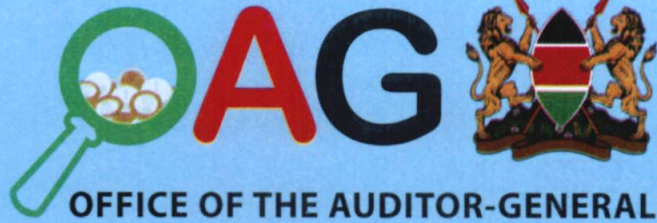
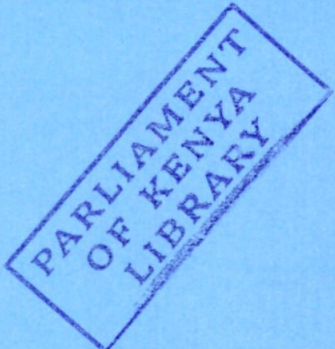


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	10 APR 2025 THURSDAY
TABLED BY:	HON. SILVANUS OSORO, MP MAJORITY PARTY WHIP
CLERK AT THE TABLE:	INZOFU MWALE

**OF**

**THE AUDITOR-GENERAL**

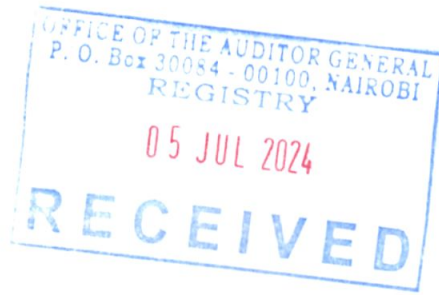
**ON**

**ST. GEORGES GIRLS SECONDARY SCHOOL**

**FOR THE SIX (6) MONTHS PERIOD  
ENDED 30 JUNE, 2021**

**NAIROBI COUNTY**

*Revised 30<sup>th</sup> June 2021.*



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**ST. GEORGES GIRLS' SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2021**

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



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## 1. Acronyms and Glossary of Terms

*Provide a list of all applicable acronyms and glossary of terms e.g.*

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
BES	Boarding Equipment & Stores
SES	School Equipment & Stores
RMI	Repair Maintenance & Improvement
EWC	Electricity Water & Improvement
ICT	Integrated Computer Technology

## 2. 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 NAIROBI County, WESTLANDS Sub-County

The school was registered on 20/06/1986 under registration number G/A/477/86 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 1544 number of students as at 30<sup>th</sup> June 2021. It has 7 streams and 70 teachers of which 14 teachers are employed by the School Board of Management.

### (b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	MR. FRED KAIGUA	Chairman	02/05/2019
2	MRS. LUCY RUKUNGA	Secretary - Principal	02/05/2019
3	MR. JAMES GATHURA	Member	02/05/2019
4	MS. AGNES JACOB	Member	02/05/2019
5	HON. TOM OBONDO	Member	02/05/2019
6	REV. DANSON KANGA	Member	02/05/2019
7	MRS. SUSAN KARIUKI	Member	02/05/2019
8	DR. MARY MWIANDI	Member – Rep CEB	02/05/2019
9	MS. EVELYN LUGALIA	Member Rep Teachers	02/05/2019
10	MR. FRANCIS KOMEN	3 Members - Sponsor	02/05/2019
11	MRS. MARY SIAMETO		02/05/2019
12	MRS. MARGARET NGARI		02/05/2019
13	MS. FENNY MWAKISHA	Member - Community	02/05/2019
14	MRS. MARGARET MUYA	MemberSpecial Needs	02/05/2019
15	MRS. JOAN NYAGA	Rep Students	02/05/2019

**The functions of the School Board of Management are to:**

- 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
<b>1</b>	<b>Executive Committee</b>			
		MR. FRED KAIGUA	BOM CHAIR	0 out of 0
		MRS. LUCY RUKUNGA	BOM SECRETARY	0 out of 0
		MR. JAMES GATHURA	BOM MEMBER	0 out of 0
		MS. FENNY MWAKISHA	BOM MEMBER	0 out of 0
		HON. TOM OBONDO	BOM MEMBER	0 out of 0
		MR. RICHARD KIRUJA	BOM MEMBER	0 out of 0
		MRS. MARGARET NGARI	BOM MEMBER	0 out of 0
		MS. EVELYN LUGALIA	BOM MEMBER	0 out of 0
<b>2</b>	<b>Audit Committee, Finance, and general purposes Committee</b>			
		MR. RICHARD KIRUJA	CHAIRPERSON	0 out of 0
		MR. FRED KAIGUA	BOM CHAIR	0 out of 0
		MR. FRANCIS KOMEN	BOM MEMBER	0 out of 0
		MRS. SUSAN KARIUKI	BOM MEMBER	0 out of 0
		MS. AGNES JACOB	BOM MEMBER	0 out of 0
		MR. JAMES GATHURA	BOM MEMBER	0 out of 0
		MRS. MARGARET NGARI	BOM MEMBER	0 out of 0
		MRS. LUCY RUKUNGA	BOM SECRETARY	0 out of 0

		MS. EVELYN LUGALIA	BOM MEMBER	0 out of 0
3	<b>Discipline, Ethics and Integrity Committee</b>			
		MR. EVANS GATURU	CHAIRPERSON	1 out of 1
		MR. FRED KAIGUA	BOM CHAIR	1 out of 1
		REV. DANSON KANGA	BOM MEMBER	1 out of 1
		MR. RICHARD KIRUJA	BOM MEMBER	1 out of 1
		MR. JAMES GATHURA	BOM MEMBER	1 out of 1
		MRS. MARGARET NGARI	BOM MEMBER	1 out of 1
		MS. EVELYN LUGALIA	BOM MEMBER	1 out of 1
		MRS. LUCY RUKUNGA	BOM SECRETARY	1 out of 1
4	<b>Academic Committee</b>			
		MS. FENNY MWAKISHA	CHAIRPERSON	2 out of 2
		MRS. LUCY RUKUNGA	BOM SECRETARY	2 out of 2
		MRS. SUSAN KARIUKI	BOM MEMBER	2 out of 2
		HON. TOM OBONDO	BOM MEMBER	2 out of 2
		DR. MARY MWIANDI	BOM MEMBER	2 out of 2
		MRS. MARGARET NGARI	BOM MEMBER	2 out of 2
		MR. JAMES GATHURA	BOM MEMBER	2 out of 2
		MS. EVELYN LUGALIA	BOM MEMBER	2 out of 2
		MRS. JOAN NYAGA	STUDENTS' REP	2 out of 2
5	<b>Development / School Infrastructure Committee</b>			
		HON. TOM OBONDO	CHAIRPERSON	0 out of 0
		MRS. LUCY RUKUNGA	BOM SECRETARY	0 out of 0
		MR. FRED KAIGUA	BOM CHAIR	0 out of 0
		MS. EVELYN LUGALIA	BOM MEMBER	0 out of 0
		MR. JAMES GATHURA	BOM MEMBER	0 out of 0
		MRS. MARGARET NGARI	BOM MEMBER	0 out of 0
		ENG. OJUOK	PUBLIC WORKS	0 out of 0
		MME ROSA MBUNO	SCDE	0 out of 0
6	<b>Human Rights and Students' Welfare Committee</b>			
		MRS. MARGARET MUYA	CHAIRPERSON	2 out of 2
		MRS. LUCY RUKUNGA	BOM SECRETARY	2 out of 2
		MS. AGNES JACOB	BOM MEMBER	2 out of 2
		REV. DANSON KANGA	BOM MEMBER	2 out of 2
		MS. FENNY MWAKISHA	BOM MEMBER	2 out of 2
		MR. JAMES GATHURA	BOM MEMBER	2 out of 2
		MRS. MARY SIAMETO	BOM MEMBER	2 out of 2
		MR. EVANS GATURU	BOM MEMBER	2 out of 2
		MS. EVELYN LUGALIA	BOM MEMBER	2 out of 2
7	<b>Adhoc Committee (if any during the year)</b>	NONE		

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	MRS. LUCY RUKUNGA	273415
2	Deputy Principal	MS. EVELYN LUGALIA	358994
3	School Bursar	MRS. MARY GITHINJI	BOM
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 11635 - 00400  
Telephone: 0722-260022  
E-mail: stgeorgesgirls440@gmail.com  
Website: www.stgeorgesgirlsnairobi.ac.ke  
Facebook:  
Twitter:

**(f) School Bankers**

- Name of Bank: KENYA COMMERCIAL BANK  
Branch: HURLINGHAM BANK  
Account Number: (I) SCHOOL FUND ACCOUNT – 1172853126  
(II) TUITION ACCOUNT – 1172853444  
(III) OPERATION ACCOUNT – 1172853762  
(IV) INFRASTRUCTURE ACCOUNT – 1214937942  
(V) INCOME GENERATING ACCOUNT - 1252308582
- Name of Bank: CO-OPERATIVE BANK OF KENYA  
Branch: NAIROBI BUSINESS CENTRE BRANCH  
Account Number: SCHOOL FUND ACCOUNT - 01129123266000
- MPESA Pay Bill No. (1) 522123 ACCOUNT NO.10120K attached to ACCOUNT NO. 1172853126 SCHOOL FUND ACCOUNT  
(2) 400222 ACCOUNT NO.1591# attached to ACCOUNT NO.01129123266000 SCHOOL FUND ACCOUNT  
(3) 522123 ACCOUNT NO.86473K attached to ACCOUNT NO.1252308582 INCOME GENERATING ACCOUNT

**(g) Independent Auditors**

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

**3. Summary Report of Performance of The School**

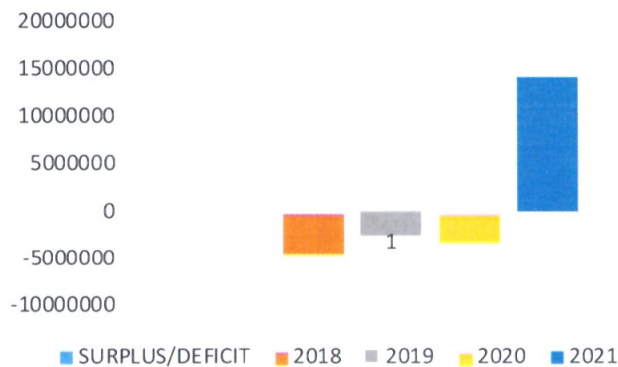
The following is a summary report of the performance of the school against the set performance evaluation criteria:

**a) Financial performance:**

a) Financial performance:

**SURPLUS/DEFICIT**

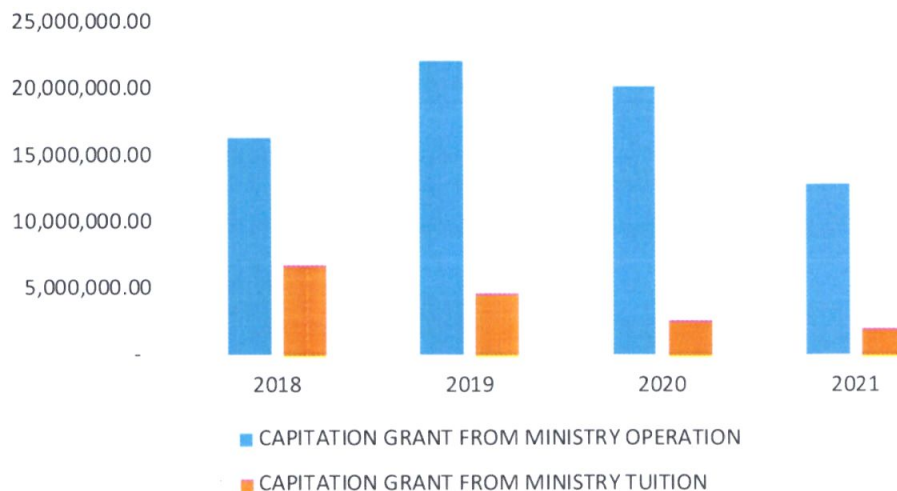
2018	(4,365,481.25)
2019	(2,696,259.97)
2020	(3,032,622.80)
2021	14,153,708.94



**CAPITATION GRANT FROM MINISTRY**

	OPERATION	TUITION
2018	16,290,872.20	6,785,949.20
2019	22,072,264.50	4,667,577.20
2020	20,197,975.00	2,656,294.00
2021	12,848,350.05	2,043,942.75

**CAPITATION GRANT FROM MINISTRY**



**RATIO OF CAPITATION GRANT PER STUDENT**

RATIO OF CAPITATION GRANT PER STUDENT			
YEAR	GRANT	NO OF STUDENTS	
2018	23,076,821.40	1382	16698.1
2019	26,739,841.70	1430	18699.2
2020	22,854,269.00	1561	14640.8
2021	14,892,292.80	1544	9645.3

**OVERVIEW OF GROWTH OF OTHER INCOME**

GROWTH OF OTHER INCOME

YEAR	INCOME
2018	124,378,376.00
2019	127,541,819.82
2020	148,575,340.76
2021	81,040,219.82

GROWTH OF OTHER INCOME  
INCOME

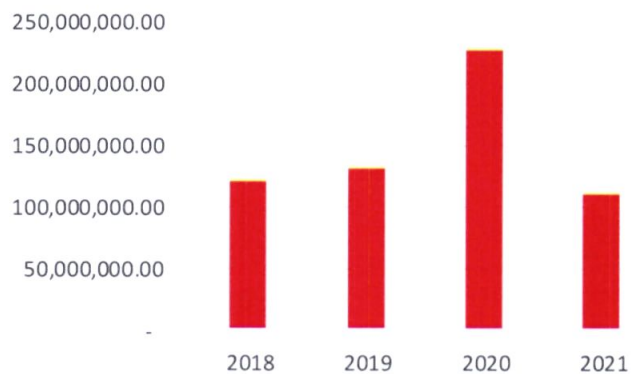


**OVERVIEW OF GROWTH IN EXPENDITURE**

GROWTH IN EXPENDITURE

YEAR	EXPENDITURE
2018	118,788,833.80
2019	130,130,632.79
2020	224,605,450.28
2021	108,690,712.53

GROWTH IN EXPENDITURE  
EXPENDITURE

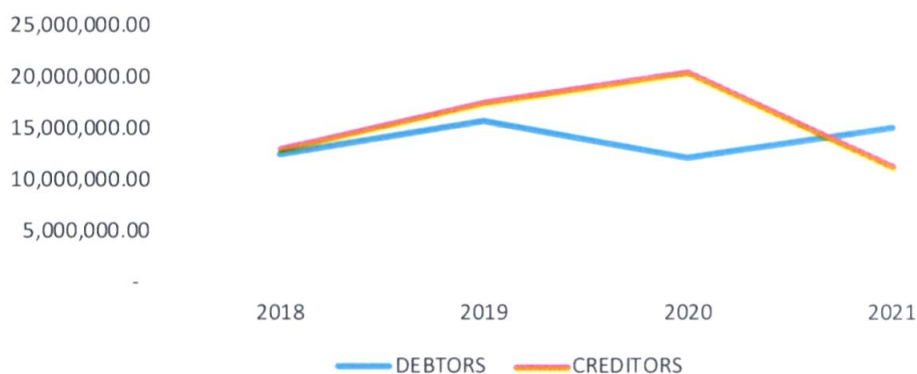




**MOVEMENT OF DEBTORS AND CREDITORS**

YEAR	DEBTORS	CREDITORS
2018	12,601,825.05	13,139,056.00
2019	15,844,654.05	17,721,566.15
2020	12,205,262.75	20,608,346.13
2021	15,148,233.20	11,453,064.73

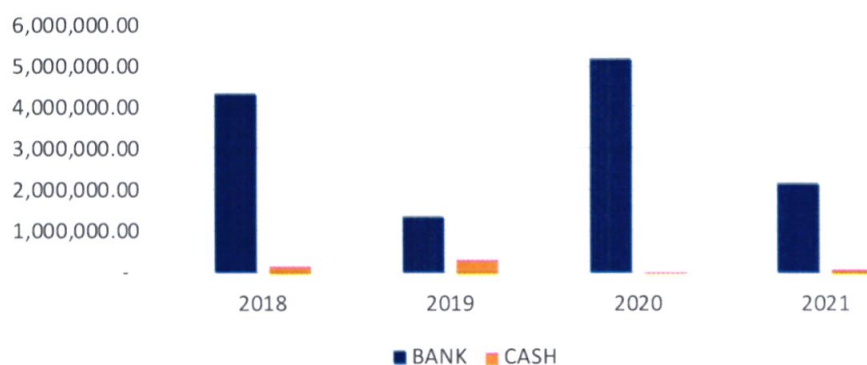
**MOVEMENT OF DEBTORS AND CREDITORS**



**CASH AND BANK BALANCES**

YEAR	BANK	CASH
2018	4,365,475.30	207,557.60
2019	1,374,247.77	366,831.01
2020	5,212,520.45	22,106.81
2021	2,183,114.24	106,970.11

**CASH AND BANK BALANCES**



## b) Teacher Student ratio:

Teacher:Student	No. of Recruited Teachers	No. of Transferred/Retired	TSC Employed Teachers	BOM Teachers
70:1544 1:23	6	2	56	14

**TEACHERS PER SUBJECT**

S/No	SUBJECT	NO. REQUIRED	PRESENT	SHORTAGE
1	ENGLISH	7.26	10	
2	KISWAHILI	5.70	9	
3	MATHEMATICS	6.74	11	
4	BIOLOGY	4.67	7	
5	CHEMISTRY	4.67	5	
6	PHYSICS	3.74	5	
7	HIST. & GOVT	2.85	12	
8	GEOGRAPHY	3.04	6	
9	C.R.E	3.59	11	
10	HOMESCIENCE	1.63	5	
11	ART & DESIGN	0.81	1	
12	AGRICULTRE	0.93	2	
13	COMPUTER STUDIES	2.11	2	
14	FRENCH	0.81	1	
15	MUSIC	0.81	1	
16	BUS. STUDIES	1.63	3	
17	GERMAN	0.63	1	
18	LIFE SKILLS	1.04	0	
19	PHYSICAL EDUCATION	1.04	0	
	<b>TOTAL</b>	<b>53.7</b>		

**SHORTAGE**1. **TEACHING LOAD**

S/NO	POSITION	NO.OF TEACHERS	NO. OF LESSONS
1	PRINCIPAL	1	6-8
2	DEPUTY PRINCIPALS	2	12-15
3	(I) HODS – JOB GROUP N	11	18-20
	(II) HODS- JOB GROUP M	6	20-24
4	TEACHERS		27

2. **SHORTFALLS FROM ESTABLISHMENT**

S/NO	POSITION	SHORTFALL	NO. OF PERIODS
1	PRINCIPAL	(27-6) × 1	21
2	DEPUTY PRINCIPALS	(27-12) × 2	30
3	(I) HODS – JOB GROUP N	(27-18) × 11	99
	(II) HODS- JOB GROUP M	(27-20) × 6	42
	<b>TOTAL SHORTFALL</b>		<b>192 PERIODS</b>

3. **TOTAL NUMBER OF TEACHERS REQUIRED (T.R)**

$$\text{Teachers Required Shortfall} = \frac{192}{27} = 7.11 \text{ teachers}$$

4. **TOTAL NUMBER OF TEACHERS REQUIRED**

$$\begin{array}{r} 53.70 \\ + 7.11 \\ \hline \text{TOTAL } 60.81 \text{ TEACHERS} \end{array}$$

**c) Mean score in the year 2018, 2019 and 2020 KCSE:**

Year	Entry	School Mean	No. of Students joining universities	No. of students joining other learning institutions
2018	273	7.374(C+)	186	87
2019	288	7.035 (C+)	168	120
2020	316	7.512 (B-)	217	99

*Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.*

**d) Number of Candidates in the 2018, 2019 and 2020 KCSE:**

Year	No. of Candidates
2018	273
2019	288
2020	316

**e) Capacity of the school:**

No. of students	No. of dormitories	No. of Dining Halls	No. of Laboratories	No. of Toilets	No. of Libraries
1544	3	2	7	66	1
	Inadequate	Adequate	Adequate	Inadequate	Inadequate

f) Development projects carried out by the school:

PROJECT NAME	SOURCE OF FUNDS	AMOUNT PAID	COMPLETION STATUS
7 <sup>TH</sup> STREAM PROJECT (CLASSES)	MOE	557613.00	90%
DORMITORIES REPAIRS AND PAINTING	MOE	5,742,000.00	98%

.....  
School Principal



#### 4. Statement of School Management Responsibility

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

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

The Board of Management of (*Name of 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 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

.....  
**Name:** MR FRED KARIYA  
**Designation:** Chairman, School Board of Management  
**Date:** 24/06/2024

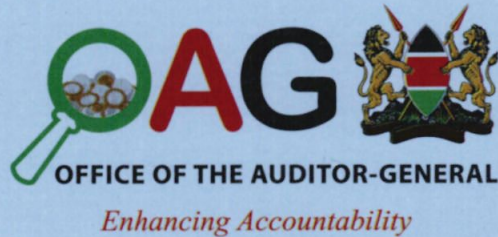


.....  
**Name:** MRS GRACE MACHARIA  
**Designation:** School Principal & Secretary to Board of Management  
**Date:** 24/06/2024

.....  
**Name:** MRS MARY GITHINJI  
**Designation:** Bursar/ Finance Officer  
**Date:** 24/06/2024

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON ST. GEORGES GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – NAIROBI COUNTY

---

### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of St. Georges Girls' Secondary School - Nairobi County set out on Pages 1 to 20, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts

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*Report of the Auditor-General on St. Georges Girls Secondary School for the six (6) months period ended 30 June, 2021 – Nairobi County*

and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months' period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the St. Georges Girls' Secondary School - Nairobi County for the six (6) months period ended 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.15,148,233 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.7,737,050 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 the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.15,148,233 could not be confirmed.

#### **2. Inaccuracies in the Financial Statements**

The statement of receipts and payments reflects total receipts amounting to Kshs.111,252,469 and total payments of Kshs.97,098,760 while the statement of budgeted versus actual reflected total receipts of Kshs.48,111,989 and total payments of Kshs.53,858,353 resulting to unreconciled variance of Kshs.63,140,483 and Kshs.43,240,407 respectively. The statement of budgeted versus actual amounts reflects total actual expenditure of Kshs.53,858,354 whereas the recomputed amount is Kshs.47,858,358 resulting to unreconciled variance of Kshs.5,999,995

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

#### **3. Inaccurate Government Grants for Infrastructure Receipts**

The statement of receipts and payments reflects total receipts of Kshs.111,252,469. However, the amount includes Kshs.6,304,000 in respect of government grants for infrastructure which differed with the State Department of Basic Education disbursement of Kshs.25,000,000 resulting to unreconciled variance of Kshs.18,696,000. Further, Kshs.25,000,000 differed with the infrastructure grants bank statement amount of Kshs.2,500,000 resulting to unreconciled variance of Kshs.22,500,000.

In the circumstances, the accuracy and completeness of the government grants for infrastructure of Kshs.6,304,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Georges 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 comparable basis of Kshs.75,937,685 and Kshs.48,111,989 respectively, resulting to an under-funding of Kshs.27,825,696 or 37% of the budget. However, the School spent a balance of Kshs.53,858,354 against actual receipts of Kshs.48,111,989 resulting to an over expenditure of Kshs.5,746,365 or 12% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.75,451,488 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.208,300 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 transferred to KESSHA amounting to Kshs.208,300 could not be confirmed.

## **2. Long Outstanding Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.11,453,065 However, included in the balance are trade payables balance of Kshs.840,375 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates. Further, the movement schedule was not provided for audit review.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

## **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 Policy Guidelines.

## **4. Non-Compliance with the Public Sector Accounting Standards Board 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: -

The header to the financial statements and Notes to the financial statements reflects the financial year ended 30 June, 2021 instead of six (6) months period ended 30 June, 2021. The Statement of cash flows amounts are not referenced to corresponding Notes to the financial statements.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

## **5. Late Submission of Financial Statements to the Auditor-General**

During the year under review, Management submitted the financial statements to the Auditor-General on 29 September, 2022 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 with 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.

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

### **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Lack of School Land Ownership Document**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.828,361,520 in respect of fixed assets which includes unvalued land. However, land ownership documents were not provided for audit.

Further, although an asset register was maintained to record the assets, the register lacked important information such as asset numbers, accumulated depreciation and net book value.

In the circumstances, the effectiveness of internal controls relation to ownership and safe custody of the fixed assets could not be confirmed.

##### **2. Lack of Risk Assessment Policy and Disaster Recovery Plan**

Review of the internal controls revealed that the School Management had not developed a risk management policy and risk assessments were not performed during the period under audit review. This is contrary to Regulation 165(1) of the Public Finance Management Regulations (National Government), 2015 which requires each national

government entity to develop risk management strategies and a system of risk management. Further, a disaster recovery plan or business continuity plan was not in place to ensure that the school recovers its functionality in case of an unplanned incident or disaster.

In the circumstances, Management was not in a position to identify, rank and prioritize critical risks and channel resources towards mitigating identified risks. Ultimately the utilization of resources and quality of service may be negatively affected.

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

### **Responsibilities of Management and those charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of an intention to terminate the School or to cease operations.

Those charged with governance are responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**27 January, 2025**

ST. GEORGES GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2021

Description Of Vote Head	Note	JAN 21 - JUN 21	JAN 2020 - DEC 2020
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	2,043,942.75	2,656,294.00
Government grants for operations	2	12,848,350.05	20,197,975.00
Government Grants for infrastructure	3	6,304,000.00	-
School fund income- parents' contributions	4	55,984,140.27	154,080,081.23
Other Incomes	5	34,072,036.00	24,106,927.10
<b>Total Receipts</b>		<b>111,252,469.07</b>	<b>201,041,277.33</b>
<b>Payments</b>			
Tuition	6	2,063,261.00	2,649,205.00
Operations	7	13,282,133.41	26,191,677.44
Infrastructure	8	6,301,878.00	-
Boarding and school fund	9	75,451,487.72	175,233,017.69
<b>Total Payments</b>		<b>97,098,760.13</b>	<b>204,073,900.13</b>
			-
<b>Surplus/Deficit</b>		<b>14,153,708.94</b>	<b>(3,032,622.80)</b>

The school financial statements were approved on 24/06/2021 2021 and signed by:

Name: MR FRED KAIGWA

Chair BOM

Date: 24/06/2021

Name: MRS GRACE MACHARIA

School Principal/ Secretary to BOM

Date: 24/06/2021

Name: MRS MARY GITIRANI

Bursar/ Finance Officer

Date: 24/06/2021



7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2021

Description	Note	JAN 21 - JUN 21 Kshs	JAN 2020 - DEC 2020 Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	2,183,114.24	5,212,520.45
Cash balances	11	106,970.11	22,106.81
Short term investments	12	5,000,000.00	-
<b>Total cash and cash equivalent</b>		<b>7,290,084.35</b>	<b>5,234,627.26</b>
Account's receivables	13	15,148,233.20	12,205,262.75
<b>Total financial assets</b>		<b>22,438,317.55</b>	<b>17,439,890.01</b>
<b>Financial liabilities</b>			
Accounts payables	14	11,453,064.73	20,608,346.13
<b>Net financial assets</b>		<b>10,985,252.82</b>	<b>(3,168,456.12)</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	(3,168,456.12)	(135,833.32)
Surplus/deficit for the year		14,153,708.94	(3,032,622.80)
<b>Net financial position</b>		<b>10,985,252.82</b>	<b>(3,168,456.12)</b>

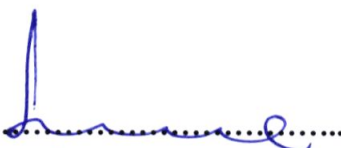
The school's financial statements were approved on 24/06/2021 and signed by:



Name: MR FRED KATIGUA

Chair BOM

Date: 24/06/2024



Name: MRS GRACE MACHARIA  
School Principal/ Secretary to  
BOM

Date: 24/06/2024




Name: MRS MARY GITTINGI

Bursar/ Finance Officer

Date: 24/06/2024

ST. GEORGES GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2021

Description	Note	JAN 21 - JUN 21	JAN 2020 - DEC 2020
		Kshs	Kshs
Cash from Operating Activities	-	-	-
Receipts	-	-	-
Government grants for tuition	-	2,043,942.75	2,656,294.00
Government grants for operations	-	6,934,600.05	20,197,975.00
Government grants for infrastructure	-	5,913,750.00	-
School fund income- parents contributions/ fees	-	81,040,219.82	148,575,340.76
School fund income- other receipts	-	9,813,657.00	56,669,389.00
<b>Total receipts</b>	-	<b>105,746,169.62</b>	<b>228,098,998.76</b>
Payments	-	-	-
Cash outflows for tuition	-	2,063,261.00	2,649,205.00
Cash outflows for operations	-	6,978,133.41	26,191,677.44
Cash outflows Boarding/lunch and school fund paymen	-	84,407,226.12	138,836,892.59
Cash outflow Income Generating	-	8,940,214.00	56,927,675.25
<b>Total payments</b>	-	<b>102,388,834.53</b>	<b>224,605,450.28</b>
<b>Net cash inflow/outflow from operating activities</b>	-	<b>3,357,335.09</b>	<b>3,493,548.48</b>
	-	-	-
Cash flow from investing activities	-	-	-
Acquisition of assets	-	(6,301,878.00)	-
Proceeds from sale of Assets	-	-	-
Proceeds from investments	-	-	-
Purchase of investments	-	-	-
<b>Net cash inflow/outflows from investing activities</b>	-	<b>(6,301,878.00)</b>	-
	-	-	-
Cash flow from Financing activities	-	-	-
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings	-	-	-
<b>Net cash inflow/outflow from financing activities</b>	-	-	-
	-	-	-
<b>Net increase/decrease in cash and cash equivalent</b>	-	<b>(2,944,542.91)</b>	<b>3,493,548.48</b>
<b>Cash and cash equivalent at beginning of the FY</b>	-	<b>5,234,627.26</b>	<b>1,741,078.78</b>
<b>Cash and cash equivalent at end of the FY</b>	-	<b>2,290,084.35</b>	<b>5,234,627.26</b>

The school's financial statements were approved on 24/06/2021 2021 and signed by:

Name: MR FRED WAKUMA Name: MRS GRACE MACHARA Name: MRS MARY GITHINJI  
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer  
 Date: 24/06/2021 Date: 24/06/2021 Date: 24/06/2021



9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	1,150,000.00	575,000.00	575,000.00	556,496.50	18,503.50	97%
Laboratory equipment	1,450,000.00	725,000.00	725,000.00	708,450.00	16,550.00	98%
Internal exams	-	-	-	-	-	-
Teaching / learning materials	2,030,456.00	1,015,228.00	1,015,228.00	778,996.25	236,231.75	77%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
<i>(2) CAPITA TION GRANT ON OPERATIONS</i>						
Personnel emoluments	7,926,896.00	3,963,448.00	3,963,448.00	3,278,936.20	684,511.80	83%
Repairs and maintenance	7,720,000.00	1,235,200.00	6,484,800.00	5,523,500.00	961,300.00	85%
Local transport / travelling	2,366,952.00	1,183,476.00	1,183,476.00	505,490.45	677,985.55	57%
Electricity and water	4,093,144.00	2,046,572.00	2,046,572.00	748,038.40	1,298,533.60	63%
Medical	-	-	-	-	-	0%
Administration costs	2,442,608.00	1,221,304.00	1,221,304.00	610,107.00	611,197.00	50%
Activity	-	-	-	-	-	0%
Gratuity	-	-	-	-	-	
SMASSE	-	-	-	-	-	

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
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	22,870,154	16,009,107.80	6,861,046.20	4,136,698.00	2,724,348.20	60%
Repairs and maintenance	3,729,645	2,610,751.50	1,118,893.50	855,277.00	263,616.50	76%
Local transport / travelling	5,535,348	2,767,674.00	2,767,674.00	2,251,594.00	516,080.00	81%
Electricity and water	3,014,257	1,507,128.50	1,507,128.50	1,494,030.00	13,098.50	99%
Medical	420,450	210,225.00	210,225.00	111,550.00	98,675.00	53%
Administration costs	2,254,342	1,578,039.40	676,302.60	618,505.00	57,797.60	91%
Activity	9,094,477	6,366,133.90	2,728,343.10	2,049,433.00	678,910.10	75%
SMASSE	-	-	-	-	-	0%
Fee on Boarding Equipment and Stores	48,649,692	9,729,938.40	38,919,753.60	20,416,183.00	18,503,570.60	52%
<i>OTHER INCOME</i>						
Rent income	3,926,100	392,610.00	3,533,490.00	3,106,104.00	427,386.00	88%
Income from farming activities	400,000	-	400,000.00	362,600.00	37,400.00	91%
Insurance compensation	-	-	-	-	-	
Income from Posho mill	-	-	-	-	-	
Income from Bus Hire	-	-	-	-	-	
Fee for hire of ground and equipment	-	-	-	-	-	
Interest income	-	-	-	-	-	
Income from any other investment	-	-	-	-	-	
<b>TOTAL INCOME</b>	129,074,521	53,136,837	75,937,685	48,111,989	27,825,696	63%
<i>(1) EXPENDITURE FOR TUITION</i>						
Textbooks and reference materials	-	-	-	-	0	0

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Exercise books	1,000,000.00	400,000.00	600,000.00	511,600.00	88,400.00	85%
Laboratory equipment	1,600,000.00	800,000.00	800,000.00	681,258.00	118,742.00	85%
Internal exams	-	-	-	-	-	0%
Teaching / learning materials	2,030,456.00	1,015,228.00	1,015,228.00	867,978.00	147,250.00	85%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Bank Charges	1,425.00	-	1,425.00	1,425.00	-	-
<i>(2) EXPENDITURE FOR OPERATIONS</i>						
Personnel emoluments	7,926,896.00	1,268,303.36	6,658,592.64	5,129,198.00	1,529,394.64	77%
Repairs, maintenance & improvements	7,720,000.00	1,235,200.00	6,484,800.00	6,304,000.00	180,800.00	97%
Local transport / travelling	2,366,952.00	1,183,476.00	1,183,476.00	499,393.00	684,083.00	42%
Electricity, water and conservancy	4,093,144.00	2,046,572.00	2,046,572.00	988,380.00	1,058,192.00	48%
Medical	-	-	-	-	-	0%
Administration costs	2,442,608.00	732,782.40	1,709,825.60	191,059.00	1,518,766.60	11%
Activity Expenses	-	-	-	-	-	0%
Gratuity	-	-	-	-	-	0%
SMASSE	-	-	-	-	-	-
<i>SCHOOL FUND</i>						
Personnel emoluments	22,870,154	14,865,600.10	8,004,553.90	7,027,695.00	976,858.90	88%

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs, maintenance and improvements	3,729,645	1,864,822.50	1,864,822.50	1,792,396.00	72,426.50	96%
Local transport / travelling	5,535,348	2,767,674.00	2,767,674.00	1,754,625.00	1,013,049.00	63%
Electricity, water and conservancy	3,014,257	1,507,128.50	1,507,128.50	1,324,415.00	182,713.50	88%
Medical Expenses	420,450	210,225.00	210,225.00	211,270.00	(1,045.00)	100%
Administration costs	2,254,342	338,151.30	1,916,190.70	1,701,355.00	214,835.70	89%
Activity	9,094,477	8,185,029.30	909,447.70	571,170.00	338,277.70	63%
Gratuity	-	-	-	-	-	0
Lunch programme	-	-	-	-	-	
Boarding Equipment and Stores	48,649,692	24,324,846.00	24,324,846.00	13,177,684.00	11,147,162.00	54%
Expenditure for Income Generating Activity	10,000,000.00	-	10,000,000.00	8,940,214.00	1,059,786.00	89%
Insurance costs	-	-	-	-	-	
Other expenses on investments	-	-	-	-	-	
Rent Expenses	3,926,100	-	3,926,100.00	2,177,028.50	1,749,071.50	55%
Bank Charges	6,210.00	-	6,210.00	6,210.00	-	
Loan Interest Repayment	-	-	-	-	-	
Loan Principal Repayment	-	-	-	-	-	
Acquisition of Assets	-	-	-	-	-	
<b>TOTALS</b>	138,682,156.00	62,745,038.46	75,937,117.54	53,858,353.50	22,078,764.04	71%

## 10. 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 school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

### 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.

**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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**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 30<sup>th</sup> June 2021.

## 11. Notes To The Financial Statements

## 1 Government Grants for Tuition

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	708,450.00	-
Internal Exams	-	-
Teaching / Learning Materials	1,335,492.75	2,656,294.00
Others (specify)*	-	-
<b>Total</b>	<b>2,043,942.75</b>	<b>2,656,294.00</b>

\*Include others as per MOE circulars

## 2 Government Grants for Operations

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Personnel Emoluments	4,461,393.70	6,928,380.00
Repairs And Maintenance	5,913,750.00	9,012,000.00
Local Transport / Travelling	720,908.45	773,465.00
Electricity And Water	963,456.40	1,601,720.00
Medical	-	287,000.00
Administration Costs	788,841.50	987,210.00
Activity	-	574,000.00
Rent	-	34,200.00
<b>Total</b>	<b>12,848,350.05</b>	<b>20,197,975.00</b>

\*Include others as per MOE circulars

## 3 Government Grants for infrastructure

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Maintenance & Improvement	6,304,000.00	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
<b>Total</b>	<b>6,304,000.00</b>	<b>-</b>

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4 School Fund Income - Parents Contribution/Fees

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Personnel emoluments	5,775,797.30	11,688,320.15
Repairs and maintenance	2,310,774.00	1,499,534.00
Local transport / travelling	2,654,580.45	3,194,380.35
Electricity and water	2,150,869.00	5,151,160.00
Medical	683,787.00	113,906.00
Administration costs	2,098,682.00	1,380,897.00
Activity	2,449,765.55	9,902,840.00
Fee on Boarding Equipment and stores	24,909,200.97	102,226,917.23
School Equipment and Stores	11,080,304.00	3,891,698.50
Initial Equipment Fund	-	6,656,669.00
Computer/ICT Upgrade	-	4,000,254.00
Land Rent	1,838,880.00	3,838,880.00
PTA Academic Programme	31,500.00	534,625.00
<b>Total</b>	<b>55,984,140.27</b>	<b>154,080,081.23</b>

5 Miscellaneous Incomes

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Rent Income	518,160.00	11,545,907.10
Rent Income (Income Gen)	803,185.00	-
Income From Farming Activities	300,000.00	951,215.00
Income From Farming Activities (Income Gen)	62,600.00	-
Tuck Shop	2,879,568.00	-
Bakery	1,200,000.00	-
Bakery (Income Gen)	1,256,046.00	-
Technical Subjects	621,872.00	-
University Registration	122,534.00	-
Income Generating	-	7,095,851.00
Income from Clubs and Societies	5,090.00	-
Clearance Accounts	-	4,513,954.00
Development Project - Dorm	1,895,398.00	-
Development Project - Dorm (Income Gen)	5,203,566.00	-
Students Welfare	158,250.00	-
Accommodation	17,463,437.00	-
Accommodation (Income Gen)	24,900.00	-
Non Teaching Welfare	1,557,430.00	-
<b>Total</b>	<b>34,072,036.00</b>	<b>24,106,927.10</b>

## Notes to the Financial Statements (continued)

## 6 Tuition

<b>Description</b>	<b>JAN 21 - JUN 21</b>	<b>JAN 2020 - DEC 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise Books	511,600.00	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	681,258.00	-
Teaching / Learning Materials	868,978.00	2,646,690.00
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	1,425.00	2,515.00
<b>Total</b>	<b>2,063,261.00</b>	<b>2,649,205.00</b>

## 7 Operations

<b>Description</b>	<b>JAN 21 - JUN 21</b>	<b>JAN 2020 - DEC 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	5,298,601.25	7,243,859.10
Service Gratuity	-	-
Administration Cost	191,059.20	1,069,633.00
Repairs And Maintenance & Improvements	6,304,000.00	15,444,490.00
Local Transport / Travelling	499,493.00	539,483.35
Electricity And Water	988,380.00	1,442,467.00
Medical	-	79,651.99
Activity Expenses	-	341,650.00
Bank Charges	599.96	3,465.00
House Rent	-	26,978.00
<b>Total</b>	<b>13,282,133.41</b>	<b>26,191,677.44</b>

Notes to the Financial Statements (continued)

8 Infrastructure

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	6,299,613.00	-
Construction of ICT Center	-	-
Construction of Resource Centre	-	-
Construction of Perimeter Wall	-	-
Construction of Ablution Block	-	-
Bank Charges	2,265.00	-
<b>Total</b>	<b>6,301,878.00</b>	-

## 9 Boarding And School Fund

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Personnel Emoluments	7,921,651.45	16,072,731.52
Repairs And Maintenance & Improvements	1,792,396.00	4,010,146.00
Local Transport / Travelling	1,754,625.20	3,179,817.35
Electricity And Water	2,038,703.95	2,736,318.66
Medical Expenses	285,423.00	59,708.00
Administration Costs	1,767,414.17	2,327,339.93
Activity	775,170.00	4,312,426.00
School Equipment and Stores	7,669,624.05	6,312,315.00
Initial Equipment Fund	-	6,489,878.00
Computer/ICT Upgrade	-	9,830,582.45
Land Rent	3,004,795.00	2,297,964.00
Bank Charges	3,945.00	-
Expenses On Income Generating Activities**	-	10,903,375.55
Fee On Boarding Equipment and Stores	22,695,768.70	90,449,208.93
Clearance Accounts	-	3,935,161.00
Development Project - Dorm	1,772,261.00	-
Rent Expenses	805,760.50	11,781,045.30
Bakery	2,163,448.40	-
Bakery (Income Gen)	380,747.00	-
Tuck Shop	1,861,347.00	-
Technical Subjects	353,012.50	-
Clubs and Societies	45,970.00	-
Students Welfare	335,000.00	-
Farm	174,000.00	-
Accomodation	10,712,805.80	-
Accomodation (Income Gen)	1,694,175.00	-
University Registration	159,000.00	-
Non Teaching Welfare	2,458,928.00	-
PTA Academic Programme	-	535,000.00
Bank Loan	2,825,516.00	-
<b>Total</b>	<b>75,451,487.72</b>	<b>175,233,017.69</b>

## Notes to the Financial Statements (continued)

## 10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	JAN 21 - JUN 21	JAN 20 - DEC 20
	Active/Dormant		Kshs	Kshs
KCB - Tuition Account	Active	1172853444	18,192.75	37,511.00
KCB - Operations Account	Active	1172853762	16,624.75	450,408.11
KCB - School Fund Account/Boar	Active	1172853126	1,017,142.21	4,026,494.81
CO-OP Bank - School Fees Collec	Active	0112912326600	238,300.28	619,283.28
KCB - Income Generating Accour	Active	1252308582	889,367.30	77,458.30
KCB - Infrastructural Account	Active	1214937942	3,486.95	1,364.95
<b>Total</b>			<b>2,183,114.24</b>	<b>5,212,520.45</b>

## 11 Cash In Hand

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
School Fund Account	25,385.11	2,055.81
Income Generating Account	81,585.00	20,051.00
<b>Total</b>	<b>106,970.11</b>	<b>22,106.81</b>

## 12 Short Term Investments

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	5,000,000.00	-
Other Investments	-	-
<b>Total</b>	<b>5,000,000.00</b>	<b>-</b>

## Notes to the Financial Statements (continued)

## 13 Accounts Receivable

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Fees Arrears	11,149,034.20	11,458,955.75
Other Non-Fees Receivables	3,999,199.00	746,307.00
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
<b>Total</b>	<b>15,148,233.20</b>	<b>12,205,262.75</b>

## 13 b Ageing Analysis of Accounts Receivable

Description	JAN 21 - JUN 21		JAN 2020 - DEC 2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,097,384.45	28%	3,472,146.00	30%
Between 1- 2 years	314,600.00	3%	679,613.00	6%
Between 2-3 years	7,737,049.75	69%	7,307,196.75	64%
Over 3 years	-	0%	-	0%
<b>Total (should tie to note 13 a)</b>	<b>11,149,034.20</b>	<b>100%</b>	<b>11,458,955.75</b>	<b>100%</b>

## 14 Accounts Payable

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,788,125.00	8,614,749.40
Prepaid Fees	4,664,939.73	11,993,596.73
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (specify)	-	-
<b>Total</b>	<b>11,453,064.73</b>	<b>20,608,346.13</b>

## Notes to the Financial Statements (continued)

## 14a. Ageing Analysis of Accounts Payable

Description	JAN 21 - JUN 21		JAN 2020 - DEC 2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,854,750.00	86%	7,774,374.40	90%
Between 1- 2 years	93,000.00	1%	840,375.00	10%
Between 2-3 years	840,375.00	12%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (should tie to note 14)</b>	<b>6,788,125.00</b>	<b>100%</b>	<b>8,614,749.40</b>	<b>100%</b>

## 15 Fund Balance Brought Forward

Description	JAN 21 - JUN 21	JAN 2020 - DEC 2020
	Kshs	Kshs
Bank Balances	5,212,520.45	1,374,247.77
Cash Balances	22,106.81	366,831.01
Short Term Investments	-	-
Receivables	12,205,262.75	15,844,654.05
Payables	20,608,346.13	17,721,566.15
<b>Total</b>	<b>(3,168,456.12)</b>	<b>(135,833.32)</b>

**Other important disclosure notes**

IPSAS Cash Standard 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.

**16 Non-current Liabilities Summary**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	5,556,722.55	8,382,238.55
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
<b>Total</b>	<b>5,556,722.55</b>	<b>8,382,238.55</b>

**17 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	-	-	-
Goats	-	-	-
Trees	55.00	825,000.00	750,000.00
Coffee or tea plantation	-	-	-
Poultry	295.00	174,600.00	147,500.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**18 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>	-	-
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>

**Other important disclosure notes**

**19 Stock/ Inventory**

Description	2020-2021	2019-2020
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	6,108,474.00	-
Stock/ inventory purchased during the year	27,829,789.00	-
Stock/ inventory issued during the year	29,139,576.00	-
<b>Balance at end of the year</b>	<b>4,798,687.00</b>	<b>6,108,474.00</b>

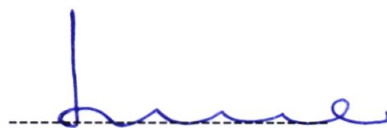
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**20 Progress On Follow Up Of Auditor Recommendations**

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

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

  
 -----  
 Sign and Date  
 Principal



## 12. Annexes

## Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. DEE EXE Investments	163,254.00	01.06.2021	-	163,254.00	163,254.00	
5. Thandi General Merchants	133,716.00	01.06.2021	-	133,716.00	133,716.00	
6. DannyKam Agencies	617,400.00	11.06.2021	-	617,400.00	617,400.00	
7. Mawamu General Supplies	409,800.00	06.05.2021	-	409,800.00	409,800.00	
8. Akiwamu Investments Ltd	1,169,965.00	30.03.2021	-	1,169,965.00	1,169,965.00	
9. Kinangop Dairy Ltd	149,480.00	01.06.2021	-	149,480.00	149,480.00	
11. Arrow General Supplies	21,000.00	06.05.2021	-	21,000.00	21,000.00	
12. Auris General Merchants	364,876.00	06.05.2021	-	364,876.00	364,876.00	
13. Resmoth Agencies	969,000.00	06.05.2021	-	969,000.00	969,000.00	
15. Weaver Bird Garment Manufacturing Ltd	14,850.00	04.02.2021	-	14,850.00	14,850.00	
16. Uniform Distribution Ltd	15,100.00	25.05.2021	-	15,100.00	15,100.00	
17. Belea Pharmacy Ltd	25,395.00	19.06.2021	-	25,395.00	25,395.00	
18. Berriwar Pharmaceuticals Ltd	48,758.00	15.04.2021	-	48,758.00	48,758.00	
19. Central Scientific Supplies Ltd	284,600.00	08.04.2021	-	284,600.00	284,600.00	
20. Dominic Ombuso Onsase	40,250.00	26.06.2021	-	40,250.00	40,250.00	
21. Little Acres	350,000.00	21.06.2021	-	350,000.00	350,000.00	
22. Springwise Ventures	80,681.00	06.05.2021	-	80,681.00	80,681.00	
23. Trashaw General Stores	460,000.00	18.03.2021	-	460,000.00	460,000.00	
24. Fyne Pearl Foods Ltd	64,740.00	06.05.2021	-	64,740.00	64,740.00	
25. MoonLink Enterprises	124,800.00	12.05.2021	-	124,800.00	124,800.00	
26. Leaf Acres	24,915.00	01.06.2021	-	24,915.00	24,915.00	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
27. Rural Technology Enterprises	93,000.00	04.02.2021		93,000.00	93,000.00	
28. DPL Festive Co Ltd	840,375.00	12.08.2019	-	840,375.00	840,375.00	
<b>Sub-Total</b>	<b>6,465,955.00</b>		-	<b>6,465,955.00</b>	<b>6,465,955.00</b>	
<b>Supply of services</b>					-	
29. Sevenco Pest Control Services	197,500.00	01.06.2021	-	197,500.00	197,500.00	
30. Skytech Enterprises	8,750.00	01.06.2021	-	8,750.00	8,750.00	
31. Pin Point Hygiene Services Ltd	115,920.00	01.06.2021	-	115,920.00	115,920.00	
					-	
					-	
<b>Sub-Total</b>	<b>322,170.00</b>		-	<b>322,170.00</b>	<b>322,170.00</b>	
<b>Grand Total</b>	<b>6,788,125.00</b>		-	<b>6,788,125.00</b>	<b>6,788,125.00</b>	

## Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land				
Buildings And Structures	735,669,824	0	0	735,669,824
Motor Vehicles	15,179,500	0	0	15,179,500
Office Equipment, Furniture And Fittings	44,443,004	0	0	44,443,004
Textbooks	12,500,000	0	0	12,500,000
ICT Equipment	3,350,900	0	0	3,350,000
Tools And Apparatus	12,318,292	0	0	12,318,292
Other Machinery And Equipment	4,900,000	0	0	4,900,000
Heritage And Cultural Assets	0	0	0	0
Intangible Assets- Soft Ware	0	0	0	0
<b>Total</b>	<b>828,361,520</b>	<b>0</b>	<b>0</b>	<b>828,361,520</b>