

REPUBLIC OF KENYA

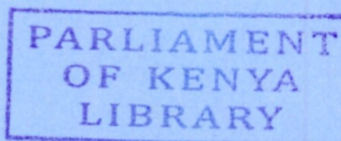


**REPORT**

**OF**

|                                                                                                                                     |                                             |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <br><b>THE NATIONAL ASSEMBLY<br/>PAPERS LAID</b> |                                             |
| <b>DATE:</b> 17 JUN 2026                                                                                                            |                                             |
| <b>DAY:</b> Wednesday                                                                                                               |                                             |
| <b>TABLED<br/>BY:</b>                                                                                                               | Deputy Majority Whip<br>Hon. Naomi Wago, MP |
| <b>CLERK-AT<br/>THE-TABLE:</b>                                                                                                      | Irene Nduku                                 |

**THE AUDITOR-GENERAL**



**ON**

**CHANIA HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**KIAMBU COUNTY**





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**CHANIA HIGH SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE HALF 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)

**CHANIA HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the half year ended 30<sup>th</sup> June 2021**

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**CHANIA HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the half year ended 30<sup>th</sup> June 2021**

**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 Kiambu County, Thika West Sub-County

The school was re-registered in 25/02/2022 under registration number 22S00300774 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a Day and boarding school and had 1300 number of students as at 30<sup>th</sup> June 2021. It has 7 streams and 60 teachers of which 8 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    | Dr. Simon M. Muiruri   | Chairman                | 4th March 2019      |
| 2    | Mr. Gitau J. I         | Secretary - Principal   | 4th March 2019      |
| 3    | Ms. Grace Irungu       | Member—Special Interest | 4th March 2019      |
| 4    | Dr. Jane Gathuku       | Member – Rep CEB        | 4th March 2019      |
| 5    | Mrs. Rosemary Ruci-ini | Member Rep Teachers     | 4th March 2019      |
| 6    | Dr. Simon M. Muiruri   | 3 Members - Sponsor     | 4th March 2019      |
|      | Mrs Grace Nyangi       |                         | 4th March 2019      |
|      | Eng. Patrick Ndumie    |                         | 4th March 2019      |
| 7    | Mr. Edwin Kimani       | Member - Community      | 4th March 2019      |
|      | Mrs. Emmah Mukora      |                         | 4th March 2019      |
|      | Mr. David Kariuki      |                         | 4th March 2019      |
|      | Mr. Martin Nyakundi    |                         | 4th March 2019      |
|      | Mr. Samuel Njunu       |                         | 4th March 2019      |
|      | Mr. Mungai Kihanya     |                         | 4th March 2019      |
| 8    | Ms. Mercy Kibiro       | Member-Special Needs    | 4th March 2019      |
| 9    | George Wanyoike        | Rep Students            | 4th March 2019      |



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**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                                 | Dr. Simon Muiruri<br>Mr. James Gitau<br>Mr. M. Nyakundi<br>Mrs. E. Mukora<br>Mrs. G. Irungu                                                          | Chairman<br>Secretary<br>Member<br>Member<br>Member                     | 3/3<br>3/3<br>3/3<br>3/3<br>3/3               |
| 2   | Finance, procurement and general purposes Committee | Mr. Mungai Kihanya<br>Mr. James Gitau<br>Mr. Mungai Kihanya<br>Ms. Jane Nyambura<br>Dr. Simon Muiruri<br>Eng. Benard Njiraini<br>Eng. Anthony Mwangi | Chairman<br>Secretary<br>Member<br>Member<br>Member<br>Member<br>Member | 3/3<br>3/3<br>3/3<br>3/3<br>3/3<br>2/3<br>3/3 |
| 4   | Academic Committee                                  | Mr. Mungai Kihanya<br>Mrs. Grace Nyangi<br>Mr. James Gitau<br>Mr. Anthony Mwaura<br>Mrs. Emma Mukora<br>Ms. Virginia Njoki<br>Mrs. Rosemary Ruciini  | Chairman<br>Secretary<br>Member<br>Member<br>Member<br>Member<br>Member | 3/3<br>3/3<br>3/3<br>0/3<br>3/3<br>2/3<br>3/3 |
| 5   | Development Committee                               | Eng. Patrick Ndumia<br>Dr. Simon Muiruri<br>Mr. James Gitau<br>Mr. Samuel Njunu<br>Mr. Martin Nyakundi                                               | Chairman<br>Secretary<br>Member<br>Member<br>Member                     | 4/4<br>4/4<br>4/4<br>4/4<br>3/4               |
| 6   | Discipline and welfare Committee                    | Mr. Francis Karu<br>Mr. Joseph Mbai<br>Mr. James Gitau<br>Mrs. Jane Nyambura                                                                         | Chairman<br>Secretary<br>Member<br>Member                               | 3/3<br>3/3<br>3/3<br>3/3                      |

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|   |                                          |                    |        |     |
|---|------------------------------------------|--------------------|--------|-----|
|   |                                          | Mr. Anthony Mwaura | Member | 2/3 |
|   |                                          | Mr. Maina Chege    | Member | 2/3 |
|   |                                          | Mr. Josphat Gatuma | Member | 3/3 |
|   |                                          | Ms. Virginia Njoki | Member | 3/3 |
| 7 | Adhoc Committee (if any during the year) |                    |        | 0   |

**(d) School Operation Management**

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

| Ref<br>: | Designation      | Name                      | TSC Number |
|----------|------------------|---------------------------|------------|
| 1        | Principal        | Mr. James Irungu Gitau    | 350385     |
| 2        | Deputy Principal | Mr. Simon Maina Wahome    | 368388     |
| 3        | School Bursar    | Mr. Francis Nduati Mwangi | 333921     |
|          |                  | Mr. Paul Kamau Mwanja     |            |



**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 45-01000  
Telephone: 0701 968 010  
E-mail: [chaniaboyshigh@yahoo.com](mailto:chaniaboyshigh@yahoo.com) / [chaniahighsch@gmail.com](mailto:chaniahighsch@gmail.com)  
Website: [www.chaniahighschool.sc.ke](http://www.chaniahighschool.sc.ke)  
Facebook:  
Twitter:

**(f) School Bankers**

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

1. Name of Bank : Kenya Commercial Bank  
Branch : Thika  
Account Number : 1102086428
2. Name of Bank : Kenya Commercial Bank  
Branch : Thika  
Account Number : 1102090174
3. Name of Bank : Kenya Commercial Bank  
Branch : Thika  
Account Number : 1102089605
4. Name of Bank : Kenya Commercial Bank  
Branch : Thika  
Account : 1272365328
5. Name of Bank : Co-operative Bank of Kenya  
Branch : Thika  
Account : 01100278996400
6. MPESA Pay Bill No. 522123 Account 37211k attached to Kenya Commercial Bank account 1102086428

**(g) Independent Auditors**

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

## **II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

### **a) Financial performance:**

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

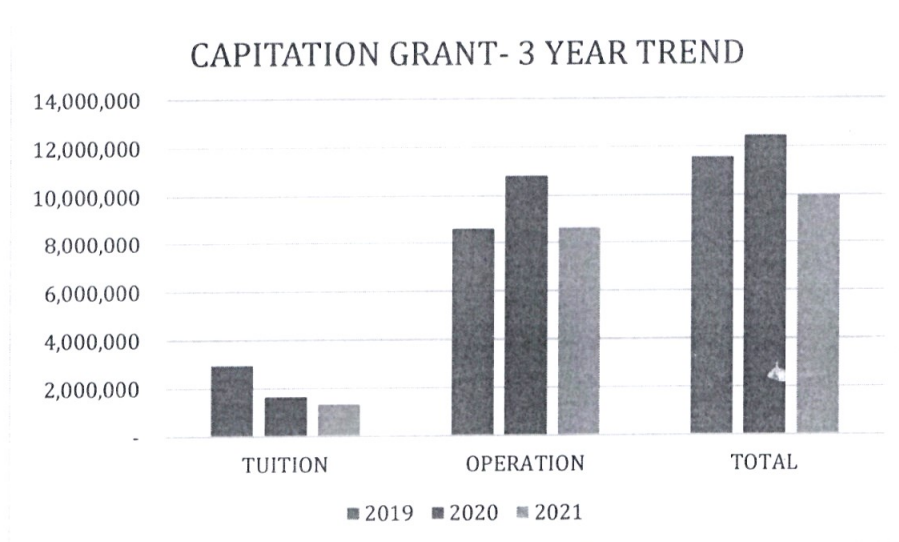
| <b>Year</b> | <b>Surplus/Deficit</b> |
|-------------|------------------------|
| 2019        | 0                      |
| 2020        | -31,254,117            |
| 2021        | 1,059,053              |



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

| <b>CAPITATION GRANT - 3 YEAR TREND</b> |                |                  |              |
|----------------------------------------|----------------|------------------|--------------|
| <b>YEAR</b>                            | <b>TUITION</b> | <b>OPERATION</b> | <b>TOTAL</b> |
| 2019                                   | 2,953,956      | 8,617,028        | 11,570,984   |
| 2020                                   | 1,641,907      | 10,805,800       | 12,447,707   |
| 2021                                   | 1,332,744      | 8,650,081        | 9,982,825    |

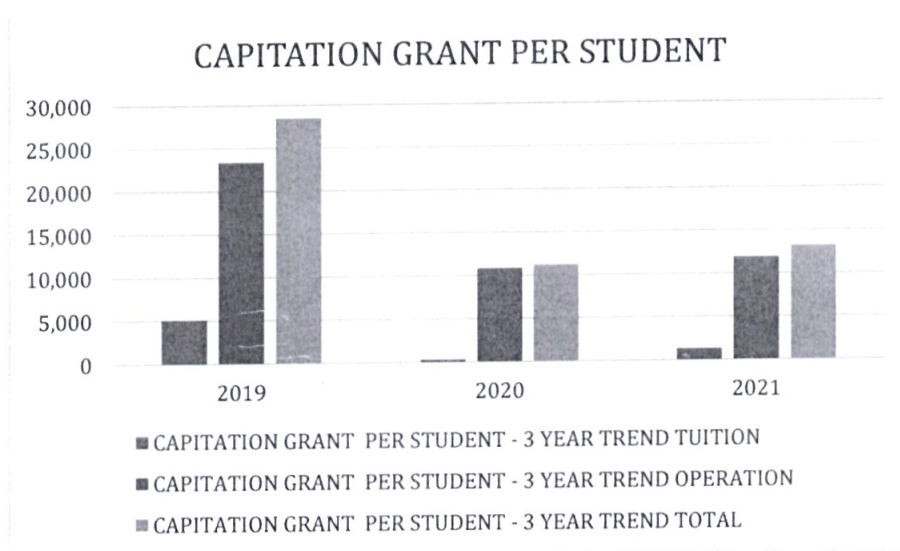




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**- Ratio of capitation grant per student over the last three years**

| <b>CAPITATION GRANT PER STUDENT - 3-YEAR TREND</b> |                  |                |                  |              |              |
|----------------------------------------------------|------------------|----------------|------------------|--------------|--------------|
| <b>YEAR</b>                                        | <b>ENROLMENT</b> | <b>TUITION</b> | <b>OPERATION</b> | <b>TOTAL</b> | <b>RATIO</b> |
| 2019                                               | 900              | 5,114          | 23,360           | 28,474       | 32.1         |
| 2020                                               | 1000             | 347            | 10,848           | 11,195       | 11.1         |
| 2021                                               | 1200             | 1,303          | 11,891           | 13,194       | 11.1         |

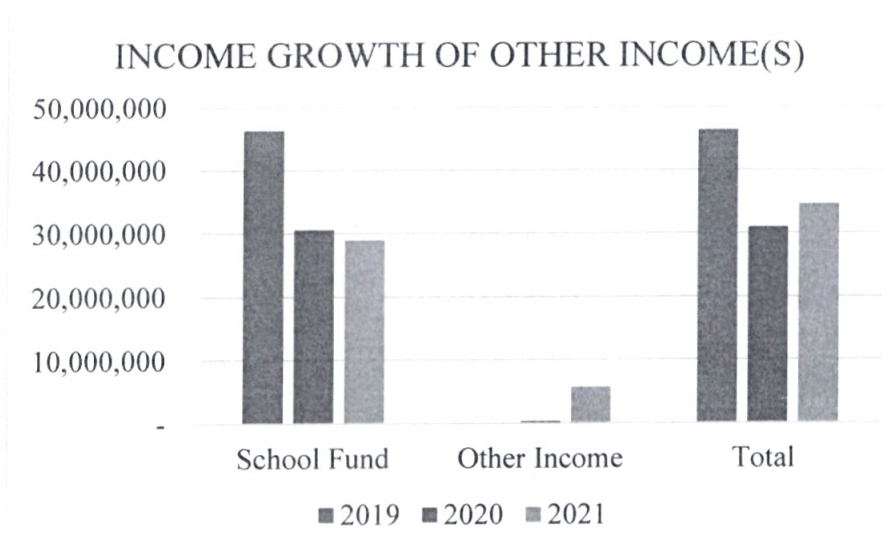


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**For the half year ended 30<sup>th</sup> June 2021**

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

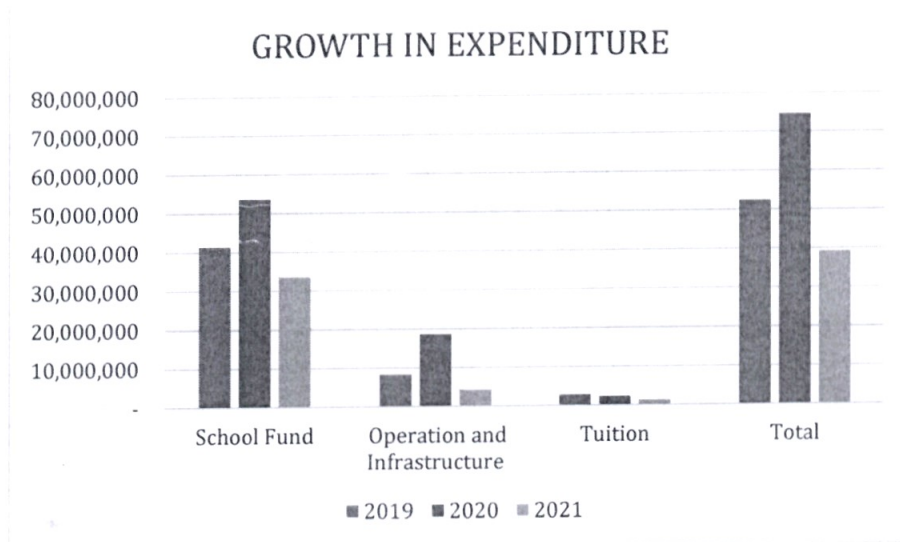
| <b>Income Growth of Other Income(s) -3Year Trend</b> |                    |                     |              |
|------------------------------------------------------|--------------------|---------------------|--------------|
| <b>Year</b>                                          | <b>School Fund</b> | <b>Other Income</b> | <b>Total</b> |
| 2019                                                 | 46,301,613         | -                   | 46,301,613   |
| 2020                                                 | 30,623,555         | 298,400             | 30,921,955   |
| 2021                                                 | 28,915,499         | 5,704,406           | 34,619,905   |



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

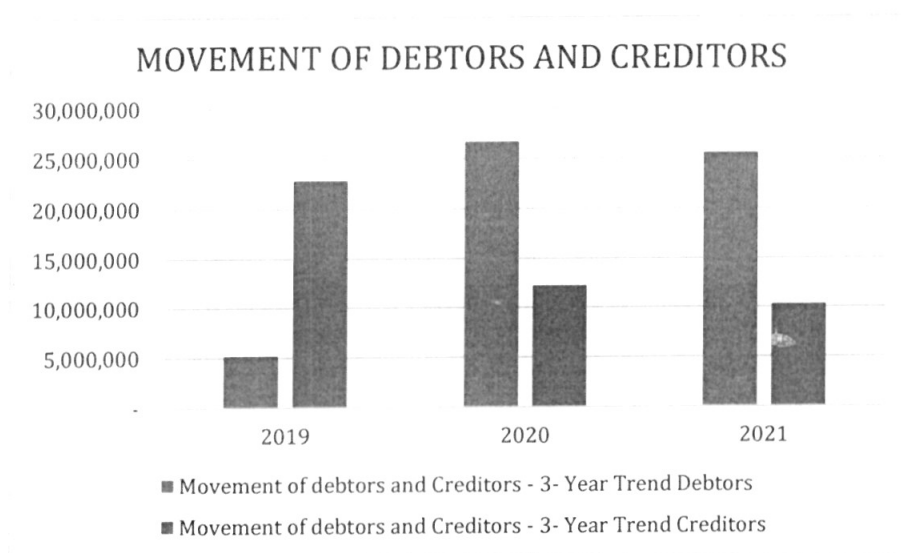
| Growth in Expenditure -3-Year Trend |             |                              |           |            |
|-------------------------------------|-------------|------------------------------|-----------|------------|
| Year                                | School Fund | Operation and Infrastructure | Tuition   | Total      |
| 2019                                | 41,370,249  | 8,316,029                    | 2,728,483 | 52,414,761 |
| 2020                                | 53,698,238  | 18,655,904                   | 2,269,637 | 74,623,779 |
| 2021                                | 33,693,832  | 4,282,415                    | 1,257,330 | 39,233,577 |



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

| <b>Movement of Debtors and Creditors - 3- Year Trend</b> |                |                  |
|----------------------------------------------------------|----------------|------------------|
| <b>Year</b>                                              | <b>Debtors</b> | <b>Creditors</b> |
| 2019                                                     | 5,195,288      | 22,805,416       |
| 2020                                                     | 26,637,794     | 12,255,593       |
| 2021                                                     | 25,491,298     | 10,277,951       |

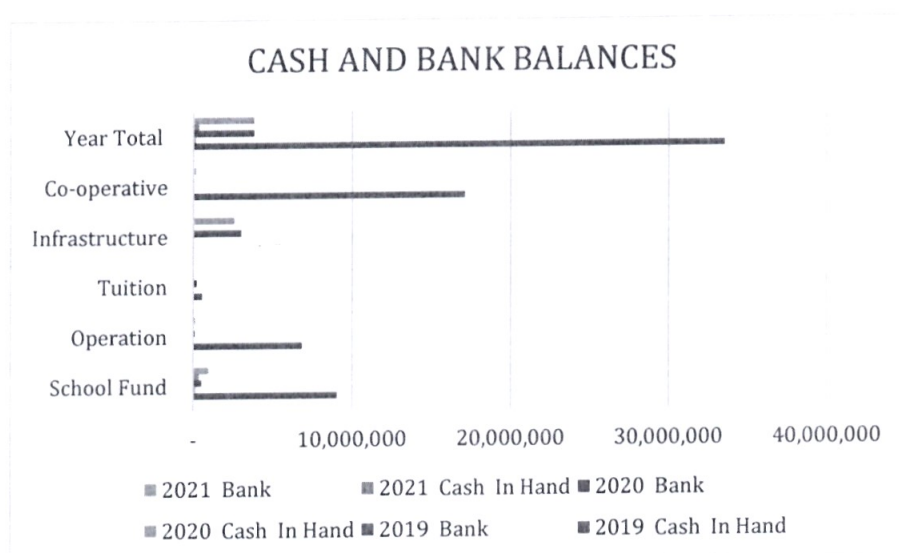




**CHANIA HIGH SCHOOL**  
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**For the half year ended 30<sup>th</sup> June 2021**

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

| Cash and Bank Balances -3-Year Trend |              |             |           |         |                |              |            |
|--------------------------------------|--------------|-------------|-----------|---------|----------------|--------------|------------|
| Year                                 |              | School Fund | Operation | Tuition | Infrastructure | Co-operative | Total      |
| 2019                                 | Cash In Hand | 49,858      | -         | -       | -              | -            | 49,858     |
|                                      | Bank         | 9,055,031   | 6,861,589 | 554,995 | -              | 17,080,385   | 33,552,000 |
| 2020                                 | Cash In Hand | 147,426     | -         | -       | -              | -            | 147,426    |
|                                      | Bank         | 514,934     | 103,482   | 208,065 | 3,010,863      | 6,021        | 3,843,364  |
| 2021                                 | Cash In Hand | 370,484     | -         | -       | -              | -            | 370,484    |
|                                      | Bank         | 981,949     | 120,801   | 2,679   | 2,588,964      | 153,821      | 3,848,213  |



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**b) Teacher Student ratio:**

| <b>Ratio of students to Teachers</b> |           |
|--------------------------------------|-----------|
| Total enrolment                      | 1,200     |
| Total No of Teachers                 | 43        |
| Students : Teachers ratio            | <b>28</b> |

| <b>Teachers Turnover</b>                        |          |
|-------------------------------------------------|----------|
| No of teachers recruited in the year            | 2        |
| No of teachers transferred inwards in the year  | -        |
| No of teachers transferred outwards in the year | -        |
| <b>Net inflow of teachers</b>                   | <b>2</b> |

| <b>Teachers Employment</b>                            |           |
|-------------------------------------------------------|-----------|
| No of teachers required by CBE                        | 53        |
| No of teachers employed by TSC                        | 2         |
| Shortage / Surplus No of teachers before BOM teachers | <b>51</b> |
| No of teachers employed by BOM                        | 8         |
| Net Shortage / Surplus No of teachers                 | <b>43</b> |

Number of teachers the school has for each subject:

| <b>Subject</b> | <b>No. of Teachers</b> |
|----------------|------------------------|
| GEO/HIST       | 3                      |
| MATHS/CHEM     | 4                      |
| C.R.E/GEO      | 1                      |
| MATHS/PHY      | 4                      |
| BS/ACC         | 1                      |
| ENG/LIT        | 7                      |
| HIST/C.R.E     | 3                      |
| COMP/GEO       | 1                      |
| CHEM/BIO       | 1                      |
| BS/ECON        | 1                      |
| BIO/AGRI       | 2                      |
| CHEM/AGRI      | 1                      |
| MATHS/GEO      | 1                      |
| MATHS/WOODWORK | 1                      |
| KISWA/GEO      | 1                      |
| BIO/MATHS      | 1                      |
| KISWA/HIST     | 2                      |
| AGRI/BIO       | 1                      |
| BIO/CHEM       | 1                      |
| COMP/P.E       | 2                      |
| GEO/BS         | 1                      |
| C.R.E/KISWA    | 1                      |
| H.S/BIO        | 1                      |
| ELE/PHY        | 1                      |
|                | <b>43</b>              |

**c) Mean score in the 2021 KCSE:**

| <b>The mean score in the 2020 KCSE:</b> |                   |                   |
|-----------------------------------------|-------------------|-------------------|
| <b>Year</b>                             | <b>Mean Score</b> | <b>Mean Grade</b> |
| 2018                                    | 7.7088            | B-                |
| 2019                                    | 7.4615            | C+                |
| 2020                                    | 7.9216            | C+                |

**d) Number of Candidates in the 2021 KCSE:**

| <b>Number of Candidates in the 2021 KCSE:</b> |                                      |
|-----------------------------------------------|--------------------------------------|
| <b>Year</b>                                   | <b>No. of Candidates in the KCSE</b> |
| 2018                                          | 609                                  |
| 2019                                          | 549                                  |
| 2020                                          | 500                                  |

**e) Capacity of the school:**

| <b>The capacity of the school:</b> |      |
|------------------------------------|------|
| No. of Students                    | 1200 |
| No. of Classrooms                  | 24   |
| No. of Laboratories                | 3    |
| No. of Dining Halls                | 1    |
| No. of Dormitories                 | 13   |
| No. of Toilets                     | 104  |
| No. of Libraries                   | 1    |

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**For the half year ended 30<sup>th</sup> June 2021**

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**f) Development projects carried out by the school:**

| PROJECT                   | COST      | FUNDED BY        | STATUS   |
|---------------------------|-----------|------------------|----------|
| Borehole and Solar System | 4,169,500 | Capitation Grant | Complete |
| 40 Door Ablution Block    | 561,299   | Capitation Grant | Ongoing  |

**Gitau J. I**  
**CHIEF PRINCIPAL**  
**13 APR 2026**  
**Mr. Gitau J. I**  
**School Principal**  
**M.P SHAH CHANIA HIGH SCHOOL**



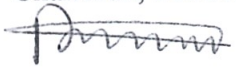
### **III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

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.

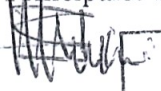
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Chania High 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.

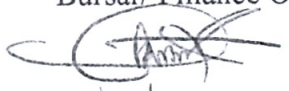
**Name:** David N. Mwangi  
**Designation:** Chairman, School Board of Management  
**Sign:** 

**Date:** 13/04/2026

**Name:** Mr. James I. Gitau  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:** 

**Date:** 13/04/2026



**Name:** Mr. Paul K. Mwangi  
**Designation:** Bursar/ Finance Officer  
**Sign:** 

**Date:** 13/04/2026



# REPUBLIC OF KENYA



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

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

## **REPORT OF THE AUDITOR-GENERAL ON CHANIA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - KIAMBU COUNTY**

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### **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 Chania High School set out on pages 18 to 35, which comprise of the statement of assets and 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 year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Chania High School as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Accounts Receivables**

The statement of assets and liabilities reflects accounts receivables balance of Kshs.25,491,298. However, the supporting schedules and detailed ageing analysis were not provided for audit review. Further, as disclosed in Note 11 to the financial statements, fees arrears amounting to Kshs.22,148,982 have been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.25,491,298 could not be confirmed.

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

#### **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 effects of the matter 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, schools did not prepare financial statements for audit in accordance with Article 229(5) of the Constitution, which mandates the Auditor-General to audit and report on the accounts of all entities funded from public funds.



Although the financial statements presented include comparative figures for the year ended 30 June, 2020, the 2020/2021 financial year represents the first year of audit for schools. Accordingly, audit procedures did not extend to the verification of opening balances or prior-year comparative information.

### **Other Information**

The Management is responsible for the Other Information set out on page 2 to 16 which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Late Submission of Financial Statements**

The financial statements for the year under review were submitted on 27 February, 2026 instead of the recommended date of 30 September, 2021. This was contrary to Section 81 of the Public Finance Management Act, 2012 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the financial year to which the accounts relate.

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

##### **2. Under-Funding of Capitation Grants**

The statement of receipts and payments and Note 1 and Note 2 to the financial statements reflects capitation grants for tuition, operation and Infrastructure capitation



grants for amount of Kshs.1,332,744 and Kshs.8,601,481 respectively. During the financial year 2020/2021, National Education Management Information System (NEMIS) reported two thousand and forty-nine (2,049) students while the records from the School reported two thousand six hundred and fifty two (2,652) students cumulatively. Thus, the records had unexplained variance of six hundred and three (603) students.

In the circumstances, the School was underfunded by Kshs.2,213,250 during the year.

### **3. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments and Note 6 and Note 7 to the financial statements reflects operations payments and boarding and school fund payments of Kshs.8,592,515 and Kshs.33,693,832 respectively. Included in the expenditure is an amount of Kshs.1,321,500 transferred to the Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in the Government Funding System, and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA, amounting to Kshs.1,321,500 could not be confirmed.

### **4. 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. Further, it was established that all the procurement done during the year did not have professional opinion as required under Section 84(1) of Public Procurement and Asset Disposal Act, 2015.

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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance



section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Internal Audit Review**

During the year under review, the School had no internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), Regulations, 2015 which requires the internal audit unit of a National Government entity to assess its effectiveness through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the internal audit function.

### **2. Lack of Asset Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.184,388,799 in respect of fixed assets. The School occupies land of undetermined value not included in the School assets. On 25 September, 2025 the School applied for a lease from Thika Municipality for the block which the School occupies. However, at the time of audit, the School had not obtained ownership documents for the parcel of land.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 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**

**10 May, 2026**

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*Report of the Auditor-General on Chania High School for the year ended 30 June, 2021 - Kiambu County*

**CHANIA HIGH SCHOOL**  
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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

| DESCRIPTION OF VOTE HEAD                   | Note | 2020-2021<br>Kshs | 2019-2020<br>Kshs   |
|--------------------------------------------|------|-------------------|---------------------|
| <b>RECEIPTS</b>                            |      |                   |                     |
| Capitation grants for tuition              | 1    | 1,332,744         | 1,641,907           |
| Capitation grants for operations           | 2    | 8,601,481         | 10,805,800          |
| School Fund Income- Parents' Contributions | 3    | 28,960,099        | 30,623,555          |
| School Fund Income- Other receipts         | 4    | 5,708,006         | 298,400             |
| <b>TOTAL RECEIPTS</b>                      |      | <b>44,602,730</b> | <b>43,369,662</b>   |
| <b>PAYMENTS</b>                            |      |                   |                     |
| Payments for Tuition                       | 5    | 1,257,330         | 2,269,637           |
| Payments for operations                    | 6    | 8,592,515         | 18,655,904          |
| Boarding and school fund payments          | 7    | 33,693,832        | 53,698,238          |
| <b>TOTAL PAYMENTS</b>                      |      | <b>43,543,677</b> | <b>74,623,779</b>   |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>1,059,053</b>  | <b>(31,254,117)</b> |

The school financial statements were approved on 13/04/2026 2026 and signed by:

Sign:

Name: David N. Mwangi  
Chair BOM

Sign

Name: James I. Gitau  
Principal/BOM Secretary

Sign:

Name: Paul K. Mwanja  
Bursar/ Finance Officer

Date

13/04/2026

Date

13/04/2026

Date

13/04/2026

**GITAU J. I.**  
**CHIEF PRINCIPAL**  
**13 APR 2026**  
**M.P SHAH CHANIA HIGH SCHOOL**



**CHANIA HIGH SCHOOL**  
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

|                                       | Note | 2020-2021         | 2019-2020         |
|---------------------------------------|------|-------------------|-------------------|
|                                       |      | Kshs              | Kshs              |
| <b>FINANCIAL ASSETS</b>               |      |                   |                   |
| <b>Cash and Cash Equivalents</b>      |      |                   |                   |
| Bank Balances                         | 8    | 3,848,214         | 3,843,365         |
| Cash Balances                         | 9    | 370,484           | 147,426           |
| Short term Investment                 | 10   | 0                 | 0                 |
| <b>Total Cash and cash equivalent</b> |      | <b>4,218,698</b>  | <b>3,990,791</b>  |
| Account's receivables                 | 11   | 25,491,298        | 26,637,794        |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>29,709,996</b> | <b>30,628,585</b> |
| <b>FINANCIAL LIABILITIES</b>          |      |                   |                   |
| Accounts Payables                     | 12   | 10,277,951        | 12,255,593        |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>19,432,045</b> | <b>18,372,992</b> |
| <b>REPRESENTED BY</b>                 |      |                   |                   |
| Accumulated Fund b/fwd                | 13   | 18,372,992        | 49,627,109        |
| Surplus/Deficit for the year          |      | 1,059,053         | (31,254,117)      |
| <b>NET FINANCIAL POSITION</b>         |      | <b>19,432,045</b> | <b>18,372,992</b> |

The School's financial statements were approved on 13/04/2026

2026 and signed by:

Name: David N. Mwangi  
BoM Chairman

Sign: 

Date: 13/04/2026

Name: James I. Gitau  
Principal/BoM Secretary

Sign: 

Date: 13/04/2026

Name: Paul K. Mwanja  
Bursar/Finance

Sign: 

Date: 13/04/2026

**GITAU J. I.**  
**CHIEF PRINCIPAL**  
**13 APR 2026**  
**M.P SHAH CHANIA HIGH SCHOOL**

**CHANIA HIGH SCHOOL**  
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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

|                                                             | 2020-2021           | 2019-2020           |
|-------------------------------------------------------------|---------------------|---------------------|
|                                                             | Kshs                | Kshs                |
| <b>Receipts for operating income</b>                        |                     |                     |
| Capitation grants for tuition                               | 1,332,744           | 1,641,907           |
| Capitation grants for operations                            | 8,601,481           | 10,805,800          |
| School fund income- Parents contributions/ fees             | 28,960,099          | 27,547,106          |
| Other Receipts                                              | 5,708,406           | 303,000             |
| <b>Total Receipts</b>                                       | <b>44,602,730</b>   | <b>40,297,813</b>   |
| <b>Payments</b>                                             |                     |                     |
| Payments for Tuition                                        | 1,257,330           | 1,988,837           |
| Payments for operations                                     | 4,692,661           | 4,017,334           |
| Boarding and school fund payments                           | 33,693,832          | 32,035,480          |
| <b>Total Payments</b>                                       | <b>39,643,823</b>   | <b>38,041,651</b>   |
| <b>Net cash flow from operating activities</b>              | <b>4,958,907</b>    | <b>2,256,162</b>    |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                   |                     |                     |
| Proceeds from Sale of Assets                                | 0                   | 0                   |
| Acquisition of Assets                                       | 4,730,799           | 31,867,229          |
| Proceeds from investments                                   | 0                   | 0                   |
| Purchase of investments                                     | 0                   | 0                   |
| <b>Net cash flows from Investing Activities</b>             | <b>4,730,799.00</b> | <b>31,867,229</b>   |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                   |                     |                     |
| Proceeds from borrowings/ loans                             | 0                   | 0                   |
| Repayment of principal borrowings                           | 0                   | 0                   |
| <b>Net cash flow from financing activities</b>              | <b>0</b>            | <b>0</b>            |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>227,908</b>      | <b>(29,611,067)</b> |
| <b>Cash and cash equivalent at BEGINNING of the year</b>    | <b>3,990,790</b>    | <b>33,601,857</b>   |
| <b>Cash and cash equivalent at END of the year</b>          | <b>4,218,698</b>    | <b>3,990,790</b>    |

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE HALF  
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>                           |                 |             |              |                            |                               |                  |
| <b>(1) CAPITATION GRANT ON TUITION</b>    |                 |             |              |                            |                               |                  |
| Teaching / learning materials             | 4,972,800       | -           | 4,972,800    | 1,332,744                  | 3,640,056                     | 27%              |
| <b>(2) CAPITATION GRANT ON OPERATIONS</b> |                 | -           | -            |                            |                               |                  |
| Other Votehead                            | 11,280,000      | -           | 11,280,000   | 4,759,981                  | 6,471,419                     | 43%              |
| Maintenance & Improvement                 | 6,000,000       | -           | 6,000,000    | 3,841,500                  | 2,158,500                     | 64%              |
| Medical/Insurance                         | 2,400,000       | -           | 2,400,000    | -                          | 2,400,000                     | 0%               |
| Activity                                  | 1,800,000       | -           | 1,800,000    | -                          | 1,800,000                     | 0%               |
| <b>(3) FEES CHARGED ON PARENTS</b>        |                 | -           | -            |                            |                               |                  |
| Personnel emoluments                      | 13,200,000      | -           | 13,200,000   | 4,553,696                  | 8,646,304                     | 34%              |
| Fee on Boarding Equipment and Stores      | 36,462,000      | -           | 36,462,000   | 17,940,720                 | 18,521,280                    | 49%              |
| Repairs and maintenance                   | 2,400,000       | -           | 2,400,000    | 1,629,957                  | 770,043                       | 68%              |
| Local transport / travelling              | 2,845,200       | -           | 2,845,200    | 636,534                    | 2,208,666                     | 22%              |
| Electricity and water                     | 3,600,000       | -           | 3,600,000    | 2,576,941                  | 1,023,059                     | 72%              |
| Administration costs                      | 4,959,600       | -           | 4,959,600    | 1,309,803                  | 3,694,397                     | 26%              |
| Activity                                  | 798,000         | -           | 798,000      | 309,858                    | 488,142                       | 39%              |
| Medical                                   | -               | -           | -            | 2,590                      | (2,590)                       | 0%               |
| <b>OTHER INCOME</b>                       |                 | -           | -            |                            |                               |                  |
| Rent income                               | -               | -           | -            | 57,600                     | (54,000)                      | 0%               |
| Uniform                                   | -               | -           | -            | 14,500                     | (14,500)                      | 0%               |
| Damages                                   | -               | -           | -            | 1,000                      | (1,000)                       | 0%               |
| Refund                                    | -               | -           | -            | 11,700                     | (11,700)                      | 0%               |



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|                                        |                   |          |                   |                   |                   |            |
|----------------------------------------|-------------------|----------|-------------------|-------------------|-------------------|------------|
| Advance Recoveries                     | -                 | -        | -                 | 12,000            | (12,000)          | 0%         |
| Fees Arrears                           | -                 | -        | -                 | 3,027,776         | (3,027,776)       | 0%         |
| Pre- Payments                          | -                 | -        | -                 | 2,460,430         | (2,460,430)       | 0%         |
| Hire of Facilities                     | -                 | -        | -                 | 123,000           | (123,000)         | 0%         |
| <b>TOTAL INCOME</b>                    | <b>90,717,600</b> | <b>-</b> | <b>90,717,600</b> | <b>44,602,730</b> | <b>46,114,870</b> | <b>49%</b> |
| <b>(1) EXPENDITURE FOR TUITION</b>     |                   | -        | -                 |                   |                   |            |
| Tuition                                | 4,972,800         | -        | 4,972,800         | 1,257,330         | 3,715,470         | 25%        |
| <b>(2) EXPENDITURE FOR OPERATIONS</b>  |                   | -        | -                 |                   |                   |            |
| Other Votehead                         | 11,280,000        | -        | 11,280,000        | 3,042,159         | 8,237,841         | 27%        |
|                                        |                   | -        | 6,000,000         |                   |                   |            |
| Infrastructure                         | 6,000,000         | -        |                   | 4,309,500         | 1,690,500         | 72%        |
| Medical and Insurance                  | 2,400,000         | -        | 2,400,000         | 1,008,271         | 1,391,729         | 42%        |
| Activity Expenses                      | 1,800,000         | -        | 1,800,000         | 231,985           | 1,568,015         | 13%        |
| Bank Charges                           | -                 | -        | -                 | 600               | (600)             | 0%         |
| <b>(3) EXPENDITURE FOR SCHOOL FUND</b> |                   | -        | -                 |                   |                   |            |
| Personnel emoluments                   | 13,200,000        | -        | 13,200,000        | 4,030,192         | 9,169,808         | 31%        |
|                                        |                   | -        | 2,400,000         |                   |                   |            |
| Repairs, maintenance and Improvements  | 2,400,000         | -        |                   | 3,016,585         | (616,585)         | 126%       |
| Local transport / travelling           | 2,845,200         | -        | 2,845,200         | 1,050,250         | 1,794,950         | 37%        |
|                                        |                   | -        | 3,600,000         |                   |                   |            |
| Electricity, water and conservancy     | 3,600,000         | -        |                   | 4,469,043         | (869,043)         | 124%       |
| Administration costs                   | 4,800,000         | -        | 4,800,000         | 2,063,901         | 2,736,099         | 43%        |
| Activity                               | 957,600           | -        | 957,600           | 372,273           | 585,327           | 39%        |
|                                        |                   | -        | 36,462,000        |                   |                   |            |
| Boarding Equipment and Stores          | 36,462,000        | -        |                   | 16,044,092        | 20,417,908        | 44%        |
| Refund                                 | -                 | -        | -                 | 85,718            | (85,718)          | 0%         |
| Hire of Facilities                     | -                 | -        | -                 | 34,830            | (34,830)          | 0%         |
| Prepayments                            | -                 | -        | -                 | 2,195,709         | (2,195,709)       | 0%         |
| Creditors                              | -                 | -        | -                 | 331,239           | (331,239)         | 0%         |

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|                           |                   |          |                   |                   |                   |            |
|---------------------------|-------------------|----------|-------------------|-------------------|-------------------|------------|
| <b>TOTALS EXPENDITURE</b> | <b>90,717,600</b> | <b>-</b> | <b>90,717,600</b> | <b>43,543,677</b> | <b>49,821,419</b> | <b>48%</b> |
|---------------------------|-------------------|----------|-------------------|-------------------|-------------------|------------|

**Commentary**

- i. The school has only received 62.37% of the expected revenue from 1<sup>st</sup> Jan -30<sup>th</sup> June 2021
- ii. The school has only utilised 44.29% of the funds received from MoE and Parents Contribution

## **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 half year ended 30<sup>th</sup> June 2021.

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

|                               | <b>2020-2021</b> | <b>2019-2020</b> |
|-------------------------------|------------------|------------------|
|                               | <b>Kshs</b>      | <b>Kshs</b>      |
| Tuition                       | 969,114          | 1,641,907        |
| Teaching / learning materials | 363,630          | 0                |
| <b>Total</b>                  | <b>1,332,744</b> | <b>1,641,907</b> |

**2 CAPITATION GRANT FOR OPERATIONS**

|                              | <b>2020-2021</b> | <b>2019-2020</b>  |
|------------------------------|------------------|-------------------|
|                              | <b>Kshs</b>      | <b>Kshs</b>       |
| Personnel emoluments         | 0                | 180,000           |
| Maintenance and Improvements | 3,841,500        | 4,026,500         |
| Insurance & Medical          | 0                | 177,400           |
| Other Voteheads              | 4,759,981        | 6,067,100         |
| Activity                     | 0                | 354,800           |
| <b>Total</b>                 | <b>8,601,481</b> | <b>10,805,800</b> |

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

|                             | <b>2020-2021</b>  | <b>2019-2020</b>  |
|-----------------------------|-------------------|-------------------|
|                             | <b>Kshs</b>       | <b>Kshs</b>       |
| Boarding Equipment & Stores | 17,940,720        | 18,196,680        |
| Personnel emoluments        | 4,553,696         | 5,033,412         |
| Repairs and maintenance     | 1,629,957         | 1,146,206         |
| Local transport/travelling  | 636,534           | 894,477           |
| Electricity and water       | 2,576,941         | 3,335,886         |
| Administration costs        | 1,309,803         | 1,575,828         |
| Activity                    | 309,858           | 441,066           |
| Medical                     | 2,590             | 0                 |
| <b>Total</b>                | <b>28,960,099</b> | <b>30,623,555</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

|                    | <b>2020-2021</b> | <b>2019-2020</b> |
|--------------------|------------------|------------------|
|                    | <b>Kshs</b>      | <b>Kshs</b>      |
| Rent income        | 57,600           | 146,400          |
| Uniform            | 14,500           | 0                |
| Damages            | 1,000            | 0                |
| Tender             | 0.00             | 152,000          |
| Refund             | 11,700           | 0                |
| Advance Recoveries | 12,000           | 0                |
| Fee Arrears        | 3,027,776        | 0                |
| Pre-Payments       | 2,460,430        | 0                |
| Hire of Facilities | 123,000          | 0                |
| <b>Total</b>       | <b>5,708,006</b> | <b>298,400</b>   |

**5 PAYMENTS FOR TUITION**

|                                   | <b>2020-2021</b> | <b>2019-2020</b> |
|-----------------------------------|------------------|------------------|
|                                   | <b>Kshs</b>      | <b>Kshs</b>      |
| Textbooks and reference materials | 0                | 423,322          |
| Exercise books                    | 250,000          | 853,750          |
| Laboratory equipment              | 603,850          | 389,880          |
| Internal exams                    | 21,000           | 264,000          |
| Teaching / learning materials     | 19,000           | 0                |
| Tuition                           | 363,000          | 297,850          |
| Reference/ Library Materials      | 0                | 16,800           |
| Administration Costs              | 480              | 24,035           |
| <b>Total</b>                      | <b>1,257,330</b> | <b>2,269,637</b> |



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT**

|                              | <b>2020-2021</b> | <b>2019-2020</b>  |
|------------------------------|------------------|-------------------|
|                              | <b>Kshs</b>      | <b>Kshs</b>       |
| Personnel emoluments         | 885,530          | 4,181,123         |
| Administration Cost          | 863,069          | 1,418,055         |
| Local transport / travelling | 32,000           | 384,180           |
| Electricity and water        | 1,261,560        | 761,450           |
| Activity Expenses            | 231,985          | 385,450           |
| Bank Charges                 | 600              | 1,210             |
| Medical and Insurance Cost   | 1,008,271        | 988,726           |
| Infrastructure Account       | 4,309,500        | 10,535,710        |
| <b>TOTAL</b>                 | <b>8,592,515</b> | <b>18,655,904</b> |

**7 BOARDING AND SCHOOL FUND PAYMENTS**

|                                        | <b>2020-2021</b>  | <b>2019-2020</b>  |
|----------------------------------------|-------------------|-------------------|
|                                        | <b>Kshs</b>       | <b>Kshs</b>       |
| Boarding Equipment and Stores          | 16,044,092        | 13,991,537        |
| Personnel emoluments                   | 4,030,192         | 3,628,599         |
| Repairs and maintenance & Improvements | 3,016,585         | 6,336,474         |
| Local transport / travelling           | 1,050,250         | 1,296,945         |
| Electricity and water                  | 4,469,043         | 3,438,425         |
| Activity                               | 372,273           | 640,939           |
| Administration costs                   | 2,063,901         | 2,910,295         |
| Infrastructure – Dormitory             | 0                 | 21,331,519        |
| Tender                                 | 0                 | 123,505           |
| Refund                                 | 85,718.00         | 0                 |
| Facilities                             | 34,830.00         | 0                 |
| Prepayments                            | 2,195,709         | 0                 |
| Creditors                              | 331,239           | 0                 |
| <b>TOTAL</b>                           | <b>33,693,832</b> | <b>53,698,238</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

| <b>Name of Bank, Account No. &amp; currency</b> | <b>Bank Account Number</b> | <b>2020-2021</b> | <b>2019-2020</b> |
|-------------------------------------------------|----------------------------|------------------|------------------|
|                                                 |                            | <b>Kshs</b>      | <b>Kshs</b>      |
| Tuition Account                                 | 1102089605                 | 2,679            | 208,065          |
| Operations Account                              | 1102090174                 | 120,801          | 103,482          |
| School Fund Account/Boarding                    | 1102086428                 | 981,949          | 514,934          |
| Co-operative Account                            | 01100278996400             | 153,821          | 6,021            |
| Infrastructure Account                          | 1272365328                 | 2,588,964        | 3,010,863        |
| <b>Total</b>                                    |                            | <b>3,848,214</b> | <b>3,843,365</b> |

**9 CASH IN HAND**

| <b>Description</b>  | <b>2020-2021</b> | <b>2019-2020</b> |
|---------------------|------------------|------------------|
|                     | <b>Kshs</b>      | <b>Kshs</b>      |
| School Fund account | 370,484          | 147,426          |
| <b>Total</b>        | <b>370,484</b>   | <b>147,426</b>   |

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**10 SHORT TERM INVESTMENTS**

| Description        | 2020-2021 | 2019-2020 |
|--------------------|-----------|-----------|
|                    | Kshs      | Kshs      |
| Cooperative shares | 0         | 0         |
| Treasury Bills     | 0         | 0         |
| Fixed deposit      | 0         | 0         |
| Equity stock       | 0         | 0         |
| Other investments  | 0         | 0         |
| <b>Total</b>       | <b>0</b>  | <b>0</b>  |

**11 ACCOUNTS RECEIVABLE**

| Description                | 2020-2021         | 2019-2020         |
|----------------------------|-------------------|-------------------|
|                            | Kshs              | Kshs              |
| Fees arrears               | 25,283,898        | 26,451,3934       |
| Other non-fees receivables | 132,400           | 186,400           |
| Advance                    | 75,000            | 0                 |
| <b>Total</b>               | <b>25,491,298</b> | <b>26,637,794</b> |

Ageing of the fees / non fees arrears below

| Description                                               | 2020-2021         | 2019-2020         |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | Kshs              | Kshs              |
| Fees/Non- fees arrears for the current year               | 2,067,680         | 4,488,812         |
| Fees/Non- fees arrears for the previous year              | 1,274,636         | 835,501           |
| Fees/Non- fees arrears for prior periods (over two years) | 22,148,982        | 21,313,481        |
| <b>Total</b>                                              | <b>25,491,298</b> | <b>26,637,794</b> |



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**12 ACCOUNTS PAYABLE**

| <b>Description</b> | <b>2020-2021</b>  | <b>2019-2020</b>  |
|--------------------|-------------------|-------------------|
|                    | <b>Kshs</b>       | <b>Kshs</b>       |
| Trade creditors    | 7,817,521         | 10,059,884        |
| Prepaid fees       | 2,460,430         | 2,195,709         |
| <b>Total</b>       | <b>10,277,951</b> | <b>12,255,593</b> |

Ageing analysis of the trade creditors

| <b>Description</b>                                 | <b>2020-2021</b>  | <b>2019-2020</b>  |
|----------------------------------------------------|-------------------|-------------------|
|                                                    | <b>Kshs</b>       | <b>Kshs</b>       |
| Trade creditors for current year                   | 10,277,951        | 12,255,593        |
| Trade creditors for the previous year              |                   | 0                 |
| Trade creditors for prior periods (over two years) |                   | 0                 |
| <b>Total</b>                                       | <b>10,277,951</b> | <b>12,255,593</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

| Description            | 2020-2021         | 2019-2020         |
|------------------------|-------------------|-------------------|
|                        | Kshs              | Kshs              |
| Bank balances          | 3,843,364         | 33,552,000        |
| Cash balances          | 147,426           | 49,858            |
| Short Term Investments | 0                 | 0                 |
| Receivables            | 26,637,794        | 23,530,324        |
| Payables               | (12,255,593)      | (7,505,073)       |
| <b>Total</b>           | <b>18,372,992</b> | <b>49,627,109</b> |

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**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

| <b>Description</b>           | <b>2020-2021</b> | <b>2019-2020</b> |
|------------------------------|------------------|------------------|
|                              | <b>Kshs</b>      | <b>Kshs</b>      |
| Bank loan(s)                 | 0                | 0                |
| Outstanding Leases           | 0                | 0                |
| Hire purchase                | 0                | 0                |
| Gratuity and leave provision | 0                | 0                |
| <b>Total</b>                 | <b>0</b>         | <b>0</b>         |

**15 Biological assets**

| <b>Description</b> | <b>Numbers</b> | <b>2020-2021</b> | <b>2019-2020</b> |
|--------------------|----------------|------------------|------------------|
|                    |                | <b>Kshs</b>      | <b>Kshs</b>      |
| Goats              | 10             | 200,000          | 0                |
| Trees              | 121            | 1,210,000        | 1,210,000        |
| <b>Total</b>       |                | <b>1,410,000</b> | <b>1,210,000</b> |

**16 Borrowings**

| <b>Description</b>                 | <b>2020-2021</b> | <b>2019-2020</b> |
|------------------------------------|------------------|------------------|
|                                    | <b>KShs</b>      | <b>KShs</b>      |
| <b>a) Borrowings</b>               |                  |                  |
| Borrowing at beginning of the year | 0                | 0                |
| Borrowings during the year         | 0                | 0                |
| Repayments of during the year      | 0                | 0                |
| <b>Balance at end of the year</b>  | <b>0</b>         | <b>0</b>         |



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**Other important disclosure notes**

**17 Stock/ Inventory**

| Description                                | 2020-2021      | 2019-2020      |
|--------------------------------------------|----------------|----------------|
|                                            | KShs           | KShs           |
| <b>b) Borrowings</b>                       |                |                |
| Stock/ inventory at beginning of the year  | 425,625        | 175,800        |
| Stock/ inventory purchased during the year | 9,623,433      | 13,500,675     |
| Stock/ inventory issued during the year    | 9,250,355      | 13,250,850     |
| <b>Balance at end of the year</b>          | <b>798,703</b> | <b>425,625</b> |

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**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services          | Original Amount   | Date Contracted | Amount Paid To-Date | Outstanding Balance 2021 | Outstanding Balance 2020 | Comments |
|----------------------------------------|-------------------|-----------------|---------------------|--------------------------|--------------------------|----------|
|                                        | a                 | b               | c                   | d=a-c                    |                          |          |
|                                        | Kshs              | Kshs            | Kshs                | Kshs                     | Kshs                     |          |
| <b>Construction of buildings</b>       |                   |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                       |                   |                 |                     |                          |                          |          |
| <b>Supply of goods</b>                 |                   |                 |                     |                          |                          |          |
| 1. Instant Access Stores               | 163,300           |                 | 0                   | 163,300                  | 0                        |          |
| 2. Top Cow Dairies                     | 350,400           |                 | 0                   | 350,400                  | 0                        |          |
| 3. Food Chain Suppliers Ltd            | 224,105           |                 | 0                   | 224,105                  | 0                        |          |
| 4. Gotu Meat Supply                    | 650,200           |                 | 0                   | 650,200                  | 0                        |          |
| 5. Nufarm Supplies                     | 38,000            |                 | 0                   | 38,000                   | 0                        |          |
| 6. DPL Festive Ltd                     | 560,600           |                 | 0                   | 560,600                  | 0                        |          |
| 7. Kiki Millers Ltd                    | 620,000           |                 | 0                   | 620,000                  | 0                        |          |
| 8. Paktec Enterprises                  | 98,000            |                 | 0                   | 98,000                   | 0                        |          |
| 9. Grishon Njuguna                     | 13,500            |                 | 0                   | 13,500                   | 0                        |          |
| 10. Mwihia Investment Co. Ltd          | 747,551           |                 | 0                   | 747,551                  | 0                        |          |
| 11. Kamawe Metal Stores & Hardware Ltd | 564,714           |                 | 0                   | 564,714                  | 0                        |          |
| 12. Wetlinks International Co. Ltd     | 4,169,500         |                 | 0                   | 4,169,500                | 0                        |          |
| 13. Dajohn Enterprises Ltd             | 2,066,032         |                 | 0                   | 2,066,032                | 0                        |          |
| <b>Sub-Total</b>                       | <b>10,265,902</b> |                 | <b>0</b>            | <b>10,265,902</b>        | <b>0</b>                 |          |
| <b>Supply of services</b>              |                   |                 |                     |                          |                          |          |
| 12. Safaricom Plc                      | 5,799             |                 | 0                   | 5,799                    | 0                        |          |
| 13. Hers Bins Ltd                      | 6,250             |                 | 0                   | 6,250                    | 0                        |          |
| <b>Sub-Total</b>                       | <b>12,049</b>     |                 |                     | <b>12,049</b>            | <b>0</b>                 |          |
| <b>Grand Total</b>                     | <b>10,277,951</b> |                 |                     | <b>10,277,951</b>        | <b>0</b>                 |          |



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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

| <b>Asset class</b>           | <b>Date purchased</b> | <b>Location</b> | <b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2020</b> | <b>Additions during the year (Kshs)</b> | <b>Disposals during the year (Kshs)</b> | <b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2021</b> |
|------------------------------|-----------------------|-----------------|------------------------------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------------------------|
| Land 1                       |                       |                 |                                                            |                                         |                                         |                                                             |
| Land 2                       |                       |                 |                                                            |                                         |                                         |                                                             |
| Buildings and structures     |                       |                 | 156,200,000                                                | 561,299                                 | 0                                       | 156,761,299                                                 |
| Motor vehicles               |                       |                 |                                                            |                                         |                                         |                                                             |
| School Van-KCE 801D          | 01-04-2016            | THK             | 14,350,000                                                 | 0                                       | 0                                       | 14,350,000                                                  |
| -KBR 910U                    | 19-09-2012            |                 | 3,850,000                                                  | 0                                       | 0                                       | 3,850,000                                                   |
| -KAT 125X                    | 17-05-2005            |                 | 4,650,000                                                  | 0                                       | 0                                       | 4,650,000                                                   |
| Generator                    |                       | THK             | 358,000                                                    | 0                                       | 0                                       | 358,000                                                     |
| Borehole & Solar System      |                       | THK             | 0                                                          | 4,169,500                               | 0                                       | 4,169,500                                                   |
| Intangible assets- soft ware |                       | THK             | 250,000                                                    | 0                                       | 0                                       | 250,000                                                     |
| <b>Total</b>                 |                       |                 | <b>179,658,000</b>                                         | <b>4,730,799</b>                        | <b>0</b>                                | <b>184,388,799</b>                                          |