

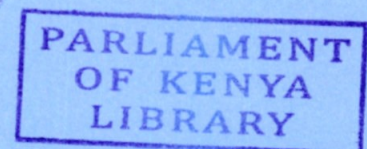
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUN 2026	DAY: WEDNESDAY
TABLED BY:	HON. OWEN BAYA, MP DEPUTY LEADER OF MAJORITY
CLERK-AT THE TABLE:	RUTH N GINTO

REPORT



OF

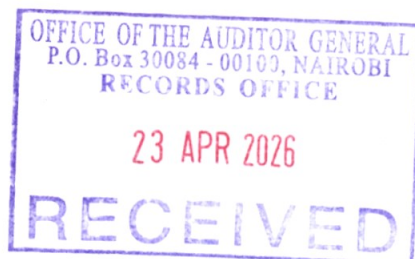
THE AUDITOR-GENERAL

ON

MOI KADZONZO GIRLS SECONDARY

**FOR THE YEAR ENDED
30 JUNE, 2022**

KILIFI COUNTY



**MOI KADZONZO GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

MOI KADZONZO GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
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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 Kilifi County, Kaloleni Sub-County

The school was registered in 9/3/2021 under registration number 035/3000/0164 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 1137 number of students as at 30th June 2022. It has 24 streams and 48 teachers of which 22 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	Reuben nyale	Chairman	5/7/2019
2	Phanice a. oduol	Secretary - Principal	5/7/2019
3	Mohamed amaya	Member	5/7/2019
4	Eric mwannyae	Member	5/7/2019
5	Joel chibindo	Member	5/7/2019
6	Rehema nyamu	Member	5/7/2019
7	Sabina ramadhan	Member	5/7/2019
8	Kombe nzai randu	Member – Rep CEB	5/7/2019
9	David chivatsi	Member Rep Teachers	5/7/2019
10	Severinus mzungu	3 Members - Sponsor	5/7/2019
11	Peter nzai	Member - Community	5/7/2019
12	Anthony lugange	MemberSpecial Needs	5/7/2019
13	Mwabonje alex	Member	5/7/2019

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	1.Phanice a. oduol 2.Mohamed amaya 3.Kombe ndzai 4.Sabina ramadhani	Principal Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	1.Phanice a. Oduol 2. Rachael kavata 3. Edward chivatsi 4. Peter nzai 5. Mohamed amaya 6. Sabina ramadhan	Principal Member Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
3	Finance,procurement and general purposes Committee			
4	Academic Committee	1.Severinus mzungu 2. Kombe ndzai 3. David chivatsi 4. Anthony lugange	Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee			
6	Discipline and welfare Committee	1.Rev.chibindo nzaka 2.Mwabonje alex 3. Rehema nyamu 4. Eric mwannyae	Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
7	Adhoc Committee (if any during the year)			

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(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Phanice a. oduol	463843
2	Deputy Principal	Lilly a sanyo	
3	School Bursar	Edward chivatsi	Id:4581508

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: P.O BOX 239-80113 MARIAKANI
Telephone: 0111594656
E-mail: mkadzonzoz@yahoo.com

(f) School Bankers

1. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1107807743 BOARDING A/C
2. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1107816831 OPERATION A/C
3. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1107811112 TUITION A/C
4. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1167941160 P.E A/C
5. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1124747427 BUS A/C
6. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1105886778 P.A A/C
7. Name of Bank: KCB BANK
Branch: MARIAKANI
Account Number: 1236226739 INFRASTRUCTURE A/C
8. MPESA Pay Bill No. 522123 attached to KCB bank account NO.60037K

**MOI KADZONZO GIRLS SECONDARY SCHOOL
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(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

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

2021 – 2022	Jan 2020-june 2021	Jan 2019-dec 2019
3,522,484	(8,173,745)	(978,437)

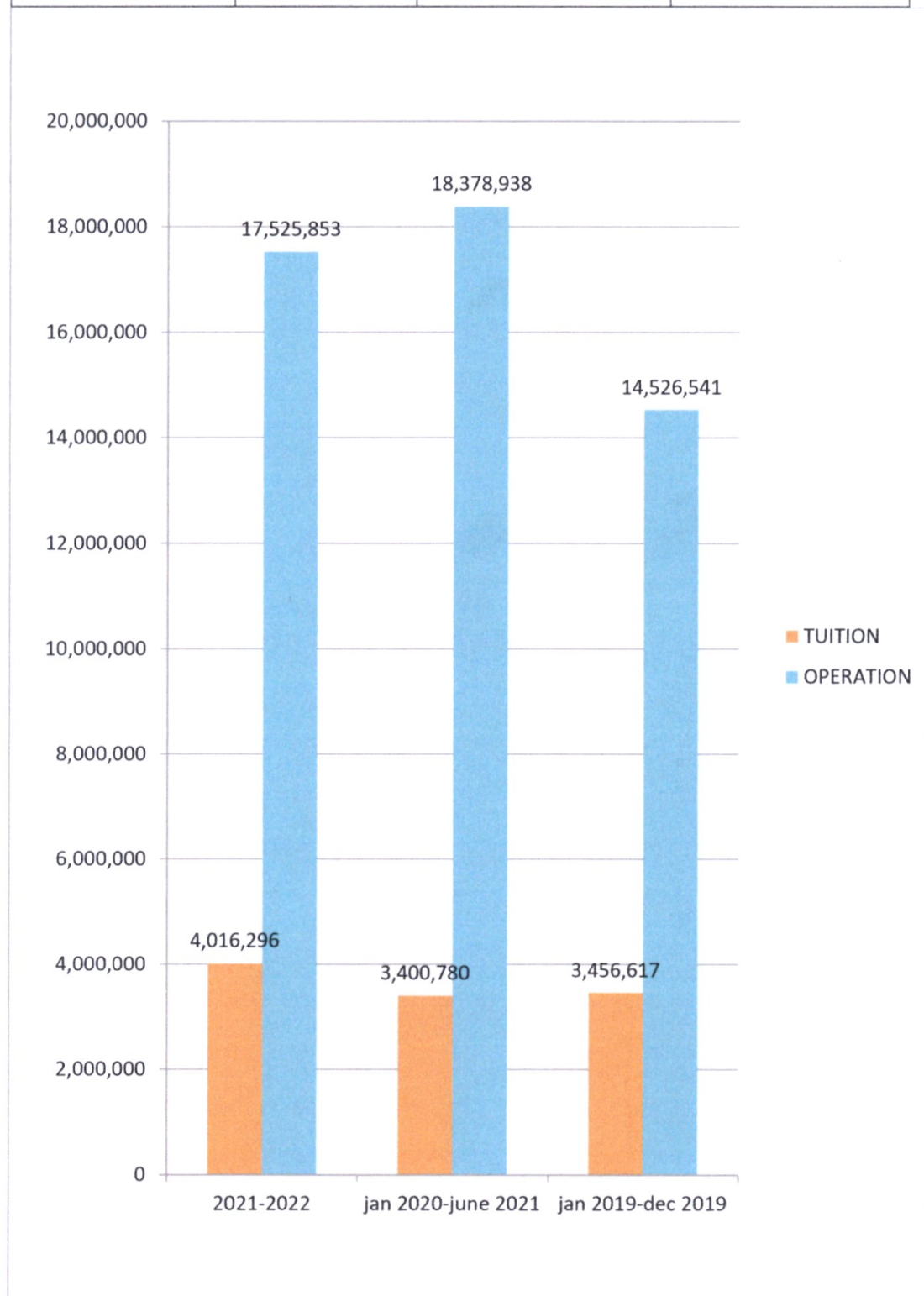
SURPLUS/DEFICIT COMPARISON



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

	2021-2022	Jan 2020-june2021	Jan 2019-dec2019
Tuition a/c	4,016,296	3,400,780	3,456,617
Operation a/c	17,525,853	18,378,938	14,526,541



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

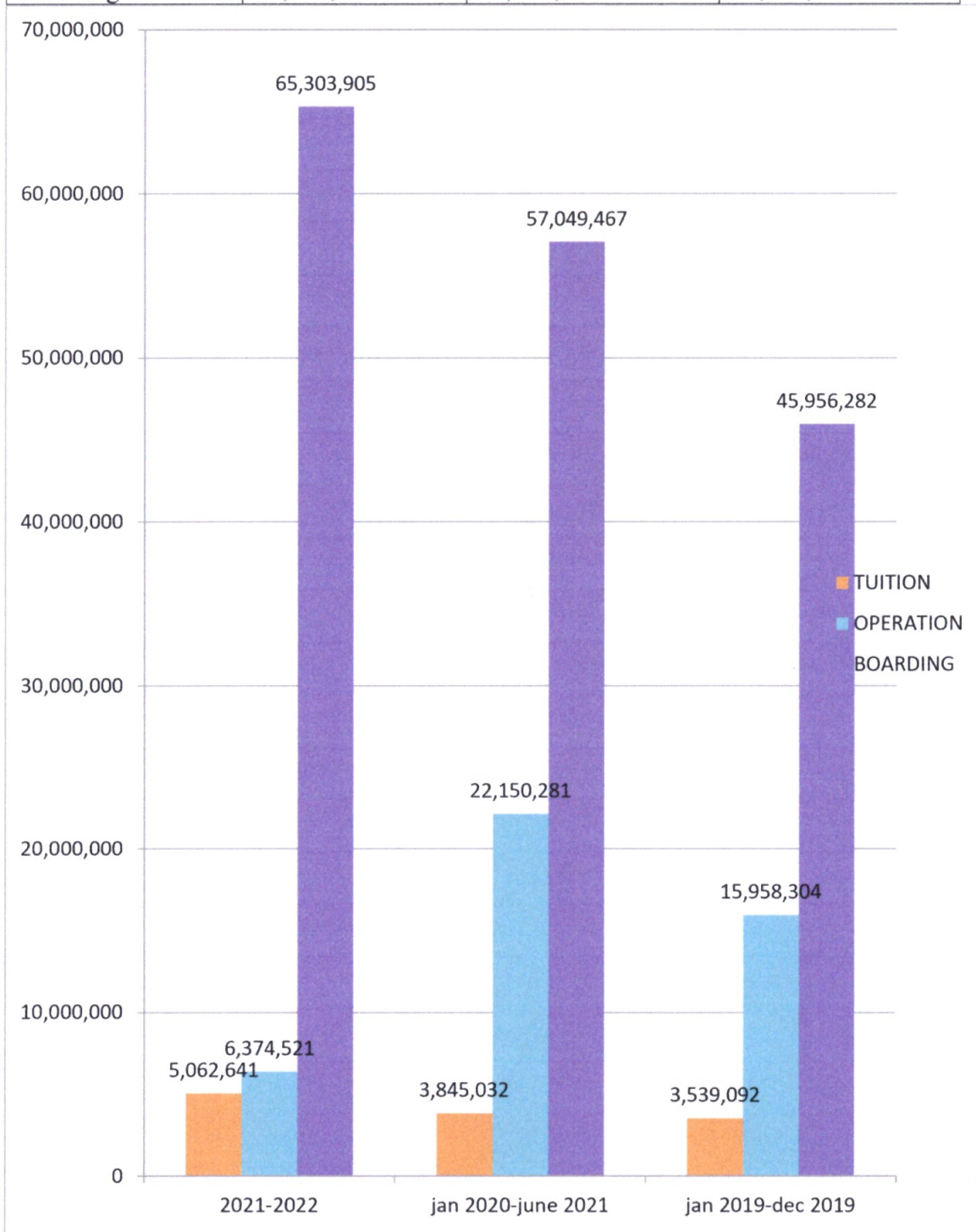
Boarding a/c	2021-2022	Jan 2020-june2021	Jan 2019-dec2019
	58,721,400	53,091,317	46,492,083



MOI, KADZONZO GIRLS SECONDARY SCHOOL
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- A three-year overview of growth in expenditure of the school

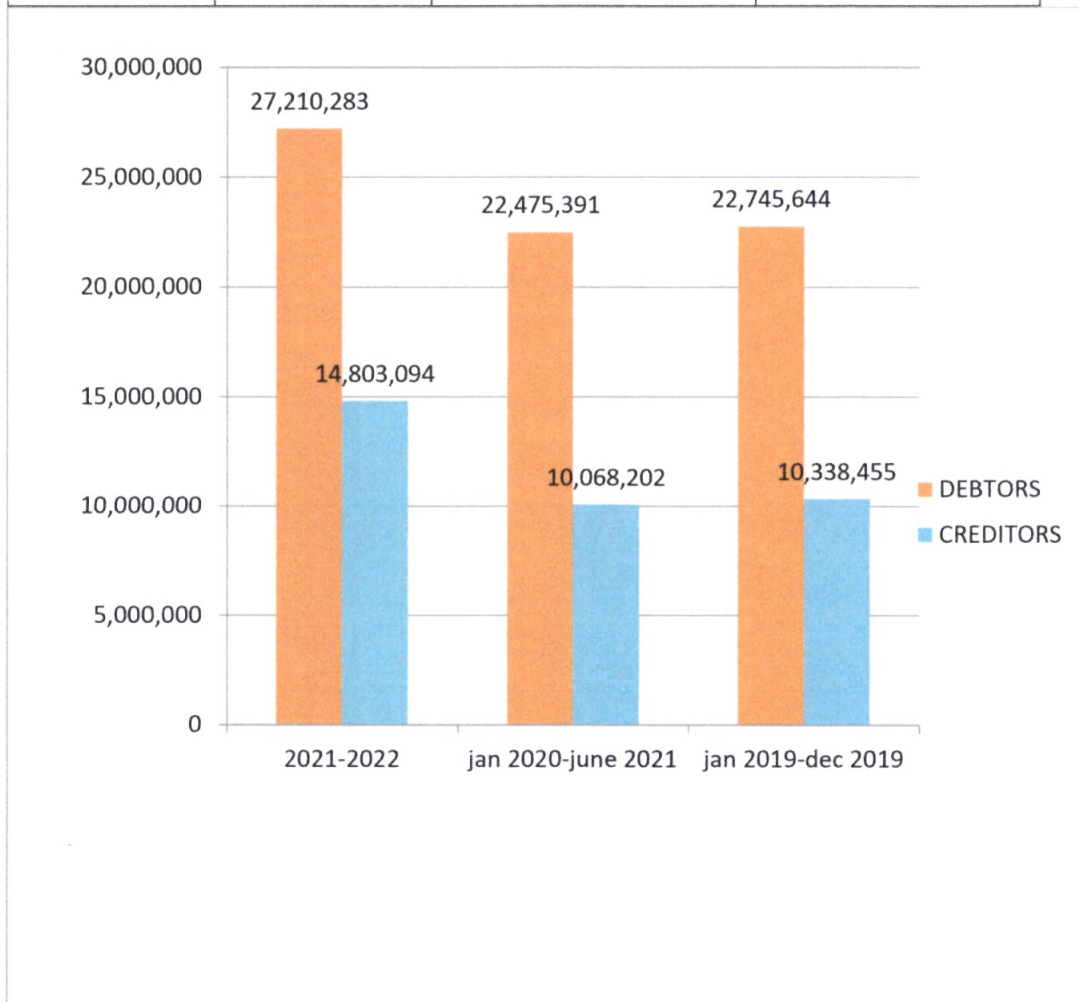
EXPENDITURE	2021-2022	Jan 2020-june 2021	Jan 2019-dec 2019
Tuition	5,062,641	3,845,032	3,539,092
Operation	6,374,521	22,150,281	15,958,304
Boarding	65,303,905	57,049,467	45,956,282



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

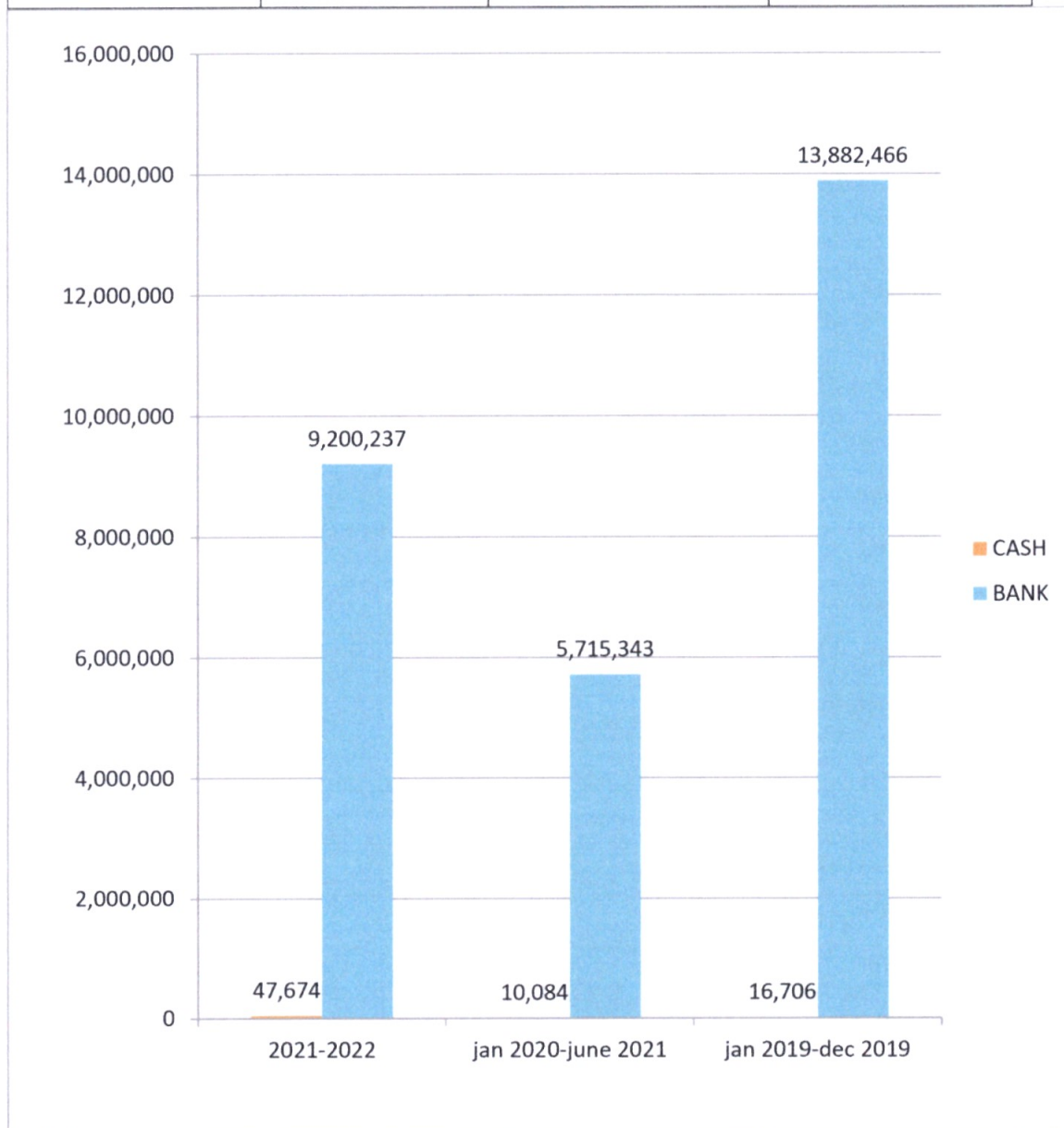
	2021-2022	Jan 2020 –June 2021	Jan 2019-dec 2019
Debtors	27,210,283	22,475,391	22,745,644
Creditors	14,803,094	10,068,202	10,338,455



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

	2021-2022	Jan 2020-june 2021	Jan 2019-dec 2019
CASH	47,674	10,084	16,706
BANK	9,200,237	5,715,343	13,882,466



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b) Teacher Student ratio:

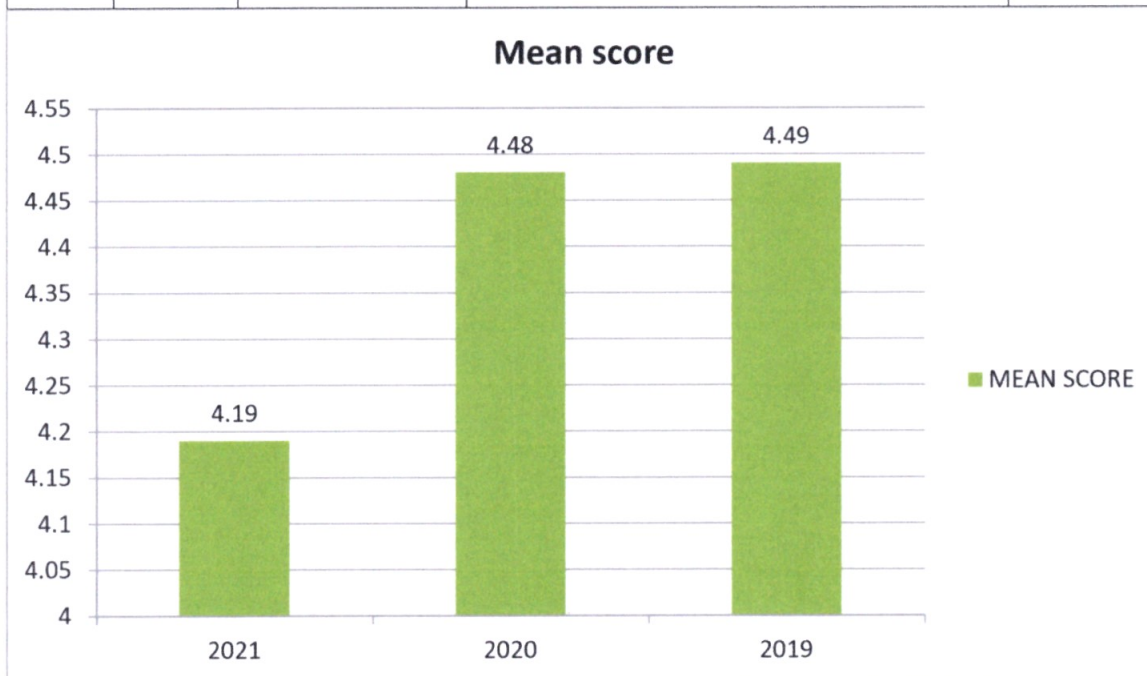
<i>S/NO.</i>	<i>DESCRIPTION</i>	
1.	<i>Teacher to student Ratio</i>	<i>1:41</i>
2.	<i>Number of teachers Recruited within the year</i>	<i>5</i>
3.	<i>Number of teachers transferred within the year</i>	<i>3</i>
4.	<i>Number of TSC teachers employed</i>	<i>26</i>
5.	<i>Number of BOM teachers employed</i>	<i>21</i>
6.	<i>Teacher to Subject Ratio</i>	<i>1:60</i>

<i>Subject</i>	<i>No of teacher per subject</i>	<i>Subject per teacher ratio</i>
<i>English</i>	<i>6</i>	<i>1:203</i>
<i>Mathematics</i>	<i>4</i>	<i>1:304</i>
<i>Kiswahili</i>	<i>6</i>	<i>1:203</i>
<i>Biology</i>	<i>4</i>	<i>1:211</i>
<i>Chemistry</i>	<i>5</i>	<i>1:167</i>
<i>Physics</i>	<i>2</i>	<i>1:64</i>
<i>History</i>	<i>2</i>	<i>1:288</i>
<i>Geography</i>	<i>5</i>	<i>1:76</i>
<i>CRE</i>	<i>3</i>	<i>1:384</i>
<i>IRE</i>	<i>1</i>	<i>1:142</i>
<i>Business studies</i>	<i>2</i>	<i>1:91</i>
<i>Computer studies</i>	<i>1</i>	<i>1:191</i>
<i>Arabic</i>	<i>1</i>	<i>1:40</i>
<i>Music</i>	<i>3</i>	<i>1:13</i>
<i>Home science</i>	<i>1</i>	<i>1:225</i>
<i>French</i>	<i>1</i>	<i>1:102</i>
<i>literature</i>	<i>6</i>	<i>1:23</i>
<i>Fasihi</i>	<i>6</i>	<i>1:23</i>

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a) Mean score in the 2021 KCSE:

<i>S/no.</i>	<i>Year</i>	<i>No. of candidates</i>	<i>No. of students transitioned to institute of higher learning</i>	<i>K.C.S.E mean score</i>
1.	2021	301	8	4.19
2.	2020	221	11	4.48
3	2019	159	8	4.49



b) Number of Candidates in the 2022 KCSE:

<i>Year</i>	<i>No. of candidates sitting for K.C.S.E</i>
2022	226
2021	301
2020	159

c) Capacity of the school:

	<i>2022</i>	<i>2021</i>	<i>2020</i>
<i>Student Laboratory Ratio</i>	1:269	1:285	1:264
<i>Student Toilet Ratio</i>	1:33	1:36	1:33
<i>Students Dormitory ratio</i>	1:153	1:154	1:152

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<i>YEAR</i>	<i>LABORATORIES</i>	<i>TOILETS</i>	<i>DORMITORIES</i>
<i>2022</i>	<i>4</i>	<i>42</i>	<i>7</i>
<i>2021</i>	<i>4</i>	<i>42</i>	<i>7</i>
<i>2020</i>	<i>4</i>	<i>42</i>	<i>7</i>

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c) Development projects carried out by the school:

No project undertaken in the financial year 2022

Sign

School Principal



**MOI KADZONZO GIRLS SECONDARY SCHOOL
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For the year ended 30th June 2022**

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Board of Management of moi kadzonzo girls secondary school accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name:

REURGN NYALE

Designation:

Chairman, School Board of Management

Sign:

[Signature]

Date:

15/4/2026



Name:

PHANICE A. OAKOL

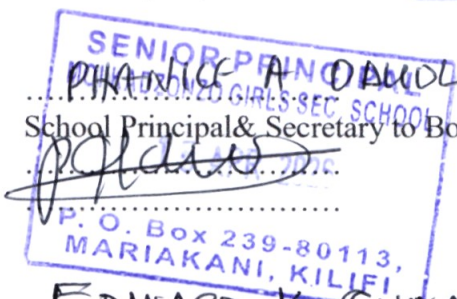
Designation:

School Principal & Secretary to Board of Management

Sign:

[Signature]

Date:



Name:

EDWARD K. CHWATS

Designation:

Bursar/ Finance Officer

Sign:

[Signature]

Date:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000

Email: info@oagkenya.go.ke

Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MOI KADZONZO GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KILIFI 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 Moi Kadzonzo Girls Secondary School set out on pages 19 to 35, which comprise of the statement of financial assets

and liabilities as at 30 June, 2022 statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Moi Kadzonzo Girls Secondary School at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Variances in the Financial Statements

The statement of budgeted versus actual amounts reflects final budget income of Kshs.67,122,000 which varies with approved budget amount of Kshs.79,298,400 resulting to unexplained variance of Kshs.12,176,400. Further, the statement reflects final budget income and actual on comparable basis of Kshs.67,122,000 and Kshs.70,053,723 while recalculation revealed Kshs.66,825,000 and Kshs.74,070,019 resulting to unexplained variance of Kshs.297,000 and Kshs.4,016,296 respectively. Similarly, the statement reflects final budgeted expenditure of Kshs.69,056,900 while casting downwards reflects Kshs.61,325,000 resulting to unexplained variance of Kshs.7,731,900. In addition, the statement of receipts and payments reflects total receipts of Kshs.80,263,549 while the statement of budgeted versus actual reflects actual receipts of Kshs.70,053,723 resulting to unexplained variance of Kshs.10,209,826.

Further, the statement of budgeted versus actual amounts reflects other income of Kshs.1,151,043 which was not included in the approved budget estimates.

In the circumstances, the classification, accuracy, completeness, presentation and disclosure of the above amounts in financial statements could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 8 and Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.9,247,911 out of which Kshs.9,200,237 relates to bank balance. However, the balance was not supported with bank statements, cash books and bank reconciliation statements. Further, Management did not disclose accounts with balances of Kshs.348,902. In addition, review of bank statements revealed withdrawals of Kshs.920,955 which were not supported with expenditure reports, memorandum cash books, receipts and acknowledgements from the beneficiaries.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.9,247,912 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects accounts receivables balance of Kshs.27,210,283. However, the balance includes fees arrears of Kshs.26,665,451 which was not supported with student debtor schedules, attendance registers and ledgers.

In the circumstances, the accuracy, completeness and existence of trade receivables balance of Kshs.27,210,283 could not be confirmed.

4. Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.14,803,094. However, the balance was not supported with ledgers, delivery notes, Local Purchase Orders, itemized listing of outstanding payables and supplier statements. In addition, invoices were not clearly marked as paid or unpaid to distinguish obligations that have been settled.

In the circumstances, the accuracy, completeness and existence of accounts payables balance of Kshs.14,803,094 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Moi Kadzonzo Girls 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 that the school spent an amount of Kshs.76,741,063 against actual receipts of Kshs.70,053,723 resulting to an over-expenditure of Kshs.6,687,340 or 10% of the budget. Further, analysis of the capitation received revealed under-funding in tuition by Kshs.242,418 operation by Kshs.655,115 and infrastructure by Kshs.224,000 totalling to Kshs.1,121,533.

The over-funding and over expenditure demonstrate weaknesses in budget execution, cashflow planning and expenditure control and may have adversely affected the school's ability to deliver planned activities within the approved budget.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page 2 to 17 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of 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 the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Budget Imbalance

The statement of budgeted versus actual amounts reflects final budget total income of Kshs.67,122,000 and final budget total expenditure of Kshs.69,056,900 resulting to unbalanced budget by Kshs.1,934,900. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that a budget shall be balanced.

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

2. Unapproved Expenditure

The statement of budgeted versus actual amounts reflects actual receipts of Kshs.70,053,723 against actual expenditure of Kshs.76,741,063 resulting in unapproved expenditure of Kshs.6,687,340 whose source was not explained. This was contrary to Regulation 52(1)(b) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that Accounting Officers and AIE holders shall ensure

that the limit to which they may commit or spend public funds is that prescribed by the Authority, and not based on their expectations, however justified these may seem. Further, the budget was approved on 09 September, 2025 two (2) months after the commencement of financial year.

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

3. Late Submission of Financial Statements

During the year under review, the financial statements for the year ended 30 June, 2023 were received late on 19 February 2026. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

4. Irregularities in the Procurement Process

The statement of receipts and payments and Note 5 and Note 6 to the financial statements reflects payments for tuition and operation amount of Kshs.11,437,160. However, the amount includes procurements of Kshs.3,927,861 which was not supported with requisition forms, Local Purchase Orders, delivery notes, professional opinion and inspection and acceptance certificate. Further, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'. In addition, the Management had not made arrangements to capacity build the existing store keeper.

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

5. Irregularities in the Transfer of Funds

The statement of receipts and payments reflects operations grants amount of Kshs.17,525,853. Included in the amount is Kshs.6,083,000 in respect of infrastructure grants which was not transferred to infrastructure bank account for maintenance and improvement of the school's facilities. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

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

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

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects operations expenditure of Kshs.6,374,520. Included in the expenditure is an amount of Kshs.139,400 transferred to Kenya Secondary School Heads

Association (KESSHA) a welfare organization which is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, value for money transferred to KESSHA, amounting to Kshs.139,400 could not be confirmed

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. Failure to Maintain Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.131,908,500. Physical verification in the month of March, 2026 revealed existence of fixed assets such as land, vehicles, generator, deep freezer, desktops, printers, duplicating machine. However, Management did not maintain an asset register with details such as condition of the asset, asset tag number, estimated cost and physical location.

In the circumstances, the effectiveness of internal controls on management of fixed assets could not be confirmed.

2. Weaknesses in School Enrolment Records Data

During the year under review, National Education Management and Information System (NEMIS) data indicated four thousand eight hundred and fifty-seven (4,857) students while the school enrollment records indicated four thousand six hundred and forty-two (4,642) students resulting to unexplained variance of two hundred and fifteen (215).

In the circumstances, the effectiveness of internal controls on determining and updating of students' enrolment data in National Education Management and Information System (NEMIS) could not be confirmed.

3. Weak Controls in the Management of Imprests

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects operations expenditure of Kshs.6,374,520. out of which Kshs.555,255 was for local transport/traveling. However, Management did not issue imprest warrants and did not maintain imprest register to account for the imprest issued.

In the circumstances, the effectiveness of internal controls on management of imprest could not be confirmed

4. Weaknesses in Textbooks Management

Review of the school's textbook management system for learning materials received from the Kenya Institute of Curriculum Development (KICD) revealed that the school's issuance registers did not capture essential bibliographic details such as the full title, publisher and edition of textbooks issued to students, making it difficult to accurately track and reconcile books issued against the school's master inventory.

In the circumstances, the effectiveness of internal controls on textbook management could not be confirmed.

5. Use of Manual Systems

During the year under review, it was observed that the School has been using manual system in preparation of financial statements, maintenance of ledgers and maintaining students' data. However, manual systems have low efficiency, high rates of human error, time-consuming to maintain, often resulting in inconsistent data, limited security, and an inability to provide real-time information.

In the circumstances, the effectiveness of internal controls on manual systems used by the school could not be confirmed

6. Unsupported Biological Assets Balance

Note 13 to the financial statements under other important disclosure reflects biological assets balance of Kshs.155,000 which relates to cattle, goats and poultry. However, Management did not disclose the method and significant assumptions applied in determining the fair value of these biological assets. In addition, Management did not provide supporting documents and details on acquisition dates and cost, date of birth of the cattle and goats and records of any deaths.

In the circumstances, the internal controls on management of biological assets could not be confirmed.

7. Unsupported Inventory Balance

Note 14 to the financial statements under other important disclosures reflects inventory balance of Kshs.3,287,195. However, the inventory balance has not been supported by inventory listing, stock taking sheets and reports.

In the circumstances, the internal controls on management of inventory 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 the Management and Board of Management

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 May, 2026

**MOI KADZONZO GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the year ended 30th June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

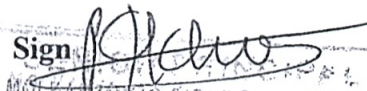
DESCRIPTION OF VOTE HEAD	Note	2021-2022	Jan 2020- June 2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	4,016,296	3,400,780
Capitation grants for operations	2	17,525,853	18,378,938
School Fund Income- Parents' Contributions	3	57,570,357	52,310,240
School Fund Income- Other receipts	4	1,151,043	781,077
TOTAL RECEIPTS		80,263,549	74,871,035
PAYMENTS			
Payments for Tuition	5	5,062,640	3,845,032
Payments for operations	6	6,374,520	22,150,281
Boarding and school fund payments	7	65,303,905	57,049,467
TOTAL PAYMENTS		76,741,065	83,044,780
SURPLUS/DEFICIT		3,522,484	(8,173,745)

The school financial statements were approved on _____ 2022 and signed by:

Sign: 
Name **REUBEN NYALE**

Chair BOM

Date **15/4/2026**

Sign: 
Name **PHANIE A. DOUD**
School Principal/
Secretary to BOM
MARIKANI, KILIFI
Date **15/4/2026**

Sign: 
Name **EDWARD CHAWU**
Bursar/
Finance Officer
Date **15/4/2026**

MOI KADZONZO GIRLS SECONDARY SCHOOL
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022	Jan 2020- June 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	9,200,237	5,715,343
Cash Balances	9	47,674	10,084
Total Cash and cash equivalent		<u>9,247,911</u>	<u>5,725,427</u>
Account's receivables	10	27,210,283	22,475,391
TOTAL FINANCIAL ASSETS		36,458,194	28,200,818
FINANCIAL LIABILITIES			
Accounts Payables	11	14,803,094	10,068,202
TOTAL FINANCIAL LIABILITIES		14,803,094	10,068,202
NET FINANCIAL ASSETS		21,655,100	18,132,616
REPRESENTED BY			
Accumulated Fund b/fwd	12	18,132,616	26,306,361
Surplus/Deficit for the year		3,522,484	(8,173,745)
NET FINANCIAL POSSITION		21,655,100	18,132,616

The School's financial statements were approved on _____ 2022 and signed by:

Name: REUBEN NTAKE
 Chairman, BoM
 Sign: [Signature]
 Date: 15/4/2026

Name: PRINICE A. ODIA
 School Principal/Secretary
 to BoM
 Sign: [Signature]
 Date: 15/4/2026

Name: EDWARD CHIMATI
 Bursar/Finance
 Sign: [Signature]
 Date: 15/4/2026

MOI KADZONZO GIRLS SECONDARY SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021-2022	Jan 2020- June 2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	4,016,296	3,400,780
Capitation grants for operations	2	17,525,853	18,378,938
School fund income- Parents contributions/ fees	3	57,570,357	52,310,240
School fund income- other receipts	4	1,151,043	781,077
Total receipts		80,263,549	74,871,035
Payments			
Payments for Tuition		5,062,640	3,845,032
Payments for operations		6,374,520	22,150,281
Boarding and school fund payments		65,303,905	57,049,467
Total payments		76,741,065	83,044,780
Net cash flow from operating activities		3,522,484	(8,173,745)
CASHFLOW FROM INVESTING ACTIVITIES			
CASHFLOW FROM BORROWING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,522,484	(8,173,745)
Cash and cash equivalent at BEGINNING of the year		5,725,427	13,899,172
Cash and cash equivalent at END of the year		9,247,911	5,725,427

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

<i>Receipt/expenses Item</i>	<i>Original Budget</i>	<i>Adjustments</i>	<i>Final Budget</i>	<i>Actual on Comparable Basis</i>	<i>Budget Utilization Difference</i>	<i>% of Utilization</i>
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Exercise books	800,800		800,800	1,063,194	-262,394	133%
Laboratory equipment	770,000		770,000	1,032,180	-262,180	134%
Teaching / learning materials	539,000		539,000	828,651	-289,651	154%
Chalks	29,700		29,700	379,919	-350,219	1,280%
Exams and assessment	407,000		407,000	712,349	-350,349	
SUB TOTAL	2,546,500		2,546,500	4,016,296	-1,514,793	157%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	6,330,500		6,330,500	6,870,028	-539,528	109%
Repairs and maintenance	5,500,000		5,500,000	4,017,991	1,482,009	73%
Local transport / travelling	2,579,500		2,579,500	2,475,732	103,768	96%
Electricity and water	715,000		715,000	1,757,266	-1,042,266	246%
Medical	2,200,000		2,200,000	247,800	1,952,200	11%
Administration costs	715,000		715,000	1,757,265	-1,042,265	246%
Activity	1,650,000		1,650,000	399,770	1,250,230	24%
SUB TOTAL	19,910,000		19,690,000	17,525,853	2,164,148	89%
(3) FEES CHARGED ON PARENTS						
Boarding	30,123,500		30,123,500	31,221,980	-1,098,480	104%
Repair and maintenance	2,640,000		2,640,000	2,980,206	-340,206	113%
Local transport	715,000		715,000	2,435,205	-1,720,205	340%

MOI KATONZO GIRLS SECONDARY SCHOOL
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<i>Receipt/expenses Item</i>	<i>Original Budget</i>	<i>Adjustments</i>	<i>Final Budget</i>	<i>Actual on Comparable Basis</i>	<i>Budget Utilization Difference</i>	<i>% of Utilization</i>
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Administration cost	2,035,000		2,035,000	2,946,215	-911,215	145%
Electricity and water	5,390,000		5,390,000	6,793,162	-1,403,162	126%
Activity	165,000		165,000	650,221	-485,221	394%
Personal emoluments	3,410,000		3,410,000	4,205,462	-795,462	123%
Medicals	110,000		110,000	144,376	-34,376	131%
Bom teacher				6,193,980		0%
SUB TOTAL	44,588,500		44,588,500	51,376,827	-6,788,327	115%
OTHER INCOME						
Income from farming activities				95,520		0%
Income from Bus Hire				61,650		0%
miscellinious				426,615		0%
Home science				65,000		0%
canteen				502,258		0%
Total				1,151,043		0%
TOTAL INCOME	67,122,000		67,122,000	70,053,723	-2,931,723	104%
(1) EXPENDITURE FOR TUITION						
Exercise books	800,800		800,800	651,869	148,931	81%
Laboratory equipment	770,000		770,000	2,406,221	-1,636,221	312%
Teaching / learning materials	539,000		539,000	1,339,600	-800,600	249%
Chalks	29,700		29,700			0%
Exams and assessment	407,000		407,000	659,300	-252,300	162%
Bank charges				5,650		0%
SUB TOTAL	2,546,500		2,546,500	5,062,640	-2,516,140	199%

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<i>Receipt/expenses Item</i>	<i>Original Budget</i>	<i>Adjustments</i>	<i>Final Budget</i>	<i>Actual on Comparable Basis</i>	<i>Budget Utilization Difference</i>	<i>% of Utilization</i>
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	6,330,500		6,330,500	3,209,543	3,120,957	51%
Local transport / travelling	2,579,500		2,579,500	555,255	2,024,245	22%
Electricity and water	715,000		715,000	323,677	391,323	45%
Medical	2,200,000		2,200,000	62,250	2,137,750	3%
Administration costs	715,000		715,000	2,099,992	-1,384,992	294%
Activity	1,650,000		1,650,000	112,799	1,537,201	7%
Bank charges				11,004		0%
Acquisition of assets						
SUB TOTAL	14,190,000		14,190,000	6,374,520	7,815,480	45%
(3) EXPENDITURE FOR SCHOOL FUND						
Personal emoluments	30,123,500		30,123,500	11,466,354	18,657,146	38%
Boarding	2,640,000		2,640,000	31,608,249	-28,968,249	1,197%
RMI	715,000		715,000	6,471,440	-5,756,440	905%
Local transport and travelling	2,035,000		2,035,000	3,726,245	-1,691,245	183%
Electricity, water and conservancy	5,390,000		5,390,000	1,792,808	3,597,192	33%
Administration cost	165,000		165,000	4,838,259	-4,673,259	2,932%
Medical	3,410,000		3,410,000	405,657	3,004,343	12%
Activity	110,000		110,000	1,627,586	-1,517,586	1,479%
Canteen				765,971		0%
Home science				183,550		0%
farm				119,660		0%
Bus hire				449,242		0%

MOI KALONZO GIRLS SECONDARY SCHOOL
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<i>Receipt/expenses Item</i>	<i>Original Budget</i>	<i>Adjustments</i>	<i>Final Budget</i>	<i>Actual on Comparable Basis</i>	<i>Budget Utilization Difference</i>	<i>% of Utilization</i>
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
				1,590,324		0%
Bom salaries				180,000		0%
Miscellaneous				78,556		0%
Bank charges			44,588,500	65,303,903	-20,715,403	1156%
	44,588,500		69,056,900	76,741,063	-7,684,163	111%
TOTALS	69,056,900					

- Overutilization total income of 104% is as a result of sufficient fees arrears collection and parents fees payment
- Overutilization total expenditure of 111% is as a result of sufficient collection hence sufficient payment to suppliers

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	Jan 2020 -June 2021
	Kshs	Kshs
Exercise books	1,063,194	1,079,008
Laboratory equipment	1,032,183	939,293
Internal exams	712,349	519,655
Teaching / learning materials	828,651	676,917
Chalks	379,919	23,571
		162,336
Total	4,016,296	3,400,780

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	Jan 2020 -June 2021
	Kshs	Kshs
Personnel emoluments	6,870,028	6,577,111
Repair and maintenance	4,017,991	4,112,000
Local transport / travelling	2,475,733	2,347,709
Electricity and water	1,757,266	2,377,609
Medical	247,800	205,600
Administration costs	1,757,265	2,347,709
Activity	399,770	411,200
Total	17,525,853	18,378,938

3 PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT

	2021-2022	Jan 2020 -June 2021
	Kshs	Kshs
Personnel emoluments	4,205,462	8,235,655
Repairs and maintenance	2,980,206	2,267,235
Local transport / travelling	2,435,205	625,214
Electricity and water	6,793,162	4,573,157
Medical	144,376	80,154
Administration costs	2,946,215	1,858,934
Activity	650,221	143,605
Fee on boarding equipment and stores	31,221,980	34,526,286
Bom teachers	6,193,530	
Total	57,570,357	52,310,240

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Income from farming activities	95,520	17,670
Income from Bus Hire	61,650	
Miscellaneous	426,615	52,614
Home science	65,000	116,808
canteen	502,258	593,985
Total	1,151,043	781,077

5 PAYMENTS FOR TUITION

	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Exercise books	651,869	1,582,837
Laboratory equipment	2,406,221	1,471,970
Teaching / learning materials	1,339,600	386,800
Exams and assessment	659,300	278,800
Bank Charges	5,650	785
Chalks		123,840
Total	5,062,640	3,845,032

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Personnel emoluments	3,209,543	10,761,054
Administration Cost	2,099,992	5,116,508
Repairs and maintenance & improvements		2,219,969
Local transport / travelling	555,255	1,204,067
Electricity and water	323,677	1,350,728
Medical	62,250	52,429
Activity Expenses	112,799	1,425,800
Bank Charges	11,004	19,726
TOTAL	6,374,520	22,150,281

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Personnel emoluments	18,378,623	10,906,444
Repairs and maintenance & Improvements	4,011,668	7,502,735
Local transport / travelling	3,726,245	2,828,018
Electricity and water	1,623,063	2,194,727
Medical Expenses	405,567	352,682
Administration costs	5,879,767	7,657,974
Fee on Boarding Equipment and Stores	27,760,374	22,624,214
Bank Charges	92,496	348,616
Canteen	461,026	1,108,002
Home science	183,550	249,060
Farm	51,460	205,635
Bus hire	1,102,506	
activity	1,627,560	1,071,360
TOTAL	65,303,905	57,049,467

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	Jan 2020- June 2021
		Kshs	Kshs
Tuition Account	1107811112	4,266	2,301
Operations Account	1107816831	221,200	0
School Fund Account/Boarding	1107807743	8,883,944	1,009
Parent Association Development Account	1105886778	11,734	43,574
Infrastructure account	1236226739	77,169	5,502,205
Personal emoluments account	1167941160	609	159,369
Bus account		854	514
Caution money account		461	1,652
Exam account			4,719
Total		9,200,237	5,715,343

9 CASH IN HAND

Description	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Notes and Coins	47,674	10,084
Total	47,674	10,084

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10 ACCOUNTS RECEIVABLE

Description	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Fees arrears	26,665,451	22,053,659
Other non-fees receivables		
Salary advances	146,482	91,482
Imprest	398,350	330,250
Total	27,210,283	22,475,391

Description	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Fees arrears for current year	6,519,239	3,008,020
Fees arrears for the previous year	2,586,288	3,252,652
Fees arrears for prior periods (over two years)	18,104,756	16,214,719
Total	27,210,283	22,475,391

11 ACCOUNTS PAYABLE

Description	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	13,603,094	8,714,276
Prepaid fees	1,200,000	1,353,926
Total	14,803,094	10,068,202

Description	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Trade creditors for current year	11,134,977	10,068,202
Trade creditors for the previous year	3,668,116	
Total	14,803,093	10,068,202

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	Jan 2020- June 2021
	Kshs	Kshs
Bank balances	5,715,343	13,882,466
Cash balances	10,084	16,706
Receivables	22,475,391	22,745,644
Payables	(10,068,202)	(10,338,455)
Total	18,132,616	26,306,361

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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.

13 Biological assets

Description	Numbers	2021-2022	Jan 2020- June 2021
		Kshs	Kshs
Cattle	3	75,000	45,000
Goats	10	35,000	25,000
Poultry	9	45,000	30,000
Total		155,000	100,000

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Other important disclosure notes

14 Stock/ Inventory

Description	2021/2022	Jan 2020- June 2021
	Kshs	Kshs
Food stuffs	3,287,195	1,005,095
	3,287,195	1,005,095

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15 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)
2021	The management should settle all Creditors to avoid possible legal action. Inter – account borrowing should be curbed by the school management strictly adhering to the ministry of Education policy guidelines and the full B.O.M approved budget.	The school has Restrained from buying on Credit for the current financial year 2022 with bid to reduce pending creditors	Issue resolved	
2021	The management should urgently formulate effective policies to address the fees collection and debts collection	Parents sensitised on fees payment	Resolved	
2021	The management should first establish availability of funds before any expenditure is incurred.	The management will first source for funds before undertaking any project	Resolved	

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.batecho construction	140,000	1/7/2021	90,000	50,000		
Sub total	140,000		90,000	50,000		
Supply of goods						
Main account						
1. Hamisi rashid	657,590	1/7/2021	400,000	257,590	308,590	
2. Tawakal wholesaler	1,845,200	1/7/2021	500,000	1,345,200	745,200	
3. Ayao enterprises	898,790	1/7/2021	750,000	148,790	348,790	
4. Chimu enterprises	2,781,000	1/7/2021		2,781,000	1,781,000	
5. Dimus fresh flesh supplies	4,930,810	1/7/2021	2,800,000	2,130,810	1,130,810	
6. Jowanet photocoms supplies	495,400	1/7/2021	300,900	194,500	194,500	
7. Msenangu butchery	3,463,293	1/7/2021	1,400,000	2,063,293	473,710	
8. Granage enterprises	1,846,904	1/7/2021		1,846,904	467,830	
Sub-Total	16,918,987		6,150,900	10,768,087	6,437,950	
Supply of goods						
Operation account						
9. Jeffers enterprises	804,550	1/7/2021	600,000	204,550	265,300	
Sub-Total	804,550		600,000	204,550	1,011,329	
Supply of goods						
Tuition account						
10. Teachers at large	326,800	1/7/2021	250,000	76,800	204,500	
11. Eden books and stationers	2,081,869	1/7/2021	1,600,000	481,869	262,832	
12. Mechigen sa	889,025	1/7/2021	750,000	139,025	276,310	
13. Jos traders	399,800	1/7/2021	280,000	119,800	136,800	
14. Hotspring technology	143,700	1/7/2021	98,100	45,600		
15. Kasbag enterprises	1,244,800	1/7/2021	250,000	994,800		
16. C mutungi general supply	531,300	1/7/2021	198,000	333,300		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
17. Fame merchants	809,561	1/7/2021	500,000	309,561		
18. Nakuru rubbers	79,700	1/7/2021		79,700		
19. Fee prepayments	1,200,000	1/7/2021		1,200,000	1,343,926	
Sub-Total	7,706,555		3,926,100	3,780,455	2,608,983	
Grand Total	25,570,092		10,767,000	14,803,094	10,068,202	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1			28,000,000			28,000,000
Buildings and structures			68,020,000			68,020,000
Motor vehicles			9,500,000			9,500,000
Office equipment, furniture and fittings			15,081,500			15,081,500
ICT Equipment, and Other ICT Assets			1,768,000			1,768,000
Other Machinery and Equipment			9,539,000			9,539,000
Total			131,908,500			131,908,500