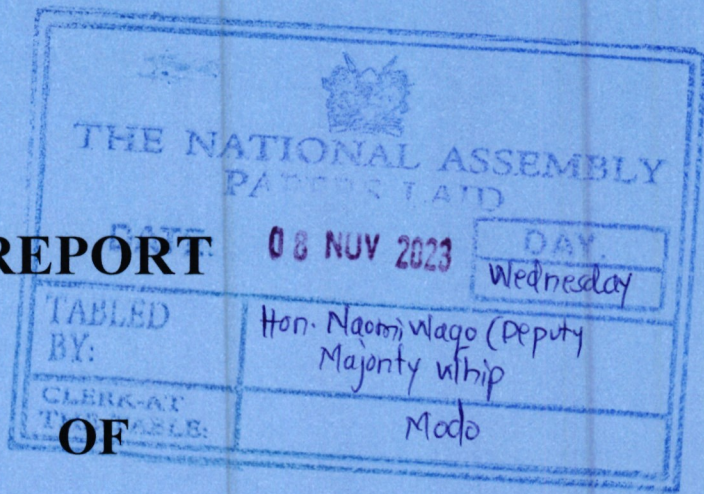


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

MWAKICHUCHU SECONDARY SCHOOL

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

TAITA/TAVETA COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

17 JUL 2023

~~RECEIVED~~



MWAKICHUCHU SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Taita Taveta County, Voi Sub-County

The school was registered in November 1983 under registration number G/A/239/83 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 293 number of students as at 30th June 2022. It has two streams and 18 teachers of which 7 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	Jeslinah Waleghwa Mwangodi	Chairman	25/9/2019
2	Oscar Indimuli Andafu	Secretary - Principal	25/9/2019
3	Doreen Msagha Riziki	Member	25/9/2019
4	Geoffrey Mwanjala Kiara	Member	25/9/2019
5	Stephen Mwanjala	Member	25/9/2019
6	John kibwanga Mwawasi	Member	25/9/2019
7	Sakina Suleiman	Member	25/9/2019
8	Martin Heya	Member – Rep CEB	25/9/2019
9	Samuel Mghondi Mshote	Member Rep Teachers	25/9/2019
10	Shedrack Mwakio Mwangandi	Member - Sponsor	25/9/2019
11	Samuel Ngoyo	Member - Sponsor	25/9/2019
12	Joseph Nzano	Member - Sponsor	25/9/2019
13	Richard Owen Mwarema	Member - Community	25/9/2019
14	Jescah Mwakina	Member Special Needs	25/9/2019
15	Adam Mwashighadi	Rep Students	25/9/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Jeslinah Mwangodi Oscar I. Andafu Geoffrey Kiara John Mwawasi Doreen Msagha	Chairperson -Secretary -member -member -member	4
2	Audit Committee	Richard Mwarema Martin Heya Alfred Mwadilo	Member Member member	1
3	Finance, procurement and general purposes Committee	John Mwawasi Samuel Ngoyo Sakina Suleiman	Member Member Member	1
4	Academic Committee	Joseph Nzano Samuel Mshote Mwakio Mwangandi	Member Member member	3
5	Development Committee	Jeslinah M, wagodi Geoffrey Kiara Doreen Msagha Oscar I. Andafu	Member Member Member member	3
6	Discipline and welfare Committee	Geoffrey Kiara Jescah Mwakina Doreen Msagha	Member Member member	5
7	Adhoc Committee (if any during the year)	Jeslinah M, wagodi Geoffrey Kiara Doreen Msagha	Member Member member	2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Oscar I. Andafu	322926
2	Deputy Principal	John Mwamrizi Mwazo	390382
3	School Bursar	Nathan Kiteto Mwawasi	N/A

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 89-80308-SAGALLA
Telephone: 0722625883
E-mail: mwakichuchuhighschool@gmail.com

(f) School Bankers

The following school operated 9 number of bank accounts in the following banks:

1. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1104835088
2. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1108142699
3. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1108138314
4. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1107961130
5. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1107959578
6. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1109795076
7. Name of Bank: Kenya Commercial Bank
Branch: Voi

- Account Number: 1279873892
8. Name of Bank: Kenya Commercial Bank
Branch: Voi
Account Number: 1279874058
9. Name of Bank: Equity
Branch: Voi
Account Number: 0790297003123

10. MPESA Pay Bill No. 321279 attached to 1104835088 bank account

(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 last three years

Item	2021-2022	2020-2021	2019
Surplus	(1,427,543)	4,109,465.24	1,583,266.20

Capitation

ACCOUNT	2021-2022	2020-2021	2020
Tuition	802,255	291,126	479,372
Operations	4,164,481.30	1,826,788	3,119,525

Ratio of Capitation Grant

ACCOUNT	2021-2022(240 students)	2021(293 students)	2019(279 students)
Tuition	2738	994	1636
Operations	14725	6235	10647

Overview of growth in Expenditure

ACCOUNT	2022-2021	2021-2020	2020
Main Account	22409229	13512269	5620255.76
Tuition	821770	270572	238492
Operations	5691816	1827642	3500745
Totals	28922815	15,610,483	9,359,492.76

Movements of Debtors and Creditors

Item	2022-2021	2021-2020	2020
Debtors	2,484,478	3,313,126	2,097,542
Creditors	3,517,141	3,605,724	4,108,833.4

Movements of Cash and Bank Balances

	2022-2021		2021-2020		2020	
	Cash	Bank	Cash	Bank	Cash	Bank
	287	557,741.25	5592	1671775	302	802,268.50

b) **Teacher Student ratio:**

1:27

Recruited	0
Posted	0
Transferred	0
Retired	0
Employed TSC	11
Employed BOM	7

S/NO	SUBJECT	NUMBER OF TEACHERS	SHORTAGE	ALLOCATION OF RESOURCES
1	ENGLISH	2	1	
2	KISWAHILI	3	1	
3	MATHEMATICS	2	1	
4	BIOLOGY	2	0	
5	PHYSICS	1	1	
6	CHEMISTRY	2	1	
7	HISTORY	3	0	
8	GEOGRAPHY	1	1	
9	C.R.E	1	1	
10	AGRICULTURE	1	1	
11	BUSINESS STUDIES	0	1	
12	COMPUTER STUDIES	01	1	

c) **Mean score in the 2020 KCSE:**

SCHOOL PERFORMANCE IN THE PAST THREE YEARS

YEAR	ENTRY	M/S	DEV	Higher Learning
2021	83	3.02	-1.09	10
2020	79	4.114	+0.824	27
2019	31	3.39	-0.117	4

a) Number of Candidates in the 2020 KCSE:

YEAR	ENTRY
2021	83
2020	79
2019	31


b) Capacity of the school: 240

Facilities	No.
Dormitory	5
Dining Hall	1
Laboratories	3
Toilets	35
<u>Other Amenities</u>	
Staff houses	3
Classrooms	8
Administration block	1
Library	1
Store	1
Head of Department Offices	4
Security House	1

a) Development projects carried out by the school:

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

<i>S/NO</i>	<i>DEV. PROJECT</i>	<i>SOURCE OF FUND</i>
<i>1</i>	<i>Water harvesting</i>	<i>Infrastructure</i>
<i>2</i>	<i>Classroom</i>	<i>Government</i>
<i>3</i>	<i>Domitory</i>	<i>Parents and Insurance</i>

Sign 
School Principal
MWAKICHU SEC SCHOOL
14 JUL 2023
P O Box 89-80308. SAGALLA
Signature.....

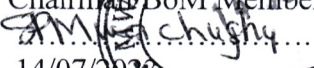
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

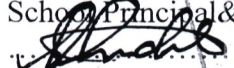
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 Mwakichuchu Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: Sofilinah Mwachugu
Designation: Chairman/BoM Member
Sign: 
Date: 14/07/2023

Name: Oscar I. Andafu
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 14/07/2023

Name: Nathan Kiteo Mvawasi
Designation: Bursar/ Finance Officer
Sign: 
Date: 14/07/2023

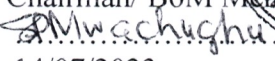
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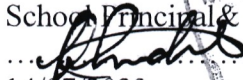
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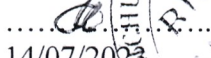
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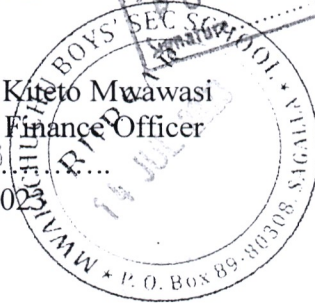
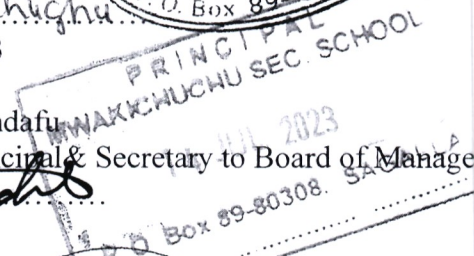
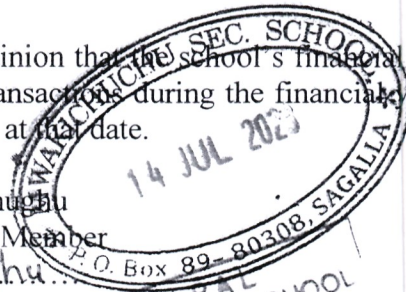
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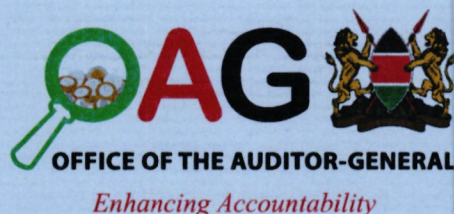
Name: Oscar I. Andafu
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 14/07/2023

Name: Nathan Kiteo Mwawasi
Designation: Bursar/ Finance Officer
Sign: 
Date: 14/07/2023



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 MWAKICHUCHU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – TAITA/TAVETA 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the 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 Mwakichuchu Secondary School-Taita/Taveta County set out on pages 12 to 28, which comprise of the statement

Report of the Auditor-General on Mwakichuchu Secondary School for the year ended 30 June, 2022 – Taita/Taveta County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mwakichuchu Secondary School-Taita/Taveta County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements presented for audit revealed the following unsatisfactory matters;

- i. The statement of financial assets and liabilities reflects fund balance brought forward of Kshs.14,000,360. However, the amount differs with the amount of Kshs.9,753,879 reflected in the corresponding Note 13 to the financial statements by an unexplained variance of Kshs.4,246,481. Further, the statement reflects an amount of Kshs.12,572,817 in respect of net financial assets which differs with the amount of Kshs.10,723,651 in respect of net financial position by an unexplained and an unreconciled variance of Kshs.1,849,166.
- ii. The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.16,319,885 (2021-Kshs.7,315,377) as disclosed in Note 7 to the financial statements. However, recomputation of the totals revealed balances of Kshs.17,153,965 and Kshs.9,113,356, occasioning unexplained variances of Kshs.834,080 and Kshs.1,797,979, respectively.
- iii. The statement of cash flows reflects an amount of Kshs.109,030 in respect of cash and cash equivalents at the end of the year. However, a recomputation of the balance resulted to a negative amount of Kshs.1,597,860 occasioning an unexplained variance of Kshs.1,560,280.
- iv. The statement of budgeted versus actual amounts does not include the actual amounts on comparable basis as per the financial reporting template issued by the Public Sector Accounting Standards Board and is therefore incomplete.

In the circumstances, the accuracy and completeness of balances reflected in the financial statements could not be confirmed.

2. Unsupported Balances

Review of the records presented for audit revealed a number of balances which were not supported with sufficient records and documents as detailed below;

2.1. School Fund Income- Parents Contribution

The statement of receipts and payments reflects school fund income- parents contribution of Kshs.14,708,924 as disclosed in Note 3 to the financial statements. However, this amount was not supported by a schedule and source documentation to indicate name of the person or organization from whom the amount was received, invoiced amounts, receipts issued and services rendered.

2.2. Boarding and School Fund Payments

The statement of receipts and payments reflects boarding and school fund payments of Kshs.16,319,885 as disclosed in Note 7 to the financial statements. However, this expenditure was not supported by documentation to indicate the payee, amount paid, goods supplied, works or services rendered. Further, no documentation was provided to indicate how the suppliers were identified, selected and awarded the supply.

2.3. Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.109,030 which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.38,340 in respect of the balance at the School's infrastructure bank account. However, the School did not provide a cash book for the account. Further, the School had a Constituency Development Fund bank account whose balance was not disclosed in the financial statements.

2.4. Accounts Payables

The statement of financial assets and liabilities reflects accounts payable balance of Kshs.3,797,056 which, as disclosed in Note 12 to the financial statements, is comprised of trade payables balance of Kshs.3,517,141 and prepaid fees balance of Kshs.279,915. However, the details of the accounts payables balance and its supporting documentation were not provided for audit.

2.5. Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.13,441,906 which, as disclosed in Note 11 to the financial statements, comprises of fees arrears amounting to Kshs.13,441,905. However, no supporting schedule or breakdown of the fees' arrears was provided for audit. Further, a balance of Kshs.13,327,367 has been outstanding for more than a year. The long outstanding

student fee balances have affected service delivery and resulted to accumulation of accounts payables balance.

In the circumstances, the accuracy and completeness of the various balances reflected in the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mwakichuchu 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Lack of Procurement and Disposal Plans

The School did not prepare a procurement plan as required by Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process. Further, the school did not have in place a disposal plan to enable disposal of obsolete assets. In addition, the goods and services received by the school were not subjected to an inspection and acceptance committee.

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 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.

1. Lack of Fixed Assets' Register and Land Ownership Documents

As reported in the previous year, the School's records revealed that Management did not maintain a fixed assets' register. Further, the School is built on a twenty-one (21) parcel piece of land which was donated by The Anglican Church of Kenya. However, there is no clear demarcation of the School land as there is no fence around the school and the School did not provide a title deed. As a result, the ownership of the land by the School could not be confirmed.

In the circumstances, Management may not have systems in place to effectively and efficiently manage its fixed assets.

2. Failure to Hold Board of Management Meetings

As reported in the previous year, the Board of Management minutes revealed that the school is sponsored by Anglican Church of Kenya (ACK) and had established Board Committees. However, no meeting attendance register, schedule of payment of allowances, minutes and agenda of meetings were provided as evidence to indicate that the Committees held meetings as stipulated by law.

In the circumstances, the School did not benefit from the oversight role of the Committees.

3. Inefficient Management of School Textbooks

As reported in the previous year, the School had excess textbooks that were lying in the School's store unutilized. Further, an interview with the School Principal revealed that, although the School had reported the excesses, extra books kept on being supplied with some set books having already been phased out without being utilized.

In the circumstances, proper and efficient management of the School's resources could not be confirmed.

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

Responsibilities of Management and those charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall 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 the intentions to terminate the School or 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 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 effectiveness of how the 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 overall 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 controls would not necessarily disclose all matters in the internal control 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 non-compliance. 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 continue 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

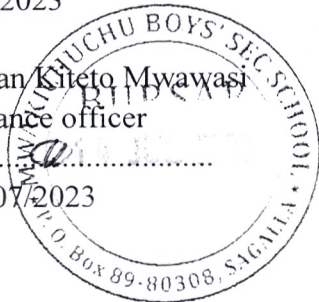
12 October, 2023

I. STATEMENT OF RECEIPTS AND PAYMENTS

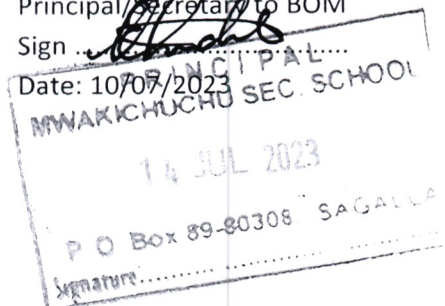
DESCRIPTION OF VOTE HEAD	Note	2021 - 2022	2020 - 2021
			Kshs
RECEIPTS			
Capitation grants for tuition	1	802,255.00	291,126.00
Capitation grants for operations	2	3,396,981.00	1,822,288.10
School Fund Income- Parents' Contributions	3	14,708,924.00	5,888,371.10
Infrastructure/other funds	4	68,000.00	734,000.00
Proceeds from borrowings		-	
TOTAL RECEIPTS		18,976,160.00	8,735,785.10
PAYMENTS			
Payments for Tuition	5	821,770.00	270,572.00
Payments for operations	6	5,111,214.00	1,821,612.00
Boarding and school fund payments	7	16,319,885.00	7,315,377.00
TOTAL PAYMENTS		22,252,869.00	9,407,561.00
SURPLUS/DEFICIT		(3,276,709.00)	(671,775.90)

Name: Sofilinah Mwachughu
 Chairperson BOM/BOM Member
 Sign: *S.Mwachughu*
 Date: 14/07/2023

Name: Nathan Kiteo Myawasi
 Bursar /finance officer
 Sign: *N.Kiteo*
 Date: 14/07/2023

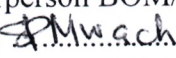


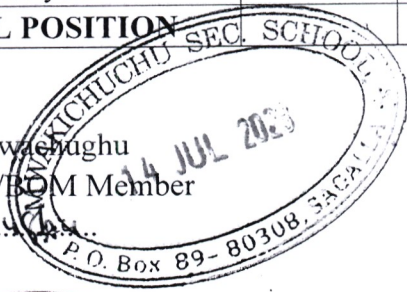
Name :Ocsar Indimuli
 Andafu
 Principal/Secretary to BOM
 Sign: *O.Indimuli*
 Date: 10/07/2023




II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

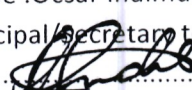
	Note	2021 - 2022	
		Kshs	
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	108,743	1,673,257
Cash Balances	9	287	5592
Short term Investment	10		
Total Cash and Cash Equivalents		109,030	1,678,849
Account's receivables	11	13,441,906	16,981,915
TOTAL FINANCIAL ASSETS		13,550,936	18,660,764
FINANCIAL LIABILITIES			
Accounts Payable	12	3,797,056	3,873,387
NET FINANCIAL SSETS		12,572,817	14,787,377
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	14,000,360	15,113,346
Surplus/Defict for the year	R &P	(3,276,709)	(671,776)
NET FINANCIAL POSITION		10,723,651	14,441,570

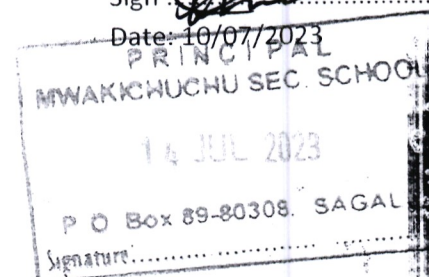
Name: Sofilinah Mwachughu
 Chairperson BOM/BOM Member
 Sign: 
 Date: 14/07/2023



Name: Nathan Kiteto Mwawasi
 Bursar / finance officer
 Sign: 
 Date: 14/07/2023



Name :Ocsar Indimuli Andari
 Principal/secretary to BOM
 Sign: 
 Date: 10/07/2023



I. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	802,255.00	291,126.00
Capitation grants for operations	2	3,396,981.00	1,822,288.10
School fund income- parents contributions/ fees	3	14,708,924.00	5,888,371.00
School fund income- other receipts	4	68,000.00	734,000.00
Total receipts		18,976,160.00	8,735,785.10
Payments			
Payments for tuition	5	821,770.00	270,572.00
Payments for operations	6	5,111,214.00	1,821,612.00
Boarding and school fund payments	7	16,319,885.00	7,315,377.00
Total payments		22,252,869.00	9,407,561.00
Net cash flow from operating activities	a	(3,276,709.00)	(671,775.90)
k			
Cashflow from investing activities			
Proceeds from sale of assets			
Acquisition of assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities	b		
Cashflow from borrowing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities	c		
Net increase in cash and cash equivalents	a+b+c		(671,775.90)
Cash and cash equivalent at beginning of the year		1,678,848.75	788,862.85
Cash and cash equivalent at end of the year		109,030.05	1,678,848.75

**Statement of Budgeted Versus Actual Amounts for The Year Ended 30th
June 2022**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of
	a	b	c=a+b	d	e=c-d	
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Exercise books	419,400.00		419400			
Lab. Equip/apparatus	226,476.00	0	226,476			
Teaching/learning materials	83,880.00	0	83,880			
chalks	6,291.00	0	6,291			
Internal exams	83,880.00	0	83,880			
Reference books	18,873.00	0	18,873			
0		0	0			#R
0		0	0			#R
0			838,800			
	Original budget (a)	Adjustments (b)	Final budget(c= a+b)	Actual (d)	Budget utilisation n(e=c-d)	% Util
(2) CAPITATION GRANT ON OPERATIONS						

personnel emoluments	1,726,500.00	0				
Repairs and maintena	1,200,000.00	0	1,200,000			
Local transport / travelling	549,900.00	0	549,900			
Electricity and water	645,300.00	0	645,300			
Medical and insurance	124,200.00	0	124,200		124,200	
Administration costs	471,600.00	0	471,600		471,600	
Infrastructure account		0	0		-	
Activity	240,000.00	0	240,000		240,000	
interest income					-	
					-	
(3) FEES CHARGED ON PARENTS	Original Budget (a)	Adjustments (b)	Final Budgets (c=a+b)	Actual (d)	Budget utilisation (e=c-d)	% Utilise
Personnel emoluments	1,987,500.00	0	1,987,500		1,987,500	
Repairs and maintenance	637,500.00	0	637,500		637,500	
Local transport / travelling	637,500.00	0	637,500		637,500	

Electricity and water	825,000.00	0	825,000		825,000	
Medical	37,500.00	0	37,500	-	37,500	
Administration costs	637,500.00	0	637,500		637,500	
Activity	75,000.00	0	75,000		75,000	
SMASSE			0	-	-	#E
Fee on Boarding Equipment and Stores	9,412,500.00	0	9412500		-	#
					-	
OTHER INCOME					-	
0					-	
<i>rent income</i>	12,000.00				-	
<i>tender</i>						
TOTAL INCOME	12,000.00					
(1) EXPENDITURE FOR TUITION	Original budget a	adjustment (b)	final budget ©	actual paymen ts (d)	budget utilizatio n e=c-d	%utiliz
Erxecise books	1,289,090.00	0	1,289,090		1,289,090	

laboratory equipments & apparatus	210,000.00	0				
Teaching/learning materials	50,000.00	0				#L
internal EXAM	30,000.00	0				#L
bank charges	2,000.00	0				#L
0		0				
0		0				
0		0				
0						
0						
PAYMENTS FOR OPERATIONS	Original budget a	adjustment (b)	final budget ©	actual payments (d)	budget utilization e=c-d	%utiliza
ADM.COST	213,000.00	0	231,000		231,000	#L
RMI	500,000.00	0	500,000		500,000	#L
LT&T	189,200.00	0	189,200		189,200	#L
EWC	382,000.00	0	382,000		382,000	#L
MEDICAL	100,000.00	0	100,000		100,000	#L
ACTIVITY	1,000,000.00	0	1,000,000		1,000,000	#L
P.Emoluments	2,131,996.00	0	2,131,996		2,131,996	#L
0		0				#L
0	-	0	0	-	-	#L
Infrastructure classroom		0	0		-	#L
0			0		-	#L
Computer lab		0	0		-	#L

0	-	0	0		-	
Ablution block		0	0		-	
0						
Expenditure for Operation	Original Budget (a)	Adjustments (b)	Final Budget (c=a+b)	Actual payments (d)	Budget utilisation difference (e= c-d)	% uti
		0	0		-	
	-	0	0		-	
	-	0	0		-	
P.EMOLUMENTS	1,550,000.00	0	1,550,000		1,550,000	
Activity Expenses	308,825.00	0	308,825			
RMI	400,000.00	0	400,000			
LT&T	500,000.00	0	500,000			
EWC	400,000.00	0	400,000			
MEDICAL	203,000.00	0	203,000			
ADM. COST	500,000.00	0	500,000			
0	-	0	0			
0		0	0			
0	-	0	0		-	
0	6,936,080.00	0	6,936,080		6,936,080	
0	-	0	0		-	
0		0				
0	-	0	0		-	
0	-	0	0		-	
0	-	0	0		-	
0	-	0	0		-	
0		0	0		-	
TOTAL					-	

12,000.00

0

0 -

0

II. 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.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

1. NOTES TO THE FINANCIAL STATEMENTS

	2021-2022	2021
1. CAPITATION GRANT FOR TUITION		
Reference materials	802,255.00	291,126.00
	2021-2022	2020-2021
	Kshs	
Tuition (MOE)		-
Total	802,255.00	291,126.00

2. CAPITATION GRANT FOR OPERATIONS/ infrastructure

	2021-2022	2020-2021
	Kshs	Kshs
EWC	202,099.00	102,827.00
LIT	380,068.00	205,657.00
MIF	1,321,000.00	794,000.00
P.EMOL	1,058,746.30	514,147.10
ADM COST	380,068.00	205,657.00
MEDICAL	55,000.00	
Total	3,396,981.30	1,822,288.10

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	-	Kshs
BES	8,910,374.00	4,186,964.00
RMI	389,515.00	231,573.00
EWC	436,734.00	292,950.00
LTT	382,698.00	219,520.00
ACTIVITY	63,304.00	27,778.00
ADM COST	434,090.00	223,821.00
P.EMOL	1,203,303.00	694,765.00
DINING HALL	909,000.00	
MEDICAL	26,719.00	11,000.00
DAMAGES	1,953,187.00	
OTHER VOTE HEADS		
Total	14,708,924.00	5,888,371.00

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
SAFARICOM TOWER	25,000.00	25,000.00
TENDER	38,000.00	1,000.00
HOUSE RENT	5,000.00	
DINING HALL		708,000.00
TOTAL	68,000.00	734,000.00

5. PAYMENTS FOR TUITION

		2021-2022	2020-2021
			Kshs
TEACHING /LEARNING		820,180.00	90,080.00
BANK CHARGES		1,590.00	492.00
LAB EQUIPMENT			
CREDITORS			180,000.00
Total		821,770.00	270,572.00

6. PAYMENTS FOR OPERATIONS

		2021-2022	2020-2021
			Kshs
EWC		19,100.00	111,000.00
LTT		277,955.00	177,500.00
RMI			303,000.00
MIF		2,439,902.00	824,000.00
P.EMOL		380,276.00	120,000.00
ADM COST		792,487.00	213,112.00
ACTIVITY		23,000.00	23,000.00
OTHER VOTES(SERVICE GRATUITY)			50,000.00
MEDICAL		248,494.00	
MEDICALINFRASTRUCTURE		930,000.00	
BANK CHARGES(OPER &INFR)			-
INFRASTRUCTURE		930,000.00	-
		5,111,214.00	1,821,612.00

7. BOARDING AND SCHOOL FUND PAYMENTS

		2021-2022	2020-2021
		Kshs	Kshs
BES		4,027,052.00	1,354,648.00
RMI		587,990.00	161,545.00
EWC		774,370.00	89,700.00
LTT		680,880.00	365,000.00
ACTIVITY		215,540.00	57,100.00
ADM COST		1,479,866.00	750,083.00
P.EMOL		3,926,187.00	1,613,978.00
MEDICAL		34,080.00	271,844.00
SALARY ADVANCE			2,000.00
SERVICE GRATUITY		300,000.00	
INFRASTRUCTURE		609,000.00	-
CREDITORS		3,336,630.00	1,935,479.00
BANK CHARGES		-	
BURSARY			1,797,979.00
TENDER		38,000.00	6,000.00
INSURANCE COST(LIFE PROPERTY)		34,080.00	-
DINING HALL/DAMAGES		310,290.00	708,000.00
HARAMBEEE SAV.		800,000.00	-
TOTAL		16,319,885.00	7,315,377.00

8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1108138314	4,650.00	24,165.30
Operations Account	1108142699	7,394.60	3,803.30
School Fund Account/Boarding	1104835088	57,116.65	7,052.35
Saving Acc(Harambee, Exam &s/gratuity)	1107959578	1,241.80	1,481.80
Infrastructure	1279873892	38,340.00	1,636,754.00
Total		108,743.05	1,673,256.75

9. CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	287.00	-
Total	287.00	5,592.00

11. ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
FEES ARREARS	13,441,905.77	16,981,914.77
OTHER NON-FEES RECEVABLE		
SALARY ADVA	-	-
IMPREST	-	-
Total	13,441,905.77	16,981,914.77

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	2,484,478.00	3,313,126.00
Fees arrears for the previous year	2,143,056.00	3,450,256.00
Fees arrears for prior periods (over two years)	11,184,310.77	10,218,532.77
Total	15,811,844.77	16,981,914.77

12. ACCOUNTS PAYABLE

Description		2021-2022	2020-2021
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)TU,OPER BES		3,517,141.00	3,605,724.00
Prepaid fees		279,915.00	267,663.00
CAUTION MONEY		-	
Total		3,797,056.00	267,663.00

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

Description		2021-2022	2020-2022
		Kshs	Kshs
Trade creditors for current year		2,279,941.00	2,783,040.00
Trade creditors for the previous year		1,237,200.00	822,684.00
Trade creditors for prior periods (over two years)			
Total		3,517,141.00	3,605,724.00

13. FUND BALANCE BROUGHT FORWARD

Description		2021-2022	2020-2021
		Kshs	Kshs
Bank balances	ASSET 8	108,743.05	1,636,754.00
Cash balances	ASSET 9	287.00	5,592.00
Short Term Investments	ASSET.10	-	
Receivables	ASSET 11	13,441,905.77	16,981,914.77
Payables	LIABILITIES.12	3,797,056.00	3,873,387.00
		9,753,879.82	22,497,647.77

1 Stock/ Inventory

Description		2021-2022	2020-2021
		KShs	KShs
Stock/Inventory			
Stock/ inventory at beginning of the year		3,474,200.00	4,355,200.00
Stock/ inventory purchased during the year		3,820,500.00	2,575,300.00
Stock/ inventory issued during the year		4,152,500.00	3,456,300.00
Balance at end of the year		3,142,200.00	3,474,200.00