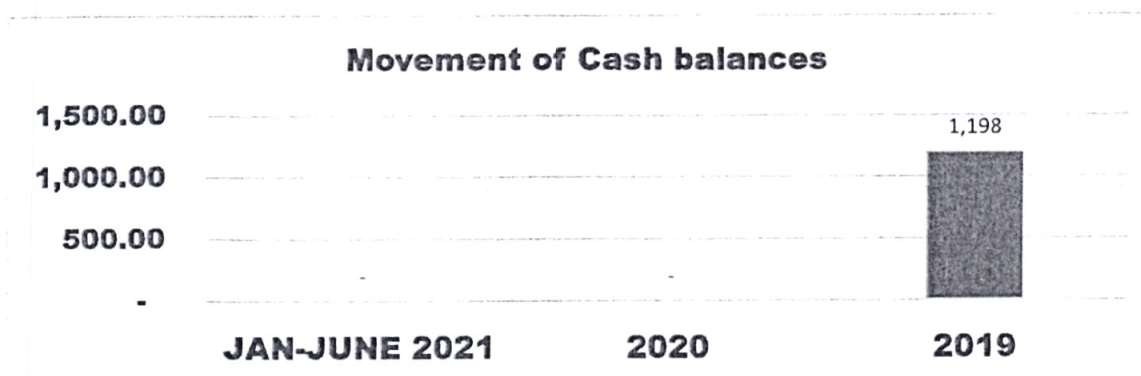


Movement of debtors



Movement of creditors



KATHAANA DEB SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2021**b) Teacher Student ratio:**

- The teacher to student ratio as at 30th June 2021 was **1:23**
- One teacher was recruited and another one posted within this period.
- The teachers in Each subject were as follows:

SUBJECT	NO OF TEACHERS
Mathematics	3
English	2
Kiswahili	3
Biology	3
Chemistry	2
Physics	1
Geography	1
History & Government	2
CRE	3
Business Studies	1
Agriculture	1
Physical Education	None

KATHAANA DEB SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

c) Mean score in the 2021 KCSE:

	2021	2020	2019
Mean Score	2.39	2.79	2.55
Comments	There was slight drop	Slight improvement	The mean was below the school set mean of 3.0
Students Admitted to Universities	None	None	1
Students Admitted to Colleges	3	10	4
Students Admitted to Vocational/Technical Institution	36	40	50

d) Number of Candidates in the 2021 KCSE:

YEAR	NO OF CANDIDATES
2021	47
2020	61
2019	66

e) Capacity of the school:

NO OF STUDENTS	FACILITY	NO OF FACILITIES	STUDENT-FACILITY RATIO
302	Classroom	8	38:1
	Laboratory	0	-
	Dining Hall	0	-
	Kitchen	1	302:1
	Toilets	26	12:1
	Washing points	9	34:1
	Water source	Quarry	

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

f) DEVELOPMENT PROJECTS CARRIED OUT BY THE SCHOOL:

PROJECTS	SOURCE OF FUNDS	STATUS (KSHS.)	INITIAL COST (KSHS.)	AMOUNT SPENT (KSHS)	EXPECTED COMPLETION TIME
Repairs	-	-	-	17,481	Complete

Name: KYENGO KATHA MAWU
Designation: Chairman, School Board of Management

Sign: [Signature]

Date: 13/4/2026

Name: VIRGINIA M. MULI
Designation: School Principal & Secretary to Board of Management

Sign: [Signature]

Date: 13/4/2026

Name: ELIZABETH M. NZUKA
Designation: Bursar/ Finance Officer

Sign: [Signature]

Date: 13/4/2026



KATHAANA DEB 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.

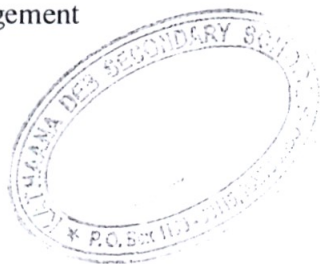
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Kathaana DEB 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 these school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: KYENGA KATHA MANGE
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 13/4/2021

Name: VIRGINIA M. MULI
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 13/4/2021



Name: ELIZABETH M. NZOKA
Designation: Bursar/ Finance Officer
Sign: [Signature]
Date: 13/4/2021

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 KATHAANA DEB SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - MACHAKOS COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kathaana DEB Secondary School set out on pages 1 to 15, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments,

Report of the Auditor-General on Kathaana DEB Secondary School for the Six (6) Months' Period ended 30 June, 2021-Machakos County

statement of cash flows and statement of budgeted versus actual amounts, for the six (6) months' period 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 Kathaana DEB 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

The statement of receipts and payments reflects the parents' contribution of Kshs.1,187,626 as disclosed in Note 3 to the financial statements. However, the supporting schedule reflects an amount of Kshs.1,700,781 resulting in unexplained variance of Kshs.513,155. In addition, the statement of budgeted versus actual amounts reflects expenditure budget utilization difference of Kshs.1,620,792, while the recomputed difference is Kshs.2,586,792, resulting in a variance of Kshs.966,000, which relates to zero utilization of acquisition of assets from the budgeted amount.

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

2. Unsupported Scholarships and Bursaries

The statement of receipts and payments reflects School fund income-parents' contributions of Kshs.1,187,626, which includes bursaries of unspecified amounts received from various institutions and donors. However, the School did not maintain a register or a control account for bursaries and scholarships received. As a result, there was no record detailing the amounts allocated and credited to each beneficiary student, outstanding fees, or any excess balances carried forward.

In the circumstances, the accuracy and completeness of parents' contributions Kshs.1,187,626 could not be confirmed.

3. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.1,678,802, which includes a balance of Kshs.1,663,802 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the fees arrears are debtors amounting to Kshs.417,190, which have been outstanding for more than two (2)

years. However, the School had no policy in place for the impairment of long-outstanding fee arrears, casting doubt on the fair presentation of the accounts receivable balance.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.417,190 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kathaana DEB 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.5,832,092 and Kshs.3,988,157 respectively, resulting to under-funding of Kshs.1,843,935 or 32% of the budget. However, the School spent an amount of Kshs.3,245,300 out of actual receipts of Kshs.3,988,157 resulting in over-utilization of Kshs.742,857 or 19% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance

on the comparative information. My audit opinion on the current period financial statements is not modified in respect of this matter.

Other Information

Management is responsible for the Other Information set out on page iii to xii which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of the School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for effects of 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 expenditure on payments for operations of Kshs.2,090,460 as disclosed in Note 6 to the financial statements. Included in this expenditure is Kshs.342,260 in respect of transfers to the 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 the 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.342,260 could not be confirmed.

2. Late Submission of Financial Statements for Audit

The financial statements for the year under review were submitted for audit on 27 March, 2025 after the statutory deadline of 30 September, 2021. This was contrary to

the Ministry of Education Circular Ref. No. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021, which required the School's financial statements to be submitted by 30 September, 2021.

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

3. Non-Compliance with Law on Staff Composition

Review of staff bio data revealed that all eight (8) non-teaching staff engaged by the School Board of Management are drawn from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one-third of its staff from the same ethnic community.

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

4. Irregularities in the Procurement Process

4.1 Irregular Use of Low-Value Procurement

During the year under review, the School incurred a total expenditure of Kshs.3,400,985. Included in this expenditure is an amount of Kshs.1,755,323 for goods and services that were procured using the low-value procurement method. However, the amount exceeds the allowable threshold matrix of Kshs.50,000 per item in a financial year as stipulated in the Second Schedule threshold matrix of the Public Procurement and Asset Disposal Regulations, 2020.

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

4.2 Failure to Prepare an Annual Procurement Plan

During the year under review, the School Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020, which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

4.3 Failure to Register Suppliers

During the year under review, the School Management did not maintain a list of registered suppliers. This was contrary to Section 57(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which provides that the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works, or services according to its procurement needs.

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

5. Failure to Pay Outstanding Accounts Payables as a First Charge

The statement of financial assets and liabilities reflects accounts payable balance of Kshs.315,777 as disclosed in Note 12 to the financial statements that were not settled

during the year but were instead carried forward to the financial year 2021/2022. Included in this balance are payables amounting to Kshs.127,592, which have been outstanding for over two (2) years. No reason was provided for the delay in paying the creditors as a first charge to the budget contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 and The National Treasury Circular No. 10-2020 of 16 June, 2020 on prioritization of pending bills.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Audit Review

During the year under review, the School had not constituted an Audit Committee as required by Regulation 166(2) of the Public Finance Management (National Government) Regulations, 2015, which states that each year the Audit Committee shall carry out an annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report. Further, Section 61(2)(d) of the Basic Education Act, No. 14 of 2013, requires the Board of Management to establish an Audit Committee among other Board committees.

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

2. Lack of Approved Human Resource Instruments

During the year under review, the School had ten (10) staff members hired by the Board of Management. Records indicate that eight (8) non-teaching staff were paid salaries totalling Kshs.872,306. However, the School did not have key human resource instruments, including employment contracts, an approved Human Resource Policies and Procedures Manual, a Scheme of Service and an established Salary Structure in place. As a result, there was no clear framework outlining how vacancies were identified,

recruitment processes were conducted and how staff were remunerated. Further, no evidence was provided to confirm that statutory deductions for pension funds and gratuity payments were remitted.

In the circumstances, the existence of structured human resource management practices could not be confirmed.

3. Ineffective Accounting System

Review of the accounting system revealed that the School uses an accounting software to manage School fee payments and student receivables. However, key documents, including the purchase contract, service level agreement and certificate of approval, were not provided for review. Further, the system could not generate essential financial and management reports, including students' master data, aging analysis of student debtors and prepayments, and summaries of amounts invoiced, paid and balance at the end of the financial year.

In the circumstances, Management did not realize the intended operational effectiveness and operational benefits of the system.

4. Deficiencies in Management of Textbooks

During the financial year, the School received books from the Kenya Institute of Curriculum Development and suppliers. However, stores records indicating issuance, returned books list, list of lost and replaced books, and closing balances of books in the library were not maintained.

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

5. Weaknesses in Management of Assets

The School occupies a land of unknown acreage and undetermined value, demarcated from Kathaana Primary School, donated through the School Management Committee minutes dated 4 March, 2021. However, the School is yet to engage a surveyor for subdivision and transfer the title deed to its name.

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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 April, 2026

KATHAANA DEB SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2021**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD TO 30TH JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	JAN-JUNE 2021	JAN-DEC 2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	420,098	757,671
Capitation grants for operations	2	2,630,678	3,436,275
School Fund Income- Parents' Contributions	3	1,187,626	1,825,057
School Fund Income- Other receipts	4	4,500	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		4,242,902	6,019,003
PAYMENTS			
Payments for Tuition	5	430,186	772,799
Payments for operations	6	2,090,460	4,443,709
Boarding and school fund payments	7	880,339	2,345,348
TOTAL PAYMENTS		3,400,985	7,561,856
SURPLUS/DEFICIT		841,917	(1,542,853)

The School's financial statements were approved on 13/04/2026 and signed by:Name: KYENGO KATHA MAWU
Chairman, BoM

Sign: _____

Date: 13/4/2026Name: VIRGINIA M. Muli
School Principal/Secretary to BoM

Sign: _____

Date: 13/4/2026Name: ELIZABETH M. NZOKA
Bursar/Finance

Sign: _____

Date: 13/4/2026

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

	Note	JAN-JUNE 2021	JAN-DEC 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	975,856	234,197
Cash Balances	9	1,198	-
Short term Investment	10	-	-
Total Cash and cash equivalent		977,054	234,197
Account's receivables	11	1,678,802	1,398,571
TOTAL FINANCIAL ASSETS		2,655,856	1,632,768
FINANCIAL LIABILITIES			
Accounts Payables	12	315,777	134,606
NET FINANCIAL ASSETS		2,340,079	1,498,162
REPRESENTED BY			
Accumulated Fund b/fwd	13	1,498,162	3,041,015
Surplus/Deficit for the year		841,917	(1,542,853)
NET FINANCIAL POSSITION		2,340,079	1,498,162

The School's financial statements were approved on 13/04/2026 and signed by:

Name: Kyensonk Mawleu
Chairman, BoM

Sign: [Signature]

Date: 13/4/2026

Name: VIRGILIA M. Mulu
School Principal/Secretary to
BoM

Sign: [Signature]

Date: 13/4/2026

Name: ELIZABETH M. Ndirika
Bursar/Finance

Sign: [Signature]

Date: 13/4/2026



KATHAANA DEB 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**

		JAN-JUNE 2021	JAN-DEC 2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	420,098	757,671
Capitation grants for operations	2	2,630,678	3,436,275
School fund income- Parents contributions/ fees	3	932,881	1,423,330
School fund income- other receipts	4	4,500	-
Total receipts		3,988,157	5,617,276
Payments			
Payments for Tuition	5	295,286	772,799
Payments for operations	6	2,069,675	3,197,787
Boarding and school fund payments	7	880,339	461,227
Total payments		3,245,300	4,431,813
Net cashflow from operating activities		742,857	1,185,463
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	(1,424,411)
Proceeds from investments		-	-
Purchase of investments		-	(1,424,411)
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		742,857	(238,948)
Cash and cash equivalent at BEGINNING of the year		234,197	473,145
Cash and cash equivalent at END of the year		977,054	234,197

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS by PSASB.

The School's financial statements were approved on 13/04/2026 and signed by:

Name: KYENGO K. MAULEU
Chairman, BoM

Sign: [Signature]

Date: 13/4/2026

Name: VIRGINIA MUKI
School Principal/Secretary to BoM

Sign: [Signature]

Date: 13/4/2026

Name: ELIZABETH M. H219KA
Bursar/Finance

Sign: [Signature]

Date: 13/4/2026



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	Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Teaching / learning materials	747,684	-	747,684	420,098	327,586	56%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	872,208	-	872,208	916,946	(44,738)	105%
Repairs and maintenance	966,000	-	966,000	884,000	82,000	92%
Local transport / travelling	127,200	-	127,200	96,454	30,746	76%
Electricity and water	65,000	-	65,000	13,500	51,500	21%
Medical	322,000	-	322,000	-	322,000	0%
Administration costs	800,000	-	800,000	719,778	80,222	90%
Activity	483,000	-	483,000	-	483,000	0%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	-	-	-	-	-	-
Lunch Programme	1,449,000	-	1,449,000	869,581	579,419	60%
Prepaid fees	-	-	-	17,500	(17,500)	-
Arrears recovered	-	-	-	45,800	(45,800)	-
OTHER INCOME						
Tender fees	-	-	-	4,500	(4,500)	-
TOTAL INCOME	5,832,092	-	5,832,092	3,988,157	1,843,935	68%

KATHAANA DEB 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	Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	747,684	-	747,684	293,665	454,019	39%
Bank Charges	-	-	-	1,621	(1,621)	-
		-	-			-
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	872,208	-	872,208	732,900	139,308	84%
Repairs, maintenance & improvements	-	-	-	411,405	(411,405)	-
Local transport / travelling	127,200	-	127,200	86,000	41,200	68%
Electricity, water and conservancy	65,000	-	65,000	-	65,000	0%
Medical	322,000	-	322,000	-	322,000	0%
Administration costs	800,000	-	800,000	347,008	452,992	57%
Activity Expenses	483,000	-	483,000	356,260	126,740	74%
Acquisition of an asset /RMI	966,000	-	966,000	-	-	-
SMASSE	-	-	-	-	-	-
Payment for creditors	-	-	-	127,592	(127,592)	-
Bank Charges	-	-	-	8,830	(8,830)	-
Advance salary given out	-	-	-	15,000	(15,000)	-
Statutory recovered but unpaid	-	-	-	(15,320)	15,320	-
(3) EXPENDITURE FOR SCHOOL FUND						

KATHAANA DEB 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	Kshs	Kshs
Personnel emoluments	-	-	-	-	-	-
Lunch programme	1,449,000	-	1,449,000	878,299	570,701	61%
Bank charges	-	-	-	2,040	(2,040)	-
TOTAL EXPENDITURE	5,832,092		5,832,092	3,245,300	1,620,792	56%

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

- i. On the capitation grant on tuition under teaching and learning materials we have a 56% of utilization. This is because of underfunding from the government therefore affecting negatively the budget.
- ii. On the capitation grant on operation account under EWC we have a 21% of utilization, this is because the capitation granted was not in full therefore the allocation on the vote head was reduced since we did not have bills, and also we have planned for wiring on the classrooms which was never done.
- iii. On the Capitation grant on Operational account under medical we have a 0% of utilization since we didn't receive funds for the vote head from the government.
- iv. On the Capitation Grant on Operational account under activity we have a 0% of utilization since the government didn't disburse any money for activity since it was discouraged by the government due to risk spreading covid 19.
- v. On payment on Tuition under teaching and learning materials we have a 39% of utilization. This is because some of the teaching and learning materials (exercise books and printing papers) we had planned to purchase were not purchased because the form 4 class left early by one term as the calendar was disrupted by Covid -19.
- vi. On the payments on Operational account under EWC the expenditure on the votehead was reduced since we did not have high bills, also we had planned for wiring on the classrooms which was never done, the low power bill was settled with school fund account.
- vii. On the payments on operational account under infrastructure account, the money were used as RMI in the operations account and the rest were transferred to Infrastructure account.

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.

KATHAANA DEB SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

Annual Report 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. The figures of the financial statements may not be comparable because the comparative year is for a longer period.

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.

KATHAANA DEB 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**

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Textbooks and reference materials	-	757,671
Teaching / learning materials	420,098	-
Total	420,098	757,671

2 CAPITATION GRANT FOR OPERATIONS

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Personnel emoluments	916,946	-
Repairs and maintenance	884,000	1,000,000
Local transport / travelling	96,454	-
Electricity and water	13,500	-
Medical	-	61,400
Administration costs	719,778	-
Activity	-	230,250
others	-	2,144,625
Total	2,630,678	3,436,275

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Lunch programme	1,187,626	1,825,057
Total as per receipts and payments	1,187,626	1,825,057
Add fees arrears recovered during the year	45,800	605,688
Add prepaid fees for the year	17,500	7,014
Less fees arrears for the current year	(311,031)	(981,381)
Less prepaid fees for previous year	(7,014)	(33,048)
Total as per the cash flow statement	932,881	1,423,330

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
tenders	4,500	-
Total	4,500	-

KATHAANA DEB SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30th June 2021****NOTES TO THE FINANCIAL STATEMENTS (Continued)****5 PAYMENTS FOR TUITION**

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Reference/Library materials	-	770,437
Teaching / learning materials	428,565	-
Bank Charges	1,621	2,362
Total as per receipts and payments	430,186	772,799
Less creditors for the year	134,900	-
Total as per the cash flow statement	295,286	772,799

6 PAYMENTS FOR OPERATIONS

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Personnel emoluments	872,306	-
Administration Cost	347,008	-
Repairs and maintenance & improvements	411,405	437,136
Local transport / travelling	86,000	-
Activity Expenses	356,260	329,085
Others	-	2,253,077
Acquisition of Assets	17,481	1,424,411
Total as per receipts and payments	2,090,460	4,443,709
Add creditors paid	127,592	178,489
Less creditors for the year	(163,377)	(1,424,411)
Add salary advance given to employees	15,000	-
Total as per the cash flow statement	2,069,675	3,197,787

7 BOARDING AND SCHOOL FUND PAYMENTS

	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Personnel emoluments	-	-
Lunch Programme	878,299	2,343,128
Bank Charges	2,040	2,220
Total as per receipts and payments	880,339	2,345,348
Less creditor	-	(1,884,121)
Total as per the cash flow statement	880,339	461,227

KATHAANA DEB 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	JAN-JUNE 2021 Kshs	JAN-DEC 2020 Kshs
Tuition Account	0900xxxxxxxxxx(Equity Bank –Tala Branch)	124,226	(585)
Operations Account	0900 xxxxxxxxxxx (Equity Bank – Tala Branch)	574,892	166,488
School Fund Account/Boarding	0900 xxxxxxxxxxx (Equity Bank –Tala Branch)	101,971	46,127
Infrastructural Account	0900 xxxxxxxxxxx (Equity Bank- Tala Branch)	174,767	22,167
Total		975,856	234,197

9 CASH IN HAND

Description	JAN-JUNE 2021 Kshs	JAN-DEC 2020 Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	1,198	-
Total	1,198	-

10 SHORT TERM INVESTMENTS

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

KATHAANA DEB 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	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Fees arrears	1,663,802	1,398,571
Other non-fees receivables	-	-
Salary advances	15,000	-
Imprest	-	-
Total	1,678,802	1,398,571

Ageing of the fees / non fees arrears

Description	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Fees arrears for current year	307,531	981,381
Fees arrears for the previous year	939,081	417,190
Fees arrears for prior periods (over two years)	417,190	-
Total	1,663,802	1,398,571

12 ACCOUNTS PAYABLE

Description	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	298,277	127,592
Prepaid fees	17,500	7,014
Retention monies	-	-
Total	315,777	134,606

An ageing of the creditor's arrears

Description	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Trade creditors for current year	298,277	-
Trade creditors for the previous year	-	127,592
Trade creditors for prior periods (over two years)	127,592	-
*Less creditors paid but not adjusted (operational A/C)	(127,592)	-
Total	298,277	127,592

KATHAANA DEB SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

13 FUND BALANCE BROUGHT FORWARD

Description	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Bank balances	975,856	234,197
Cash balances	1,198	-
Short Term Investments	-	-
Receivables	1,678,802	1,398,571
Payables	(315,777)	(134,606)
Total	2,340,079	1,498,162

KATHAANA DEB 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	JAN-JUNE 2021	JAN-DEC 2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	JAN-JUNE 2021	JAN-DEC 2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	60	12,000	10,000
Coffee or tea plantation		-	-
Poultry		-	-
Total	60	12,000	10,000

16 Borrowings

Description	JAN-JUNE 2021	JAN-DEC 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	-	-

17 Stock/ Inventory

Description	JAN-JUNE 2021	JAN-DEC 2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	32,000	14,000
Stock/ inventory purchased during the year	901,000	3,223,128
Stock/ inventory issued during the year	903,000	3,205,128
Balance at end of the year	30,000	32,000

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)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
Sub-Total	-			-		
Supply of goods						
1. Netways computers	134,900	Jan 2021	Nil	Nil	134,900	To be cleared when the next FDSE funds will be disbursed
2. Drawboard limited	17,481	Jan 2021	Nil	Nil	17,481	To be cleared when the next FDSE funds will be disbursed
3.					152,381	
Sub-Total	152,381					
Supply of services						
Salaries for support staff and BOM teachers	130,576	June 2021	-	-	130,576	To be cleared in July 2021
NHIF	3,900	June 2021	-	-	3,900	To be cleared in July 2021
NSSF	9,576	June 2021	-	-	9,576	To be cleared in July 2021
HELB	1,844	June 2021	-	-	1,844	To be cleared in July 2021
Sub-Total	145,896					
Grand Total	298,277				298,277	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	-	Kathaana	-	-	-	-
Land 2	-	-	-	-	-	-
Buildings and structures	2015-2021	kathaana	15,000,000	-	-	15,000,000
Motor vehicles	-	-	-	-	-	-
Office equipment, furniture and fittings	2018-2021	kathaana	500,900	17,481	-	518,381
ICT Equipment, and Other ICT Assets	2017-2021	kathaana	100,000	-	-	100,000
Tools and apparatus	-	kathaana	-	-	-	-
Textbooks	2016-2021	kathaana	200,000	-	-	200,000
Other Machinery and Equipment	2018-2021	kathaana	300,000	-	-	300,000
Heritage and cultural assets	-	kathaana	-	-	-	-
Intangible assets- soft ware	-	Kathaana	-	-	-	-
Total			16,100,900	17,481		16,118,381

