

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 JUN 2026

DAY.

Wednesday

TABLED
BY:

Deputy Majority Whip
Hon. Naomi Waga, MP

OF

CLERK-AT
THE-TABLE:

Irene Nduku

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

THARAKA BOYS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

THARAKA NITHI COUNTY



THARAKA BOYS 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)**

THARAKA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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I. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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II. 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 Tharaka Nithi County, Tharaka South Sub-County.

The school was registered in **30th July 1980** under registration number **G/A/2/27/80** and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had **527** number of students as at **30th June 2022**. It has **3** streams and **33** teachers of which **none** is 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.	Rev. Douglas Gitonga	Chairman	09/07/2019
2.	Stanley G. Chabari	Secretary- Principal	09/07/2019
3.	Gatiria Mutiga	Member	09/07/2019
4.	James Kimathi	Member	09/07/2019
5.	Julius Giti Kijiru	Member	09/07/2019
6.	Kambura Susan	Member	09/07/2019
7.	George Mwabu	Member	09/07/2019
8.	Kathendu James	Member	09/07/2019
9.	Charity Kagendo	Member	09/07/2019
10.	Ngugi Wilson	Member	09/07/2019
11.	Benson Mutiria	Member	09/07/2019
12.	Mitambo Nthiga	Member	09/07/2019
13.	Dr. Kaungania Mary	Member	09/07/2019
14.	Perpetual Kaburu	Member	09/07/2019
15.	Nyaga Samuel	Member	09/07/2019
16.	Kellen Kendi	Member	09/07/2019

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 per 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	- Douglas Gitonga - Stanley Chabari - Giti Kijiru - George Mwabu	Chairman Secretary Member Member	3 out of 4
2	Audit Committee	- Diego Ngugi - Benson Mutiria - James Kimathi	Member Member Member	2 out of 2
3	Finance, procurement and general purposes Committee	- Susan Kambura - Dr. Nkari - Perpetual Kaburu	Member Member Member	1 out of 2
4	Academic Committee	- Dr. Nkari - Benson Mutiria - Kathendu James	Member Member Member	3 out of 3
5	Development Committee	- Eng. Giti Kijiru - George Mwabu - Mitambo Nthiga	Member Member Member	2 out of 3
6	Discipline and welfare Committee	- Flora Gatiria - Samuel Nyaga - Diego Ngugi	Vice Chairperson Member Member	2 out of 3

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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	Stanley G. Chabari	TSC NO. 350240
2	Deputy Principal	Charles Kinyua	TSC NO. 316070
3	School Bursar	Stella G. Kambura	ID NO. 7411598
4	Accounts Clerk	Felix Kimathi Njue	ID NO. 27776885

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 120 - 60215
Telephone:
E-mail: tharakaboys@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

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

1. Name of Bank: National Bank (Boarding)
Branch: Meru
Account Number: 01021039007500
2. Name of Bank: National Bank (Operations)
Branch: Meru
Account Number: 01021039007501
3. Name of Bank: National Bank (Tuition)
Branch: Meru
Account Number: 01025039708800
4. Name of Bank: National Bank (Infrastructure)
Branch: Meru
Account Number: 01022225914600
5. Name of Bank: Trans nation Sacco Ltd (Boarding)
Branch: Marimanti
Account Number: 68260900003801
6. MPESA Paybill No. 507900 attached to boarding account, 68260900003801 bank
Account Transnation Sacco Ltd.

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

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(g) Independent Auditors

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

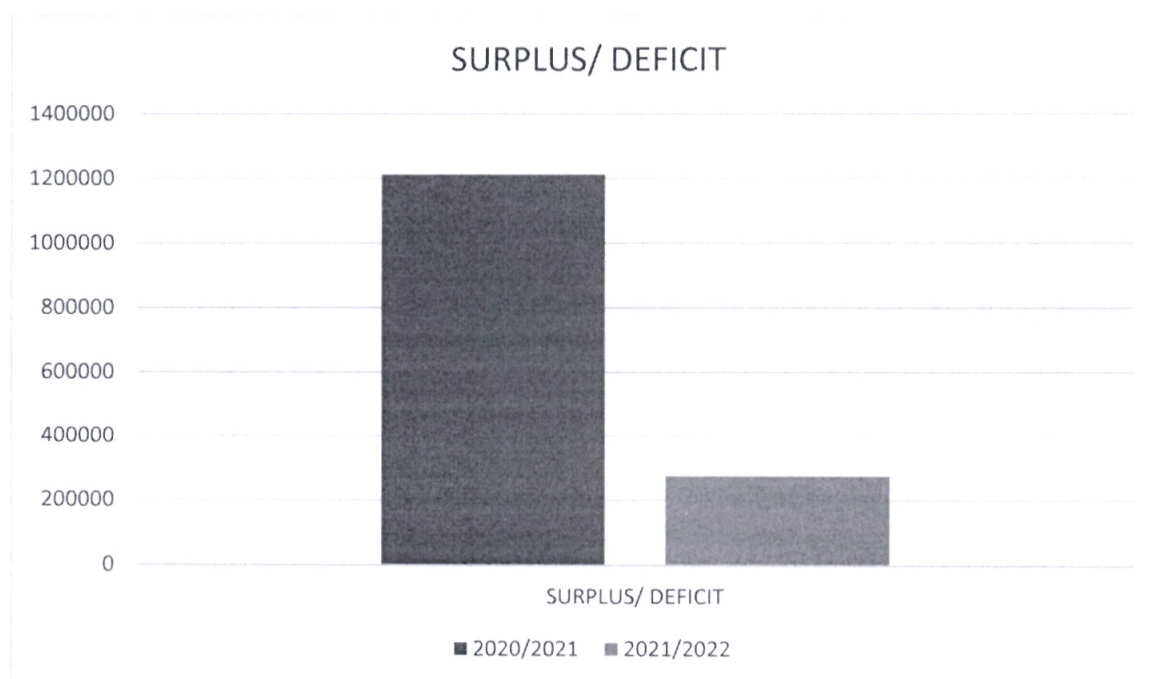
III. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

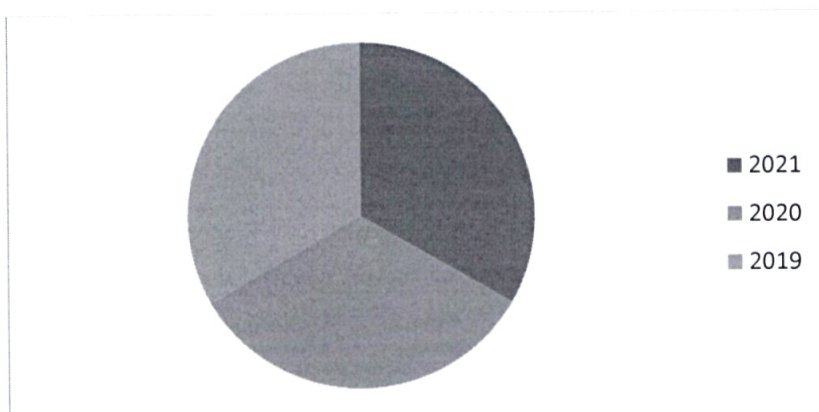
YEAR	2020-2021	2021-2022
Excess of income	1,212,479	275,983



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

YEAR	2020	2021	2022
<i>Capitation</i>	8,207,692	6,290,596	10,164,097



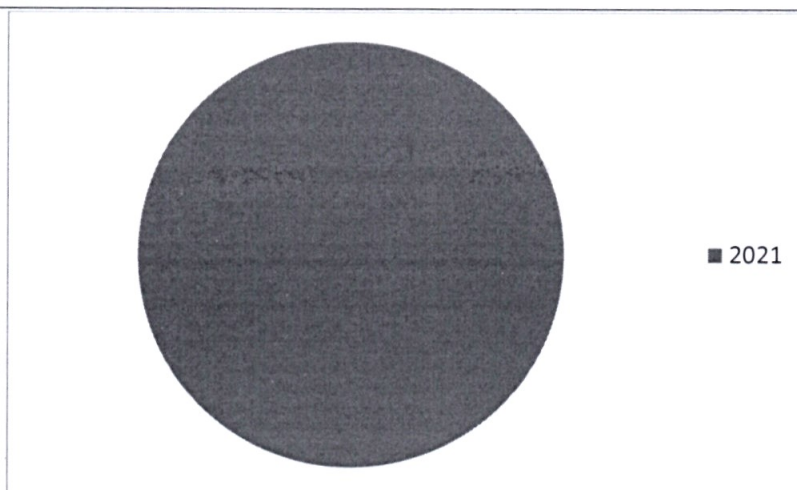
Ratio of capitation grant per student over the last three years

YEAR	CAPITATION	NO. OF STUDENTS	RATIO
2020	8,207,692.00	620	1:13238
2021	6,290,596.30	521	1:12074
2022	10,164,096.80	527	1:19,286.71

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

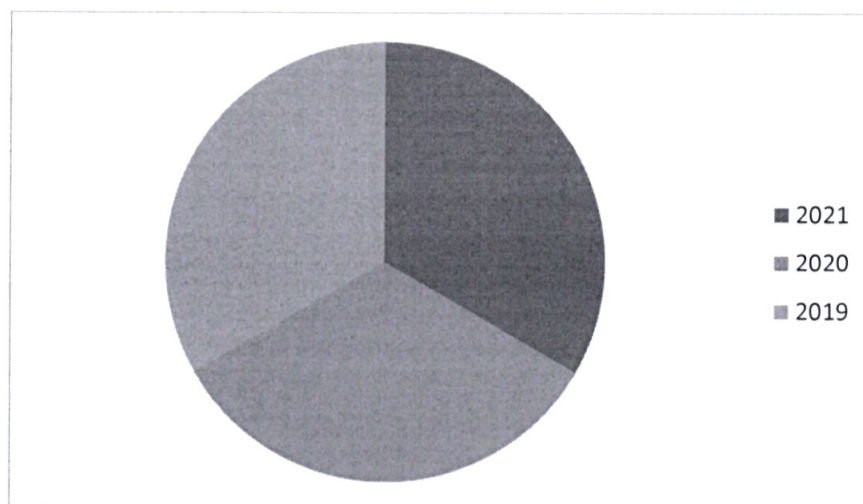
YEAR	2020	2021	2022
<i>Income</i>	11,804,498	14,775,485	12,803,566

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

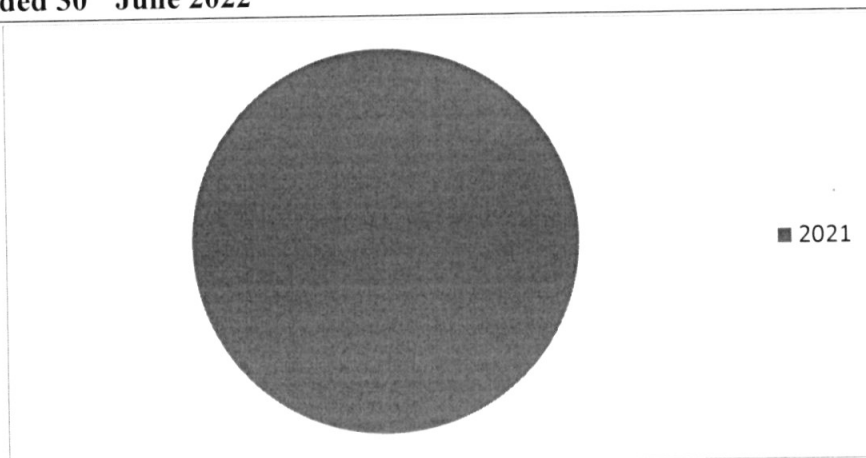
YEAR	2020	2021	2022
<i>Expenditure</i>	16,707,102	11,077,947	17,629,892



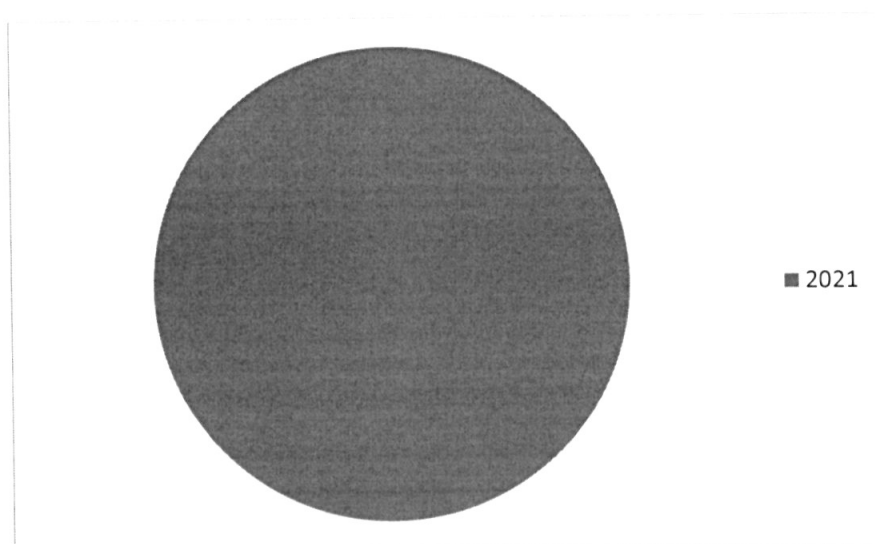
Movement of debtors and creditors of the school over the last three years

YEAR	2020	2021	2022
<i>Debtors</i>	14,593,696	10,030,288	11,189,057

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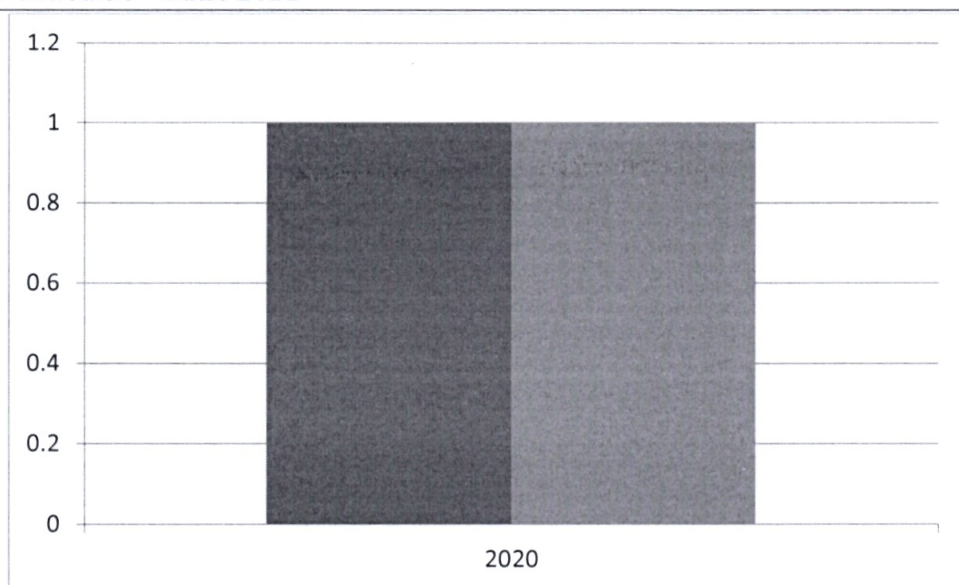
YEAR	2020	2021	2022
<i>Creditors</i>	3,020,446	2,660,740	1,552,392



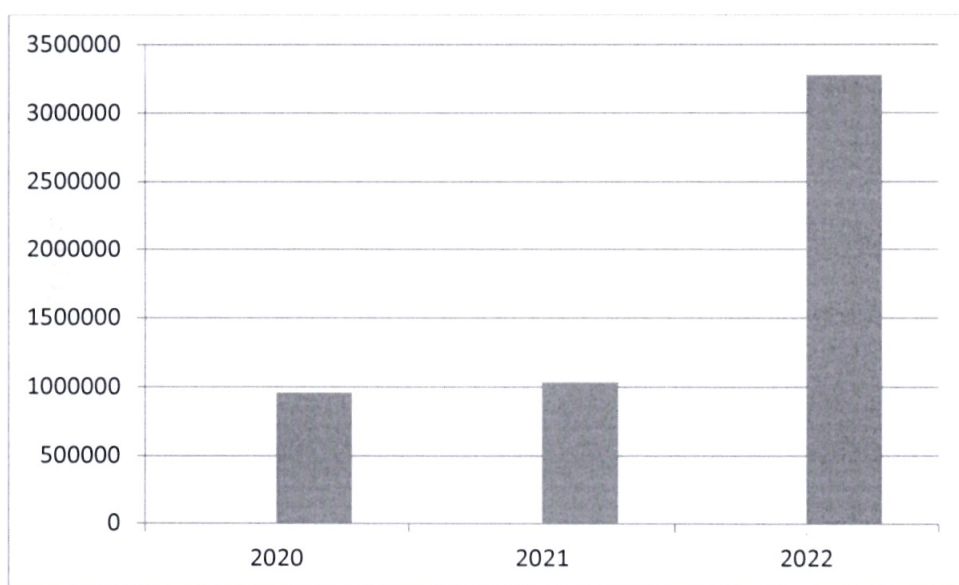
Movement of cash and bank balances over the last three years

YEAR	2020	2021	2022
<i>Cash</i>	5,810	14,461	1,116

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YEAR	2020	2021	2022
Bank	959,709	1,037,856	3,277,135



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b) Teacher Student ratio:

Number of teachers for each subject

SUBJECTS	NO. OF TEACHERS
PHY / MATHS	5
ENG / LIT	5
CHEM / PHY	2
HIST / CRE	3
KISW / CRE	2
BIO / CHEM	2
AGRI / BIO	2
GEO / BS	3
HIST / KISW	4
COMP / BS	1
COMP / HIST	1
PE / KISW	1
MATHS / BS	1
BS / KISW	1

Recruited teachers	-	33
TSC Teachers	-	33
BOM Teachers	-	0
Transferred	-	1
Retired	-	0
Teacher student ratio	-	1:16

c) Mean score in the 2022KCSE:

YEAR	2019	2020	2021
Mean score	4.944 C-	5.518 C	5.312 C-
Deviation	-0.045	0.574	5.312 C-
Remarks	Negative deviation	Positive deviation	Negative deviation

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No of students that has transitioned

YEAR	DEGREES	DIPLOMAS	CERTIFICATES	ARTISAN
2021	34	57	43	4
2020	36	94	40	0
2019	27	40	53	6

d) Number of Candidates in the 2022 KCSE:

YEAR	2019	2020	2021
<i>No. of candidates</i>	90	126	170

e) Capacity of the school:

NO	FACILITIES	NUMBER	CAPACITY	REMARKS
1	<i>Dormitories</i>	5	570	<i>Sufficient</i>
2	<i>Dinning hall</i>	1	1200	<i>Sufficient</i>
3	<i>Laboratories</i>	3	120	<i>One not occupied</i>
4	<i>Toilets</i>	60	900	<i>Sufficient</i>
5	<i>Classes</i>	16	600	<i>Four not occupied</i>
6	<i>Library</i>	1	100	<i>Enough</i>
7	<i>Computer Laboratory</i>	1	30	<i>Shortage</i>

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f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format

S/NO	PROJECT	SOURCE OF FUND	AMOUNT	STATUS
1.	Dinning Hall	Donor	23,000,000	Complete



Sign

School Principal

THARAKA BOYS SECONDARY SCHOOL

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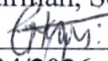
IV. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

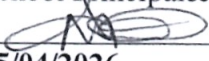
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 Tharaka Boys 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: Julius Giti
Designation: Chairman, School Board of Management
Sign: 
Date: 25/04/2026

Name: Leonard Kamundi
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 25/04/2026

Name: Jackline Karimi
Designation: Bursar
Sign: 
Date: 25/04/2026

REPUBLIC OF KENYA

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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 THARAKA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - THARAKA NITHI 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 Tharaka Boys Secondary School - Tharaka Nithi County set out on pages 18 to 29, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the 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 Tharaka Boys Secondary School – Tharaka Nithi County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (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 Payment of Tuition

The statements of receipts and payments reflects payments for tuition expenditure of Kshs.1,871,412 while the corresponding Note 6 reflects an amount of Kshs.1,961,342 resulting in unexplained variance of Kshs.89,930.

In the circumstances, the accuracy, completeness of the payments for tuition expenditure of Kshs.1,871,412 could not be confirmed.

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.10,924,832 as disclosed in Note 11 to the financial statements. However, the corresponding Note 11 reflects an amount of Kshs.11,189,057 resulting in unexplained variance of Kshs.264,225. Further, supporting schedules for these balances were not provided for audit review.

In the circumstances, the accuracy, and completeness of accounts receivables balance of Kshs.10,924,832 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.2,274,442 as disclosed in Note 10 and Note 11 to the financial statements. Included in the balance are four (4) bank accounts with account balances amounting to Kshs.22,363, Kshs.17,652, Kshs.519,292, Kshs.1,701,550. However, the bank balances were not supported with bank reconciliations.

In the circumstances, the accuracy, and completeness of the cash and cash equivalents balance of Kshs.2,274,442 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects tuition and operations capitation grants of Kshs.1,804,010 and Kshs.7,479,317, respectively, as disclosed in Note 1 and Note 2 to the financial statements. Review of the NEMIS capitation disbursements compared to

the amounts recorded by the School revealed that the School accounted for Kshs.10,733,327, while NEMIS records indicate Kshs.11,096,619 resulting in an unexplained variance of Kshs.363,292.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations amounting to Kshs.1,804,010 and Kshs.7,479,317 respectively could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tharaka Boys 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.33,136,114 and Kshs.35,986,229 respectively, resulting to an over-funding of Kshs.2,850,115 or 7% of the budget. However, the School spent a balance of Kshs.35,710,246 against actual receipts of Kshs.35,986,229 resulting to an under-utilization of Kshs.275,983 of the actual receipts.

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

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 of my report, there were no other key audit matters to report in the year under review.

Other Information

The Management is responsible for the Other Information set out on page 3 to 16 which comprises Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibilities. 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations amount of Kshs.7,765,453 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.50,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money on funds transferred to KESSHA amounting to Kshs.50,000 could not be confirmed.

2. Non-Compliance with the Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The financial statement was not paginated in accordance with the prescribed reporting template as issued by the Public Sector Accounting Standards Board. The pages containing the non-financial information are required to be paginated in roman numbers and pages from the statement of receipts and payments to the Annexes be in numerical numbers,
- ii. Capitation for infrastructure and parents' contributions were both indicated as Note 3 therefore distorting the numbering for Notes,
- iii. Payment for infrastructure amounting to Kshs.400,000 was not supported by corresponding Note,
- iv. The Notes column in the Statement of Receipts and Payments, Statement Financial assets and liabilities and cashflow statement do not correspond to the notes appearing in the financial statement because of the Note 3 repeated twice.

In the circumstances, Management was in breach of the PSASB reporting guidelines.

3. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Underfunding Funding of Capitation Grants and Unreconciled Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,804,010 and Kshs.7,479,317 respectively as disclosed in Note 1 and Note 2 to the financial statements. During the year under review, NEMIS reported a total of four hundred and forty nine (449) students. However, the school students registers were not provided to confirm the exact enrolment records.

In the circumstances, it was not possible confirm whether the school was under or overfunded.

5. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 30 September, 2024, two years late, instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, of every year in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

6. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants totalling Kshs.7,479,317, as disclosed in Note 2 to the financial statements, received from the Ministry of Education and credited to the operations bank account. Included in this amount is Kshs.2,069,600 relating to infrastructure grants intended to be transferred to the infrastructure bank account for the maintenance and improvement of the school's facilities. However, only Kshs.1,250,000 was transferred to the infrastructure account, leaving a balance of Kshs.819,600 as at 30 June, 2022.

Further, an amount of Kshs.500,000 was transferred 53 days after receipt of the funds, contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021

which directs that infrastructure grants and funds for maintenance and improvement should be transferred to the school infrastructure account within fifteen (15) days upon receipt in the operations account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter 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. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.89,358,700 which include an amount of Kshs.25,500,000 in respect of land. However, land ownership documents were not provided for audit.

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

2. Lack of internal Audit Function and Audit Committee

During the year under review, the school had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

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

Responsibilities of the Management and those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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 for 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 IFPP 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

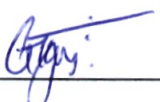
11 May, 2026

THARAKA BOYS SECONDARY SCHOOL
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VI. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	SIX MONTHS PERIOD ENDING 30 JUNE 2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,804,010	811,549
Capitation grants for operations	2	7,479,317	5,479,137
Government Grants for infrastructure	3	1,450,000	-
School fund income- parents' contributions	4	25,252,902	11,339,206
Miscellaneous incomes	5		
TOTAL RECEIPTS		35,986,229	17,629,892
PAYMENTS			
Tuition	6	1,871,412	748,580
Payments for operations	7	7,765,453	5,162,699
Infrastructure	8	400,000	-
Boarding and school fund	9	25,673,381	10,506,134
TOTAL PAYMENTS		35,710,246	16,417,413
SURPLUS/DEFICIT		275,983	1,212,479

The school financial statements were approved on 25/04/2026 and signed by:

Sign: 

Name: Julius Giti

Chair BOM

Date: 25/04/2026

Sign: 

Name: Leonard Kamundi

School Principal/
Secretary to BOM

Date: 25/04/2026

Sign: 

Name: Jackline Karimi

Bursar

Date: 25/04/2026

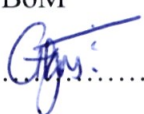
THARAKA BOYS SECONDARY SCHOOL
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VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	2,273,326	2,900,801
Cash Balances	11	1,116	17,202
Short term Investment	12		
Total Cash and cash equivalent		2,274,442	2,918,003
Account's receivables	13	10,924,832	10,030,288
TOTAL FINANCIAL ASSETS		13,199,274	12,948,291
FINANCIAL LIABILITIES			
Accounts Payables	14	2,909,047	2,934,048
		2,909,047	2,934,048
NET FINANCIAL ASSETS		10,290,227	10,014,243
REPRESENTED BY			
Accumulated Fund b/fwd	13	10,014,244	8,801,765
Surplus/Deficit for the year		275,983	1,212,479
NET FINANCIAL POSSITION		10,290,226	10,014,244
			-

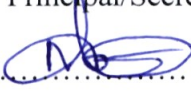
The School's financial statements were approved on **25/04/2026** and signed by:

Name: Julius Giti
Chairman, BoM

Sign: 

Date: 25/04/2026

Name: Leonard Kamundi
School Principal/Secretary
to BoM

Sign: 

Date: 25/04/2026

Name: Jackline Karimi
Bursar

Sign: 

Date: 25/04/2026

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

	Note	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,804,010	811,549
Capitation grants for operations	2	7,479,317	5,479,137
Government grants for infrastructure	3	1,450,000	-
School fund income- Parents contributions/ fees	4	25,252,902	11,339,206
School fund income- other receipts			
Total receipts		35,986,229	17,629,892
Payments			
Payments for Tuition	6	1,871,412	748,580
Payments for operations	7	7,765,453	5,162,699
Payments for infrastructure		26,592,926	9,986,444
Boarding and school fund payments	9	400,000	100,000
Total payments		36,629,791	15,997,723
Net cashflow from operating activities		(643,561)	1,632,169
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets		-	
Proceeds from investments		-	
Purchase of investments		-	
Net cash flows from Investing Activities		-	
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		(643,561)	1,632,169
Cash and cash equivalent at BEGINNING of the year		2,918,003	1,285,834
Cash and cash equivalent at END of the year		2,274,442	2,918,003

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks	339,413	-	339,413	339,413	0	100
Exercise books	565,688	-	565,688	565,688	0	100
Laboratory equipment	678,825	-	678,825	559,496	119,329	121
Internal exams	339,413	-	339,413	339,413	0	100
Bank charges						
Creditors						
Stationery						
Total	1,923,339		1,923,339	1,804,010	(119,329)	107
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,496,375		2,496,375	1,140,873	1,355,502	45.70%
Repairs and maintenance	3,150,000		3,150,000	1,934,920	1,215,080	61.43%
Local transport / travelling	962,325	-	962,325	556,818	405,507	57.86%
Electricity and water	604,275	-	604,275	918,588	(314,313)	152.01%
Medical	503,475	-	503,475		503,475	

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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
Administration costs	846,300		846,300	1,739,495	(893,195)	205.54%
Activity	599,550		599,550	4,500	595,050	0.75%
NHIF				41,200	(41,200)	-
NSSF				39,600	(39,600)	-
Boarding				26,000	(26,000)	-
Infrastructure				1,450,000	(1,450,000)	-
Bank charges				3,260	(3,260)	-
Creditors				707,523	(707,523)	-
Total	9,162,300		9,162,300	7,479,317		
(3) FDSE FOR INFRASTRUCTURE						
RMI		-		1,450,000		-
TOTAL				1,450,000		
(4) FEES CHARGED ON PARENTS						
Personnel emoluments	1,627,500	-	1,627,500	2,920,421	1,292,921	179.44%
Repairs and maintenance	1,260,000	-	1,260,000	2,429,949	(3,973,814)	24.07%
Local transport / travelling	341,250	-	341,250	1,087,050	(745,800)	31.39%
Electricity and water	2,572,500	-	2,572,500	1,280,983	1,291,517	200.82%
Administration costs	971,250	-	971,250	2,270,571	1,299,321	42.78%
Activity	78,750	-	78,750	793,750	715,000	9.92%
Fee on Boarding Equipment and Stores	14,429,625	-	14,429,625	10,570,097	3,859,528	136.51%

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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Bank charges		-		12,814	(12,814)	
Creditors		-		2,357,780	(2,357,780)	
Medical				101,705	(101,705)	
Refund				160,822	(160,822)	
Infrastructure				500,000	(500,000)	
Bursary				333,410	(333,410)	
Internal exams				32,500	(32,500)	
Arrears				290,050	(290,050)	
NHIF				49,350	(49,350)	
NSSF				46,450	(46,450)	
Total	21,280,875		21,280,875	25,252,902		
OTHER INCOME						
Rent income	69,600	-	69,600	-	(69,600)	
Income from farming activities	200,000	-	200,000	3,000	(197000)	1.5%
Insurance compensation						
Income from Posho mill						
Income from bus hire	500,000	-	500,000	12,200	(487,800)	2.44%
Total	769,600		769,600	15,200		
TOTAL INCOME	33,136,114		33,136,114	35,986,229		
(I) EXPENDITURE FOR TUITION						

THARAKA BOYS SECONDARY SCHOOL
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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
Textbooks	326,275	-	326,275	65,000	261,275	19.92%
Exercise books	591,963	-	591,963	250,000	341,963	42.23%
Laboratory equipment	652,550	-	652,550	300,000	352,550	45.97%
Internal exams	439,413	-	439,413	54,020	295,463	32.76%
Bank charges		-		3,992	(3,992)	-
Creditors				550,000	(550,000)	-
Stationery				648,400	(648,400)	-
Teaching and learning materials	252,550	-	252,550	-	-	-
Total	2,262,751		2,262,751	1,871,412		
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,700,000	-	2,700,000	1,140,873	1,559,127	42.25%
Repairs and maintenance	2,829,000	-	2,829,000	1,137,596	894,080	68.40%
Local transport / travelling	1,109,100	-	1,109,100	556,818	552,282	50.20%
Electricity and water	530,100	-	530,100	918,588	(388,488)	173.29%
Medical	474,500	-	474,500			
Administration costs	965,200	-	965,200	1,739,495	(774,295)	180.22%
Activity	562,070	-	562,070	4,500	557,570	0.8%
NHIF				41,200		
NSSF				39,600		
Boarding				26,000		

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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
Infrastructure				1,450,000		
Bank charges				3,260		
Creditors				707,523		
Total	9,169,970		9,169,970	7,765,453		
(3) EXPENDITURE FOR INFRASTRUCTURE				400,000		
	-	-	-		(400,000)	-
Total				400,000		
(4) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,657,500	-	1,657,500	2,920,421	(1262921)	176.19%
Repairs, maintenance and improvements	1,130,000	-	1,130,000	2,850,428	(4103814)	463.17%
Local transport / travelling	350,000	-	350,000	1,087,050	(737050)	310.59%
Electricity, water and conservancy	2,390,000	-	2,390,000	1,280,983	1109017	53.60
Medical Expenses		-		101,705		
				2,270,571		
Administration costs	869,000	-	869,000		(1401571)	261.29%
Activity	468,500	-	468,500	793,750	(325250)	169.42%
Boarding Equipment and Stores	14,724,740	-	14,724,740	10,570,097	4154643	71.78%
Bank charges				12,814		
Refund				160,822		

THARAKA BOYS SECONDARY SCHOOL
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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
Infrastructure				500,000		
BUS				12,200		
Bursary				333,410		
Internal Exams				32,500		
Creditors				2,357,780		
Farm				3,000		
Arrears				290,050		
NHIF				49,350		
NSSF				46,450		
Total						
	21,589,740	-	21,589,740	25,673,381		
TOTALS	32,022,461	-	32,022,461	35,710,246		

- There were inadequate finances in the tuition account hence underutilization in its vote heads compared to the budget.
- Under- utilization in the operations account was as a result of low capitation and poor budget preparation.
- Over-utilization in the operations account was brought about by high cost of living.
- The high cost of living also led to over utilization in the school fund account. There was also poor budget preparation.

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.

THARAKA BOYS SECONDARY SCHOOL
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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Exercise Books	339,413	167,635
Stationery	565,688	
Text Books	559,496	
Laboratory Equipment	339,413	267,220
Teaching/Learning Materials		142,669
Reference Materials		133,610
Bank Charges		
Internal exams		100,415
Total	1,804,010	811,549

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Personnel Emoluments	1,140,850	1,426,500
NHIF	41,200	
NSSF	39,600	
Administration Cost	1,600,000	
Repairs And Maintenance & Improvements	1,651,867	1,800,000
Local Transport / Travelling	600,500	549,800
Electricity And Water	700,800	388,937
Medical insurance cost		287,700
Creditors	1,700,000	683,600
Bank charges	4,500	342,600
Total	7,479,317	5,479,136

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. CAPITATION GRANTS FOR INFRASTRUCTURE

		2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
		Kshs	Kshs
RMI		1,450,000	-
Total		1,450,000	-

3 PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Personnel Emoluments	2,980,000	961,000
Repairs And Maintenance & Improvements	5,100,000	744,000
Local Transport / Travelling	900,000	201,500
Electricity And Water	818,472	1,519,000
Administration Costs	1,800,000	573,500
Medical		
Bank Charges		
Activities	800,850	46,500
Fee On Boarding Equipment and Stores	10,400,000	7,293,706
Refund		
Infrastructure		
BUS		
Bursary		
Internal Exams		
Creditors	2,357,780	
Farm		
Arrears		
NHIF	49,350	
NSSF	46,450	
Total	25,252,902	11,339,206

THARAKA BOYS SECONDARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Rent income		
Income from farming activities		
Insurance compensation		
Bursary		
Income from Bus Hire		
Seminar		
Income from grants and donations*		
Interest income		
Contingencies		
Total		

5 PAYMENTS FOR TUITION

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Text books	250,000	
Exercise books	648,400	139,200
Laboratory equipment and apparatus	65,000	
Teaching/learning materials	300,000	
Creditors	550,000	595,200
Internal exams		
Reference books	143,950	14,000
Bank charges	3,992	180
TOTAL	1,961,342	748,580

THARAKA BOYS SECONDARY SCHOOL**Annual Report and Financial Statements****For the year ended 30th June 2022****NOTES TO THE FINANCIAL STATEMENTS (Continued)****6 PAYMENTS FOR OPERATIONS**

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Personnel Emoluments	1,140,873	957,304
NHIF	41,200	19,000
NSSF	39,600	18,000
Administration Cost	1,739,495	796,705
Repairs And Maintenance & Improvements	1,934,920	1,086,949
Local Transport / Travelling	556,818	303,050
Electricity And Water	918,588	325,988
Medical insurance cost		
Boarding	26,000	224,000
Infrastructure	1,450,000	
Activity	4,500	
Bank Charges	3,260	300
Creditors	707,523	1,431,403
Total	8,562,777	5,162,699

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Personnel Emoluments	2,920,421	1,141,300
Repairs And Maintenance & Improvements	5,233,814	1,341,068
Local Transport / Travelling	1,087,050	485,340
Electricity And Water	1,280,983	679,625
Administration Costs	2,270,571	511,685
Medical	101,705	40,005
Bank Charges	12,814	2,650
Activities	793,750	70,000
Fee On Boarding Equipment and Stores	10,570,097	4,287,014
Refund	160,822	4,500
Infrastructure	500,000	
Bus	12,200	280,739
Bursary	333,410	
Internal Exams	32,500	
Creditors	2,357,780	1,340,758
Farm	3,000	
Arrears	290,050	290,050
NHIF	49,350	15,800
NSSF	46,450	15,600
Total	28,056,767	10,506,134

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Status	Bank Account Number	2021-2022 Kshs	SIX MONTHS PERIOD ENDING 30 JUNE 2021
Tuition Account	Active	01025039708800	22,363	89,765
Operations Account	Active	01021039007501	17,652	303,789
School Fund Account/Boarding		01021039007500	519,292	783,641
Trans national	Active	68260900003801	12,469	1,022,057
Infrastructure Account	Active	01022225914600	1,701,550	701,550
Total			2,273,326	2,900,801

9 CASH IN HAND

Description	2021-2022 Kshs	SIX MONTHS PERIOD ENDING 30 JUNE 2021 Kshs
Operations Account	1,116	14,461
Tuition Account		
School Fund Account/Boarding	-	2,741
Infrastructure Account		
Total	1,116	17,202

10 SHORT TERM INVESTMENTS

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Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Fees arrears	11,189,057	10,030,288
Other non-fees receivables		
Salary advances		
Imprest	-	
Total	11,189,057	10,030,288

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

Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Fees arrears for current year	3,267,100	5,343,429
Fees arrears for the previous year	2,970,873	1,343,430
Fees arrears for prior periods (over two years)	4,951,084	3,343,429
Total	11,189,057	10,030,288

12 ACCOUNTS PAYABLE

Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,909,047	2,660,740
Prepaid fees	-	273,308
Retention monies		
Total	2,909,047	2,934,048

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

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Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Trade creditors for current year	2,909,047	2,660,740
Trade creditors for the previous year	-	
Trade creditors for prior periods (over two years)		
Total	2,909,047	2,660,740

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Bank Balances	2,009,101	2,900,801
Cash Balances	1,116	17,202
Short Term Investments		
Receivables	11,189,057	10,030,288
Payables	(2,909,047)	2,934,048
Total	10,290,227	10,014,243

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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.

14 Non-current Liabilities Summary

Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision		
Total		

15 Biological assets

Description	Numbers	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
		Kshs	Kshs
Cattle	3	78,000	75,000
Goats	20	60,000	69,000
Trees	1,100	550,000	500,000
Coffee or tea plantation			
Poultry			
Total		688,000	644,000

16 Borrowings

Description	2020-2021	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	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		

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Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	SIX MONTHS PERIOD ENDING 30 JUNE 2021
	Kshs	Kshs
b) Borrowings		
Stock/ inventory at beginning of the year	402,850	182,800
Stock/ inventory purchased during the year	23,884,975	3,770,100
Stock/ inventory issued during the year	22,690,726	3,550,050
Balance at end of the year	1,597,099	402,850

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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)

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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 JUNE 2022	Outstanding Balance JUNE 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Nyati Enterprises	300000	7/4/2021	0	300000	300000	
2. Juna Technical	270000	27/4/2021	0	270000	270000	
3. Jeflo contractors	198600	5/5/2021	0	198600	198600	
Sub-Total	766600			766600	766600	
Supply of goods						
4. Deem garage	281,900	11/07/2020	200,000	81,900	81,900	
5. Dabuem	481000	22/5/2021	100000	381000	381000	
6. Joyce Nthiori	109140	17/04/2021	0	107140	109140	
Sub-Total	872040		300000	572040	572040	
Supply of services						
7. Belan enterprises	211,752	5/09/2020	100,000	111,752	111,752	
8. NSSF	1358655	2020	0	1358655	1358655	
9. Wamo Tech Services	130000	12/3/2021	30000	100000	100000	
Sub-Total	1700407		130000	1568407	1568407	
Grand Total	3339047		430000	2909047	2909047	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1 (51.34 HA)	1969	Tharaka	25,500,000			25,500,000
Buildings and structures		Tharaka				
- Administration block (1)						10,000,000
- Dormitories (5)			10,000,000			19,000,000
- Dining Hall (1)			19,000,000			3,200,000
- Laboratories (4)			3,200,000			800,000
- Computer lab (1)			800,000			1,800,000
- Toilets (6 Blocks)			1,800,000			12,800,000
- Classes (16)			12,800,000			1,500,000
- Library (1)			1,500,000			
Motor vehicles	2009	Tharaka	6,500,000			6,500,000

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 30 th June 2022
Office equipment, furniture and fittings		Tharaka				
- Staplers (8)			6,400			6,400
- Paper Punch (7)			7700			7700
- Calcurators (3)			3,600			3,600
- Computers (4)			88,000			88,000
- Printer (3)			52,000			52,000
- Photocopiers (2)			720,000			720,000
- Tr preparation table (8)			48,000			48,000
- Office tables (20)			120,000			120,000
- Office chairs (30)			81,000			81,000
- Lockers (600)			2,160,000			2,160,000
- Chairs (600)			1,500,000			1,500,000
- Decker beds (260)			3,120,000			3,120,000
ICT Equipment, and Other ICT Assets		Tharaka				
- White boards (11)			77,000			77,000
- Laptop (3)			175,000			175,000
- Projectors (2)			100,000			100,000
Total		Tharaka	89,358,700			89,358,700

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