REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MARAA GIRLS SECONDARY SCHOOL

FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE, 2021

MERU COUNTY

Revised 30th June 2021.

MARAA GIRLS' PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR JANUARY 2020 TO 30th JUNE 2021

FOR A PERIOD OF 18 MONTHS

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

Table of Contents Page

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 Meru County ,Imenti South Sub-County

The school was registered in 8/04/2010 under registration number GP/A8511/10 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a boarding school and had 680 number of students as at *30th June 2021*.It has 3 streams and 27 teachers of which none of the teacher 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	Mr. James Kimathi Mugambi	Chairman	16/05/2019
2	Mrs. Njagi Lucy Njura	Secretary - Principal	16/05/2019
3	Mr. Linus Mworia	Member	16/05/2019
4	Mrs. Fridah Mugendi	Member	16/05/2019
5	ENG. Eric Murithi	Member	16/05/2019
6	Dr. Hellen Guantai	Member	16/05/2019
7	Apostle Simon Irungu	Member	16/05/2019
8	MR. Geoffrey Muthomi	Member	16/05/2019
9	Mrs. Vivian Mwiti	Member Rep Teachers	16/05/2019
10	Mr. Edward Mwirigi	Members	16/05/2019
11	Mr. Mugambi Nkanata	Member	16/05/2019
12	Ms. Francisca Wanjiru	Member	16/05/2019
13	Mr. Albert Ngai	Member	16/05/2019
14	Mr. Daniel Ndegwa	Member	16/05/2019
15	Mrs. Teresa Kinoti	Member	16/05/2019
16	Mrs. Grace Kaindu Kithinji	Member	16/05/2019
17	Mr. Mutura Mworia	Member	16/05/2019

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	Mr. James Kimathi Mugambi Mrs. Lucy Njagi Njura Mr. Geoffrey Muthomi Mrs. Grace Kaindu Dr. Hellen Guantai	Chair person Secretary Member Member Member	1/1 1/1 1/1 1/1 1/1 1/1
2	Audit Committee	Mr. Francis Mutura Mrs.Njagi Lucy Njura Mr.Daniel Ndegwa Ms.Francisca wanjiru Mr.Edward Mwirigi Mr.Mugambi Nkanata	Chairperson B.O.M secretary Member Member Member Member	1/1 1/1 1/1 1/1 1/1 1/1
3	Finance,procurement and general purposes Committee	Eng.Eric Murithi Mrs. Njagi Lucy Njura Mrs Grace Kithinji Mr.Linus Mworia Mrs. Fridah mugendi	Chairperson BOM secretary Member Member Member	1/1 1/1 1/1 1/1 1/1
4	Academic Committee	Dr. Hellen Guantai Mrs.Njagi Lucy Njura Apostle Simon Irungu Mr. Geofrey Muthomi Mrs.Vivian Mwiti Mr.Isaiah mungiria Mr.Sammy Kinyua Mr.Albert Ngai	Chairperson BOM Secretary Member Member Member Curriculum master Member Member	1/1 1/1 1/1 1/1 1/1 1/1 1/1 1/1
5	Development Committee	Eng. Eric Murithi Mrs. Njagi Lucy Njura Mrs.Teresa Kinoti Mrs.Grace Kithinji Mrs Mercy Itunga Mr.Albert Mugambi	Chairperson Secretary BOM D/Principal PTA Chairman (SSCDE) Imenti South	1/1 1/1 1/1 1/1 1/1
6	Discipline and welfare Committee	Dr. Hellen Guantai Mrs. Jagi Lucy Njura Apostle Simon Irungu Mr.Geofrey Muthomi Mrs.Vivian Mwiti Mr.Isaiah Mungiria Mr.Sammy Kinyua Mr.Albert Ngai	Chairperson BOM Secretary Member Member Member Curriculum Master Ass.Curriculum Member	1/1 1/1 1/1 1/1 1/1 1/1 1/1 1/1 1/1
7	Adhoc Committee (if any during the year)	Mr. Josphat Getuno Ms. Ann Kagendo Edith Kajuju	Tender Opening Chairman Secretary Tender Opening Member	1/1 1/1 1/1

		Mrs. Teresa Kinoti	Tender Evaluation Chairperson	1/1
		Mrs.Edith Mutwiri	Secretary Tender Valuation	1/1
		Mr.Ndatho	Member	1/1

(c) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mrs. Njagi Lucy Njura	356218
2	Deputy Principal	Mrs. Teresa Kinoti	390535
3	School Bursar	Ms. Edith Kajuju Mbajo	ID 27095523

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) Schools contacts

Post Office Box: 383-60202
Telephone: 0741920150
E-mail: maraagirls383@gmail.com
:

(e) School Bankers

The following school operated 5 number of bank accounts in the following banks:

1. Name of Bank: EQUITY BANK (KENYA) LTD
   Branch: NKUBU
   Account Number: 0370293916788

2. Name of Bank: EQUITY BANK (KENYA) LTD
   Branch: NKUBU
   Account Number: 0370297291268

3. Name of Bank: EQUITY BANK (KENYA) LTD
   Branch: NKUBU
   Account Number: 0370291806525

4. Name of Bank: EQUITY BANK (KENYA) LTD
   Branch: NKUBU
   Account Number: 0370291348579

5. Name of Bank: EQUITY BANK (KENYA) LTD
   Branch: NKUBU
   Account Number: 0370278967234-(CDF)

(f) Independent Auditors

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

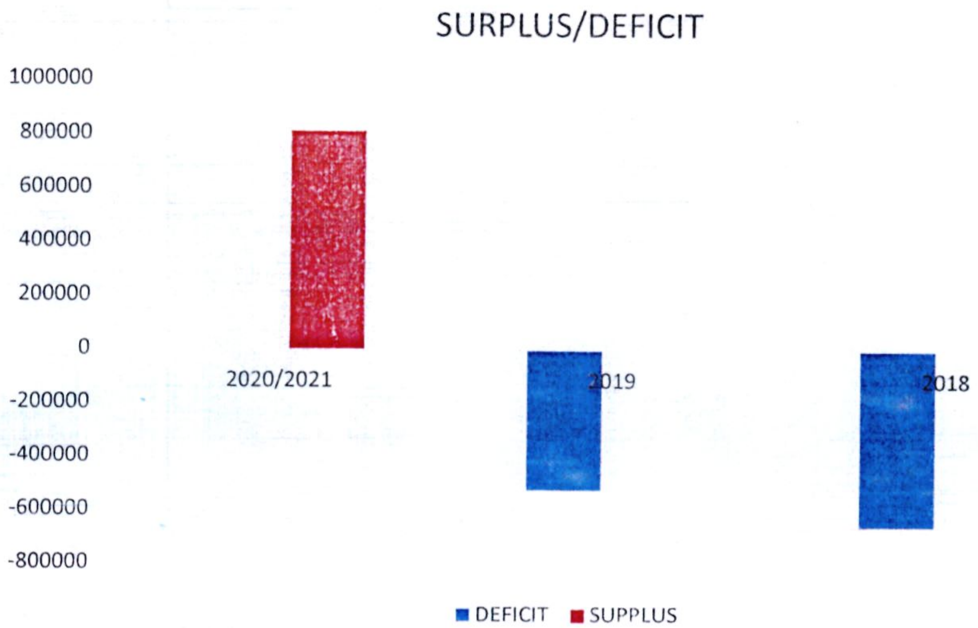
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

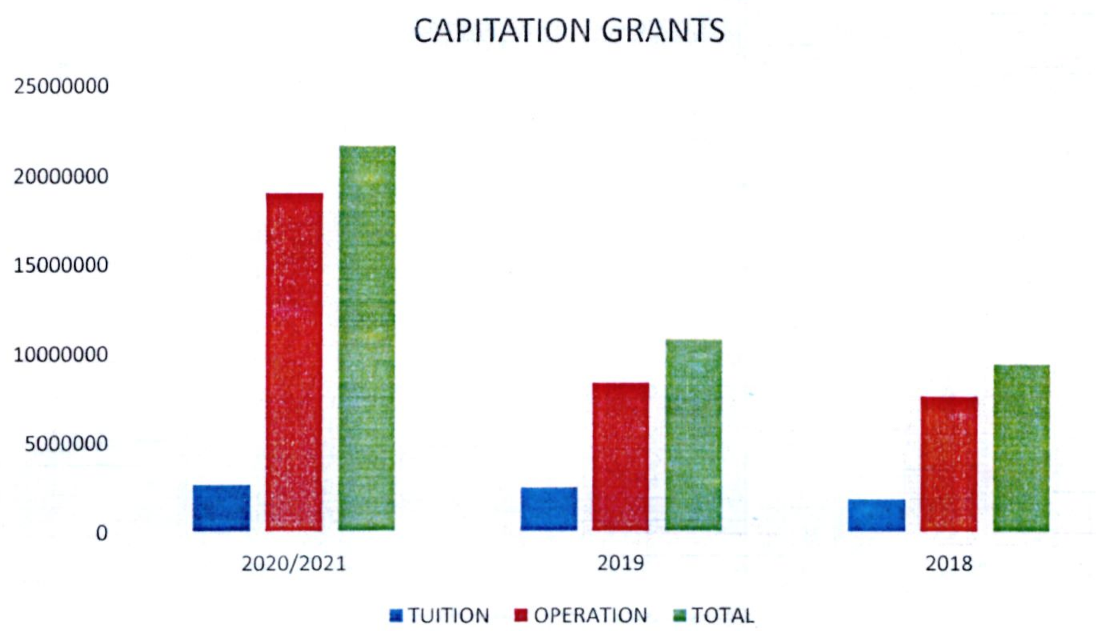
- ***Surplus/ deficit***

2020/2021	*2019*	*2018*
812,742.00	*(523,283)*	*(660379)*



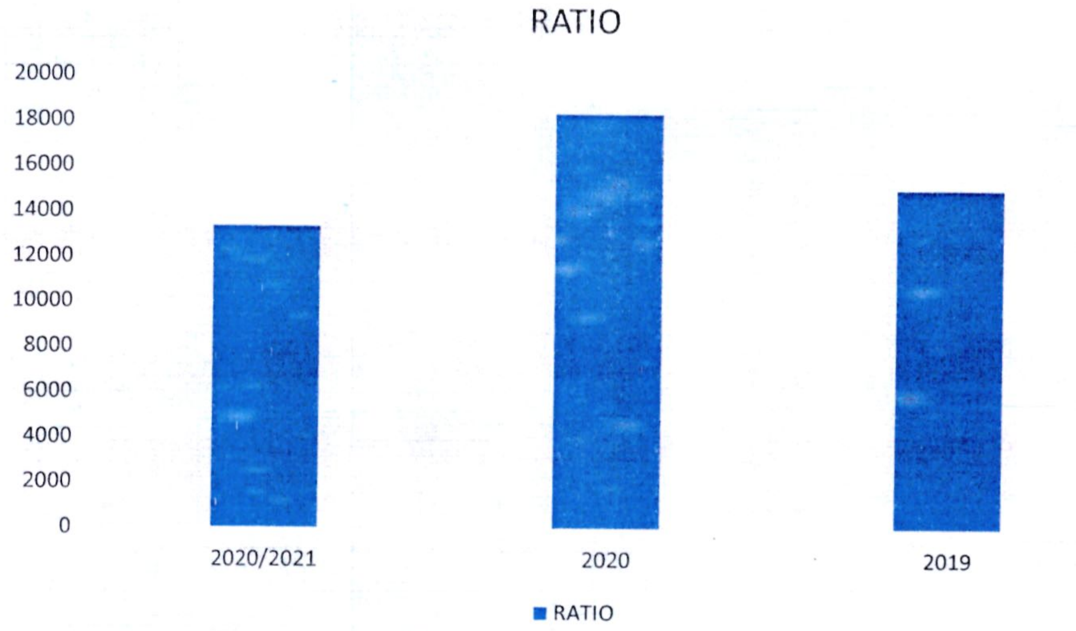
- ***Capitation grants***

	2020/2021	*2019*	*2018*
TUITION A/C	2,665,849.00	*2,506,510*	*1,867,467*
OPERATION A/C	18,959,766.00	*8,299,673*	*7,567,290*
TOTAL	***21,625,615.00***	***10,806,183.00***	***9,436,775.00***



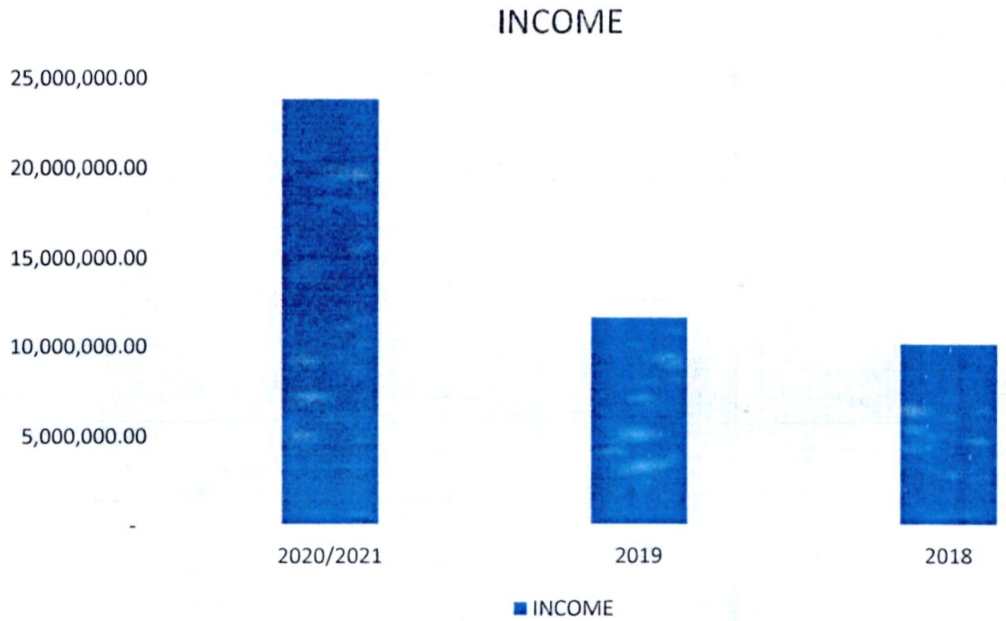
- *Ratio of capitation grant per student.*

	2020/2021	2019	2018
RATIO	13,365	18,364	15,059



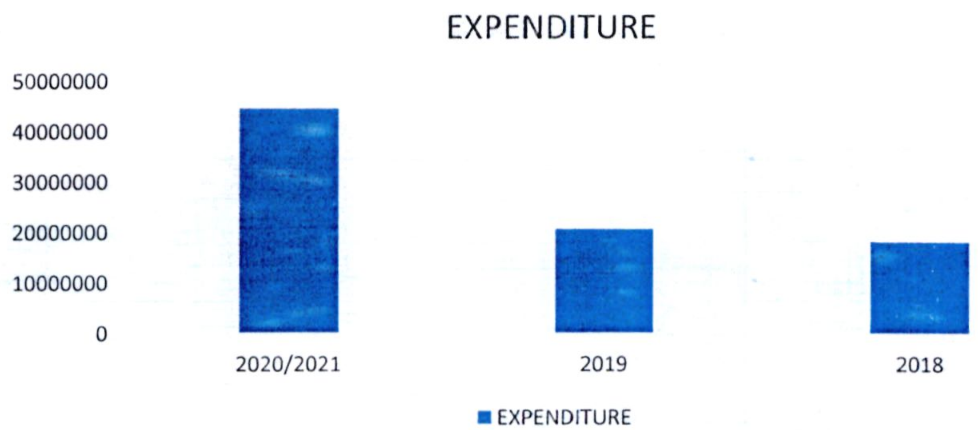
growth of other income(s) earned

2020/2021	2019	2018
23,769,291.00	11,647,118.00	10,125,145.00



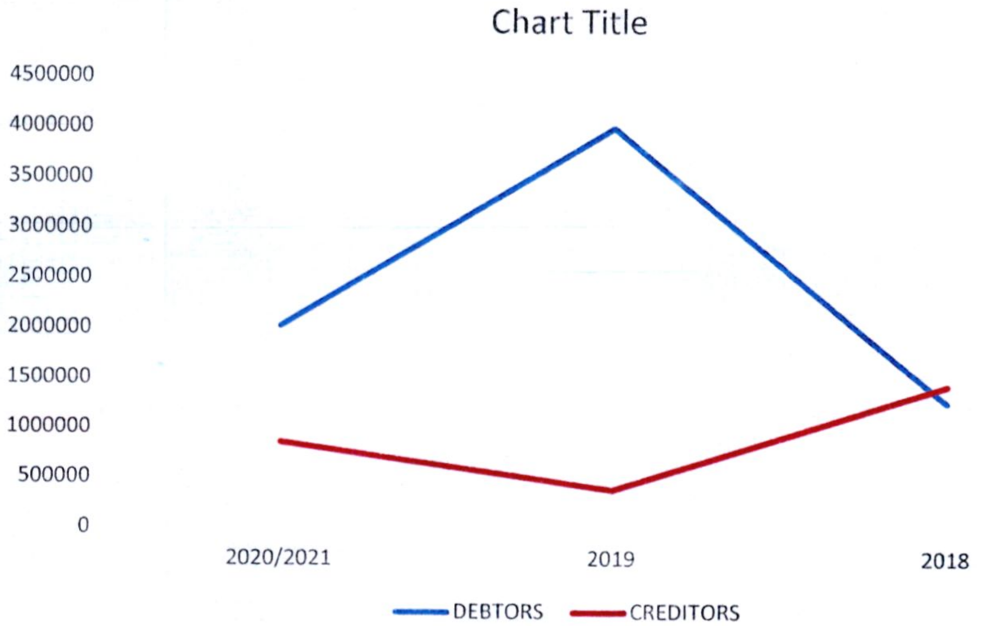
growth in expenditure of the school

2020/2021	2019	2018
44,582,164.00	20,714,604.00	18,193,722



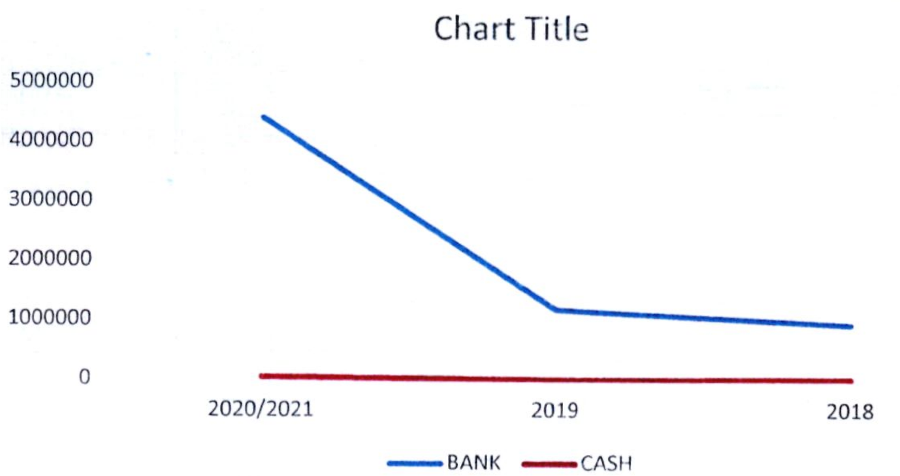
- ***Movement of debtors and creditors***

	2020/2021	*2019*	*2018*
DEBTORS	*2,016,784.00*	*3,993,675.00*	*1,254,355*
CREDITORS	*858,614.00*	*379,448.00*	*1,424,810*



- ***Movement of cash and bank balances***

	2020/2021	*2019*	*2018*
BANK	*4,404,409.00*	*1,178,423.00*	*930,009*
CASH	*44,357.00*	*1,544.00*	*7020.00*



b,Teacher Student ratio:

Teachers students ratio 27;680=1;25

C,Mean score in the *2021* KCSE:

Year	Entry	Targent Mean Score	Mean Score	Mean Grade	Transition(C+ And Above)	Remarks
2020-2021	133	6.0	5.1719	C-	23	TARGET NOT ACHIEVED
2019-2020	96	6.0	6.073	C	32	TARGET ACHIEVED
2018-2019	37	6.2	6.027	c	15	TARGET NOT ACHIEVED

a) Number of Candidates in the 2021 KCSE: Number of Candidates in the 2021 KCSE:

Year	Entry
2020-2021	133
2019-2020	96
2018-201	37

d,Capacity of the school:

YEAR	DORM	DINNING HALL	LAB	TOILETS	CLASSES	NUMBER OF STUDENTS	REQUIRED
2020-2021	3	1	2	30	15	680	1 DORMITORY
2099-2020	3	1	2	30	13	600	
2019-2018	3	1	2	30	11	600	

c) Development projects carried out by the school:

The school didn't not carry any development project for the period under review

Sign

School Principal

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 Maraa 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, 2021, and of the school's financial position as at that date.

Name: PATRICK MUGENDI K.
Designation: Chairman, School Board of Management

Sign: ____________

Date: 15/4/2026

Name: LUCY K. MUJURI
Designation: School Principal& Secretary to Board of Management

Sign: ____________

Date: 15/4/2026

Name: EDITH. K. MBAJO
Designation: Bursar/ Finance Officer

Sign: ____________

Date: 15/4/2026

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MARAA GIRLS SECONDARY SCHOOL FOR THE EIGHTEEN MONTHS PERIOD ENDED 30 JUNE, 2021 – MERU 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 Maraa Girls Secondary School – Meru County set out on pages 19 to 26, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Maraa Girls Secondary School – Meru County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.4,448,766 which includes bank balances of Kshs.4,404,409 held in five (5) bank accounts as disclosed in Note 8 to the financial statements. However, the bank account numbers and the banks where the money is held were not disclosed in Note 8 to the financial statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.4,448,766 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.55,711,936 and Kshs.38,969,963 respectively, resulting in an under-funding of Kshs.16,741,973 or 30% of the budget. However, the School spent an amount of Kshs.40,157,815 against actual receipts amounting to Kshs.38,969,963, resulting in an over-utilization of Kshs.1,187,852 or 3% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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 Matter

Unaudited Comparative Balances

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

The financial statements for the eighteen (18) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information. My audit opinion on the current period financial statements is not modified in respect of this matter.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the period under review, Management submitted the financial statements to the Auditor-General on 24 February, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 in compliance 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.

2. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities.

i) Lack of Professional Opinion

Review of the procurement process revealed that there was no professional opinion from the Head of Supply Chain Management for any of the tenders awarded during the period. This contravened the provision of Regulation 79(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, upon receipt of the evaluation report and professional opinion, the accounting officer shall take into account the contents of the professional opinion and shall within a day, in writing approve award to the successful tenderer.

ii) Lack of a Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

iii) Unstructured Procurement Processes

Review of procurement of goods and services revealed absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

iv) Weaknesses in Record Keeping

During the period, the school failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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

3. Failure to Prepare School Improvement Plan

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

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

The audit was conducted in accordance with ISSAI 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. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.2,016,784 in respect of fees arrears as disclosed in Note 11 to the financial statements. This balance includes accounts receivable balance of Kshs.324,523 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

2. Lack of Internal Audit Function and Audit Committee

During the period 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), Regulations, 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 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 (Accrual 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.

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 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

23 April, 2026

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	2,665,849.00	1,433,421
Capitation grants for operations	2	18,959,766.00	8,299,633
School Fund Income- Parents' Contributions	3	22,533,339.00	4,213,776
School Fund Income- Other receipts	4	1,235,952.00	7,335,342
Proceeds from borrowings			
TOTAL RECEIPTS		**45,394,906.00**	**21,282,173**
PAYMENTS			
Payments for Tuition	5	2,693,655.00	1,191,277
Payments for operations	6	17,932,586.00	10,847,184
Boarding and school fund payments	7	23,955,923.00	9,415,009
TOTAL PAYMENTS		**44,582,164.00**	**21,453,470**
SURPLUS/DEFICIT		**812,742.00**	**(171,297)**

The school financial statements were approved on __________ 2021 and signed by:

Name. PATRICK MUHONDI K. **Name.** LUCY K MUJURI **Name.** LOISAH K. MDNJO

Chair BOM **Secretary to BOM** **Bursar**

Sign .... **Sign**.......... **Sign**..........

Date 15/4/2026 **Date** 15/4/2026 **Date** 15/4/2026

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

	Note	2020-2021	2019-2020
		Kshs	Kshs
Cash and Cash Equivalents			
Cash and Cash Equivalents			
Bank Balances	8	4,404,409.00	1,178,423.00
Cash Balances	9	44,357.00	-
Short term Investment	10	-	-
Total Cash and cash equivalent		**4,448,766.00**	**1,178,423.00**
Account's receivables	11	2,016,784.00	3,993,675
TOTAL FINANCIAL ASSETS		**6,465,550.00**	**5,172,098**
FINANCIAL LIABILITIES			
Accounts Payables	12	(858,614.00)	(1,290,830)
NET FINANCIAL ASSETS		**5,606,936.00**	**3,881,268**
REPRESENTED BY			
Accumulated Fund b/fwd	13	4,794,194.00	3,108,469
Surplus/Deficit for the year		812,742.00	(772799)
NET FINANCIAL POSSITION		**5,606,936.00**	**3,881,268**

The School's financial statements were approved on __________ 2021 and signed by:

Name: PATRICK MUHONDI K.	**Name:** LUCY K NJURI	**Name:** EDITH·G·MBAJO
Chairman, BoM	*School Principal/Secretary to BoM*	*Bursar/Finance*
Sign:	**Sign:**	**Sign:**
Date: 15/4/2026	**Date:** 15/4/2026	**Date** 15/4/2026

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

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	2,665,849.00	1,433,421,
Capitation grants for operations	2	18,959,766.00	8,299,633
School fund income- Parents contributions/ fees	3	25,088,664.00	4,213,776
School fund income- other receipts	4	1,235,952.00	7,335,342
Total receipts		**47,950,231.00**	**21,282,173**
Payments			
Payments for Tuition		2,693,655.00	1,191,277
Payments for operations		17,932,586.00	10,847,184
Boarding and school fund payments		24,055,191.00	9,415,009
Total payments		**44,681,432.00**	**21,453,470**
Net cash flow from operating activities		**3,268,799.00**	**(171,297)**
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			
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**3,268,799.00**	**(171,297)**
Cash and cash equivalent at BEGINNING of the year		**1,179,967.00**	**1,351,264**
Cash and cash equivalent at END of the year		**4,448,766.00**	**1,179,967.00**

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-			
Exercise books	1,962,500.00	-	1,962,500.00	538,608.00	1,423,892.00	27%
Laboratory equipment	1,078,356.00		1,078,356.00	393,350.00	685,006.00	36%
Internal exams	-		-			
Teaching / learning materials	1,714,295.00		1,714,295.00	1,733,891.00	(19,596.00)	101%
Chalks	45500		45500			100%
Exams and assessment	38,735.00		38,735.00		38,735.00	100%
Teachers guides	52,000.00		52,000.00		52,000.00	100%
		-				
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,639,250		1,639,250	816,951.00	822,299.00	50%
Repairs and maintenance	6,180,000.00		6,180,000.00	8,736,386.00	(2,556,386)	141%

Local transport / travelling	1,639,250.00		1,639,250.00	1,782,143.00	(142,893.00)	109%
Electricity and water	1,639,250.00		1,639,250.00	1,782,143.00	(142,893.00)	109%
Medical	1,060,000.00		1,060,000.00	120,000.00	940,000	11%
Administration costs	1,946,750.00		1,946,750.00	1,782,143.00	164,607.00	92%
Activity	795,000.00		795,000.00	340,000.00	455,000.00	43%
		-				
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	2,676,750.00		2,676,750.00	1,482,178.00	1,194,572.00	55%
Repairs and maintenance	3,910,000.00		3,910,000.00	3,639,206.00	270,794.00	93%
Local transport / travelling	2,685,750.00		2,685,750.00	1,442,550.00	1,243,200.00	54%
Electricity and water	2,685,750.00		2,685,750.00	930,824.00	1,754,926.00	35%
Medical				317,533.00	(317,533.00)	
Administration costs	2,685,750.00		2,685,750.00	804,155.00	1,881,595.00	31%
Activity	207,500.00		207,500.00	844,854.00	(637,354.00)	40%
SMASSE	-		-			
Fee on Boarding Equipment and Stores	21,069,550		21,069,550	11,379,778	9,689,772	54%
		-	**28,321,050.00**	**22,533,339.00**	**5,787,711.00**	80%
OTHER INCOME						
donation						
Income from farming				54,000.00	(54,000)	-100%

activities						
uniform						
Income from Posho mill						
Income from Bus Hire				49,270.00	(49,270)	-100%
sub total		-				
TOTAL INCOME	**55,711,936**	-	**55,711,936**	**38,969,963**		
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	1,962,500.00		1,962,500.00	957,972.00	1,004,528.00	**49%**
Laboratory equipment	1,078,356.00		1,078,356.00	725,221.00	353,135.00	**70%**
Internal exams					-	
Teaching / learning materials	1,714,295.00		1,714,295.00	959,362	754,933	**56%**
Chalks					-	
Exams and assessment	38,735.00		38,735.00		38,735.00	**100%**
Teachers guides	52,000.00		52,000.00		52,000.00	**100%**
Administration costs					-	
Bank Charges					-	
		-				
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,962,500.00		1,962,500.00	1,623,195.00	339,305.00	**83%**

Repairs, maintenance & improvements	6,180,000.00		6,180,000.00	11,650,000.00	(5,470,000.00)	**189%**
Local transport / travelling	1,639,250.00		1,639,250.00	212,950	1,426,300	**13%**
Electricity, water and conservancy	1,639,250.00		1,639,250.00	1,631,383.00	7,867.00	**100%**
Medical	1,060,000.00		1,060,000.00	238,275.00	821,725.00	**22%**
Administration costs	1,946,750		1,946,750	2,806,631	(859,881.00)	**144%**
Activity Expenses	795,000.00		795,000.00	468,170.00	326,830.00	**59%**
Gratuity					-	
sub total		-				
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	2,676,750.00		2,676,750.00	886,504.00	1,790,246.00	**33%**
Repairs, maintenance and improvements	3,910,000.00		3,910,000.00	3,555,861.00	354,139.00	**91%**
Local transport / travelling	2,685,750.00		2,685,750.00	615,120.00	2070,630.00	**23%**
Electricity, water and conservancy	2,685,750		2,685,750	280,825	2,404,925	**10%**
Medical Expenses				262,944.00	(262,944)	**100%**
Administration costs	2,685,750.00		2,685,750.00	1,810,922.00	874,828	**67%**
Activity	207,500.00		207,500.00	303,440.00	(95,940.00)	**146%**
Gratuity					-	
Boarding Equipment and	21,069,550		21,069,550	11,169,04000	9,000,050	**53%**

Stores						
TOTALS	55,711,936	-	55,711,936	40,157,815		

IX SIGNIFICANT ACCOUNTING POLICIES

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

1. **Statement of compliance and basis of preparation**

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

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

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

2. **Recognition of receipts and payments**

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

3. **In-kind contributions**

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

4. **Cash and cash equivalents**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	538,608.00	433,421
Laboratory equipment	393,350.00	300,000
Internal exams		100,000
Teaching / learning materials	1,733,891.00	
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	200,000
Total	**2,665,849.00**	**1,433,421** -

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Admin cost	1,782,143.00	599,000
Repairs and maintenance	8,736,386.00	5,500,775
Personnel emoluments	816,951.00	541,858
Electricity and water	1,782,143.00	120,000
Local travel and transport	1,782,143.00	599,000
Activity	340,000.00	340,000
Medical	120,000.00	120,000
Infrastructure	3,600,000.00	
Total	**18,959,766.00**	**8,299,633**

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,482,178.00	936,483
Repairs and maintenance	3,639,206.00	999,910
Local transport / travelling	1,442,550.00	942,275
Electricity and water	930,824.00	381,371
Fee on Boarding Equipment and Stores	13,072,039.00	
Administration costs	804,155.00	317,680
Medical	317,533.00	126,348

	2020-2021	2019-2020
	Kshs	Kshs
Activity	844,854.00	340,0000
Total	**22,533,339.00**	**4,213,776**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
NSSF		
Fees on boarding and stores		7,246,435
Donation	59,907.00	54,907
Farm	54,000.00	54,000
uniform	65,900.00	
bus hire	49,270.00	
Development	1,006,875.00	
Dividends income		
Total	**1,235,952.00**	**7,355,342**

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	957,972.00	
Laboratory equipment	725,221.00	641,412
Internal exams		547,415
Teaching / learning materials	1,010,462.00	
Chalks		
Exams and assessment		
Teachers guides		
creditors		
Bank Charges		2,450
Total	**2,693,655.00**	**1,191,277**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,623,195.00	673,626
Medical	238,275.00	
Administration Cost	2,808,631.00	2,433,895
Repairs and maintenance & improvements		7,734,643
Local transport / travelling	611,962.00	3,000
NHIF		
Bank charges		2,020
Activity Expenses	468,170.00	
Electricity water and conservancy	1,631,833.00	
insurance		
Infrastructrure account expenses	10,550,520.00	
Acquisition of Assets	-	-
TOTAL	**17,932,586.00**	**10,847,184**

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	886,504.00	418,450
Repairs and maintenance & Improvements	3,555,861.00	4,384,729
Local transport / travelling	615,120.00	285,600
Electricity and water	280,825.00	235,125
Administration costs	1,797,922.00	709,130
bus	173,976.00	
Development	3,138,000.00	
Medical	262,944.00	5,905
Fee on Boarding Equipment and Stores	11,449,220.00	3,360,910
Donation	54,907.00	
Activity	303,440.00	
Loan Principal repayment	757,854.00	
Farm	44,650.00	
Uniform	634,700.00	
Bank charges		15,060
TOTAL	**23,955,923.00**	**9,415,009**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		204,477.00	232,283.00
Operations Account		139,994.00	226,641.00
School Fund Account/Boarding		2,266,743.00	38,784.00
CDF		11,530.00	11,530.00
Parent Association Development Account			
Income generating activities Account			
Infrastructural Account		1,781,665.00	669,185.00
Total		**4,404,409.00**	**1,178,423.00**

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account		
Operation Account	15,122.00	776.00
School Fund account	29,235.00	768.00
Total	**44,357.00**	**1,544.00**

10 SHORT TERM INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	2,016,784.00	3,993,675.00
Other non-fees receivables		
Salary advances		
Imprest	-	-
Total	**2,016,784.00**	**3,993,675.00**

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,692,261.00	1,254,355.00
Fees arrears for the previous year		2,739,320.00
Fees arrears for prior periods (over two years)	324,523.00	
Total	**2,016,784.00**	**3,993,675.00**

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	280,180.00	173,000.00
Prepaid fees	578,434.00	206,448.00
Retention monies	-	-
Total	**858,614.00**	**379,448.00**

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	280,180.00	173,000.00
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		
Total	**280,180.00**	**173,000.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	1,178,423.00	1,168,436
Cash balances	1,544.00	
Short Term Investments		
Receivables	3,993,675.00	1,424,810
Payables	(379,448.00)	(1,254,3550 -
Total	**4,794,194.00**	1,338,891

Other important disclosure notes

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

14 Non-current Liabilities Summary

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

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle			
Goats			
Trees	30	60,000	60,000
Coffee or tea plantation			
Poultry			
Total		60,000	

16 Borrowings

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

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021 KShs	2019-2020 KShs
b) Borrowings		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year	676,890.00	

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. Chap chap hardware	36,000	1/5/2021		36,000		
5. Eunice Mukiri	244,180	25/4/2021		244,180		
6.						
Sub-Total	**280,180**			**280,180**		
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total	**280,180**			**280,180**		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	accre	Historical cost b/f(kshs) Ist july 2021	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	15/01/2008	ABOGETA/NKACHIE	1.6	2,400,000		2,400,000
Land 2	15/08/2008	ABOGETA/NKACHIE	.08	120,000		120,000
Land 3	10/03/2010	ABOGETA/NKACHIE	.081	1,215,000		1,215,000
Buildings and structures		In the school premises		78,800		78,800
Motor vehicles		In the school premises		2,650,000		2,650,000
Office equipment, furniture and fittings		Offices &classrooms		1,600,000		1,600,000
ICT Equipment, and Other ICT Assets		office		585,000		585,000
Tools and apparatus		In the school lab		1,655,000		1,655,000
Textbooks		With the students & store balance		1,980,000		1,980,000
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware		In the offices		434,000		434,000
Total				91,439,000		91,439,000