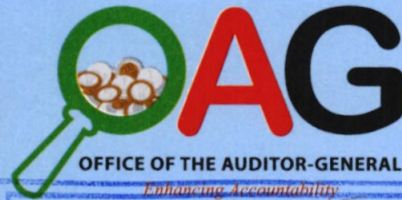


REPUBLIC OF KENYA



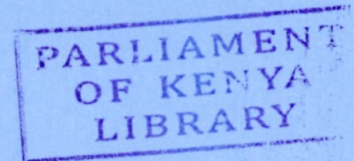
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 JUN 2026	DAY: Thursday
REPORT BY:	Deputy Majority Whip Hon. Wam Wago
CLERK-AT THE-TABLE:	Halima Ahmed

REPORT

OF

THE AUDITOR-GENERAL

ON

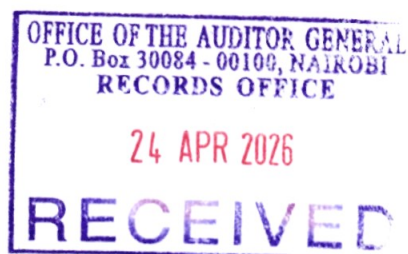


MAKURI GIRLS SECONDARY SCHOOL

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

THARAKA NITHI COUNTY

Revised 30th June 2022.



MAKURI GIRLS 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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1. KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Background information**

The School domiciled in Kenya and its operations are governed under the Basic Education Act. 2013. It is located in Tharaka/Nithi County, Maara Sub County.

The school is registered in 12/7/2021 under registration number 13S00300791 and is currently categorized as an Extra county, public school established, owned or operated by the Government.

The school is a Boarding school and had 1285 number of students as at 30th June 2022. It has six streams and 41 teachers of which 14 teachers are employed by the school Board of Management.

(b) School Board of management – Board members

The school Board of Management established under section 55 of the Basic Education Act. 2013: is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	MR. JASPER GITONGA	Chairman	30 TH JUNE 2022
2	MS KAHURA NANCY	Secretary – Principal	30 TH JUNE 2022
3	MRS. DOROTHY KAGENDO KITHINJI	VICE CHAIR PERSON	30 TH JUNE 2022
4	ENG. DENIS MWENDA KINYUA	Member	30 TH JUNE 2022
5	MR. ADAM'S MURAGE	Member	30 TH JUNE 2022
6	ROMANS MWENDA BENSON	Member	30 TH JUNE 2022
7	ERASTUS MUGENDI INGANE	Member	30 TH JUNE 2022
8	KENN MWITI	Member – Rep CEB	30 TH JUNE 2022
9	MRS. LENITY MUYIA	Member Rep Teacher	30 TH JUNE 2022
10	MRS. BETH KAWIRA MARETE	3 Members - Sponsor	30 TH JUNE 2022
11	JULIUS MURIUKI	Member	30 TH JUNE 2022
12	JOSEPH KABII CHABARI	Member	30 TH JUNE 2022
13	ALICE GACHERI NYAGA	Member community	30 TH JUNE 2022
14	MR. HENRY MAWIRA	Member special Needs	30 TH JUNE 2022
15	BLESSY KATHAMBI	Rep Students	30 TH JUNE 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**The function of the School Board of Management includes:**

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standard 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 t 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.

Ref	Name of committee	Name of Members	Designation	Number of meetings attended during the year
1.	Executive committee	Ms Nancy Kahura Mr. Mr.Jasoher Gitonga Mrs. Dorothy Kagendo Mr. Bernard Kiambi	Principal Chairman Vice Chairman P.A. Chairman	2
2.	Audit Committee	Mr. Joseph Kabii Chabari Mrs. Beth Kawira Marete Pastor Romans mwenda	Chairman Vice Chairman Member	0
3.	Finance, Procurement and general purposes committee	Eng. Erastus Mugendi Kiruja Mrs. Dorothy Kagendo Mrs. Beth Kawira Marete	Chairlady Vice Chairman Member	0
4,	Academic committee	Mrs. Doriothy Kagendo Mrs. Linet Muyia Eng. Mwenda Kinyua	Chair person	0
5.	SIC committee	Eng Erastus MUgendi Mrs. Murigu J.K. Mr. Jaspher Gitonga Ms. Nancy Kahura Mr. Bernard Kiambi SCDE (Mandatory)	Chairman Secretary B.O.M Chairman Principal P.A. Chairman Member	0
6	Discipline and Welfare Committee	Mrs Dorothy Kagendo Ms Nancy Kahura Mr. Jasper Gitonga Mr. Bernard Kiambi Alice Gacheri Nyaga	Chair person Principal(B.O.M Secretary) B.O.M Chairman P.A Chairman	0

			Member	
--	--	--	--------	--

(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.No/I.D
1.	Principal	Ms Nancy N. Kahura	334505
2.	Deputy Principal	Mrs. Jeniffer Kaari Ileri	371661
3.	School Bursar	Eunice Mwendwa Muthamia	22011913

(e) School Contacts

Post Office Box: Box 38 - 60401 CHOGORIA

Telephone: 0733429929/0743157886

E-mail: makurigirlssec@yahoo.com

Website:

Facebook:

Twitter:

(f) School Bankers

The following school operated 4 number OF Bank accounts in the following banks.

1. Name of bank: Kenyua Commercial Bank
Branch: Chogoria
Account Number: 1103770357
2. Name of bank: Kenyua Commercial Bank
Branch: Chogoria
Account Number: 1103508717
3. Name of bank: Kenyua Commercial Bank
Branch: Chogoria
Account Number: 1103772473
4. Name of bank: Equity Bank
Branch: Chuka
Account Number: 0210291771216
5. MPESA pay Bill Number 0743157886 attached to K.C.B bank account

(g) Independent Auditors

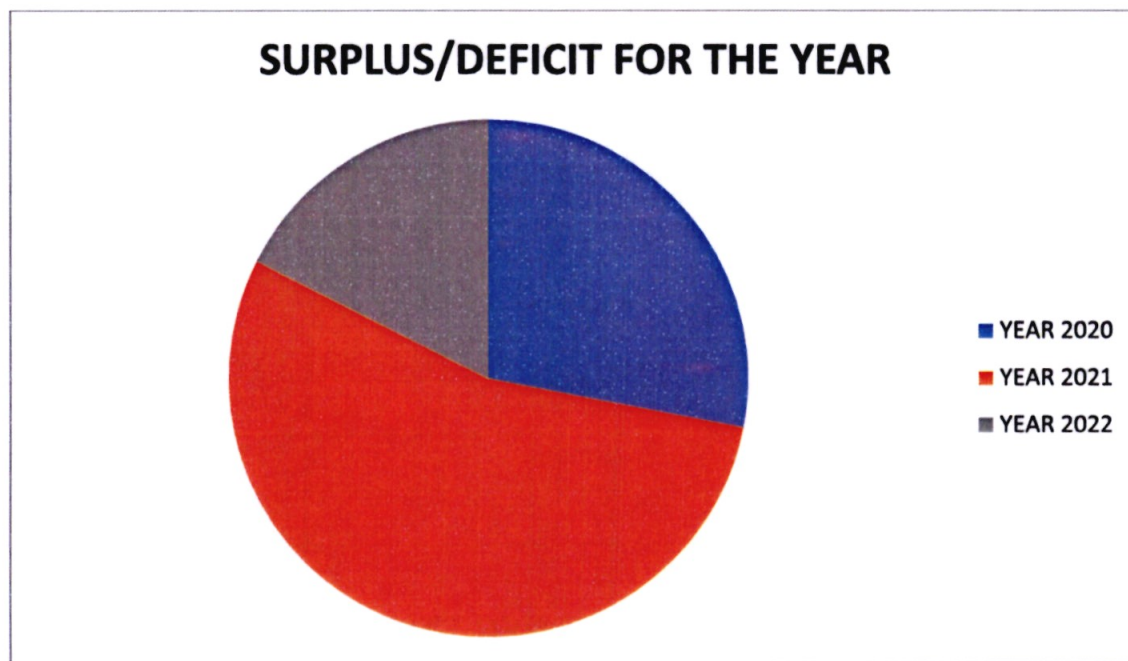
Office of the Auditor General
Anniversary Tower, University way
P.O. Box 30084
GPO 00100
Nairobi. Kenya

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.

a) Financial performance:

SURPLUS/DEFICIT FOR THE YEAR

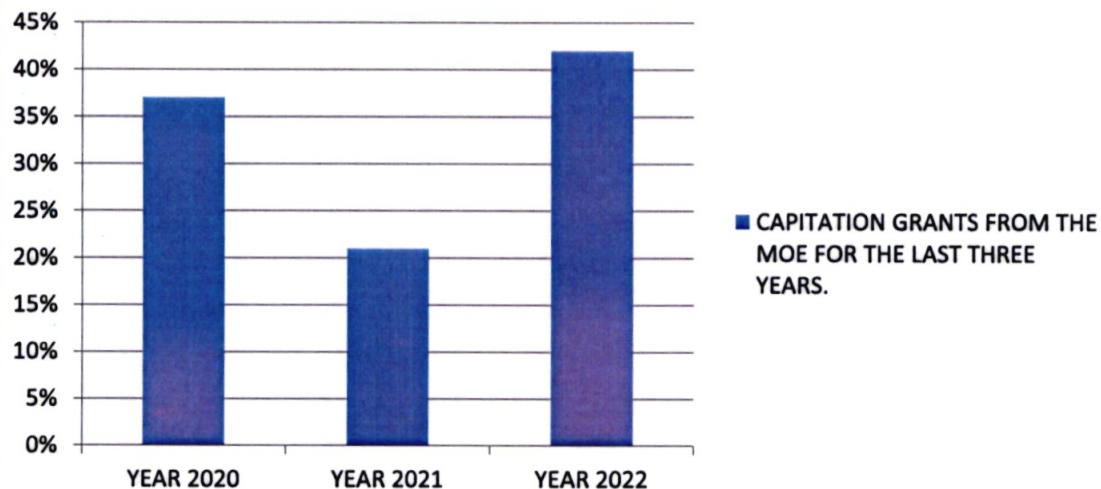
TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
13,863,339.45	3,873,718.45	7,552,028	2,437,593
	101	196	63



CAPITATION GRANTS FROM THE MOE FOR THE LAST THREE YEARS.

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
51,962,404.95	19,327,426.65	10,771,094	21,863,884.30

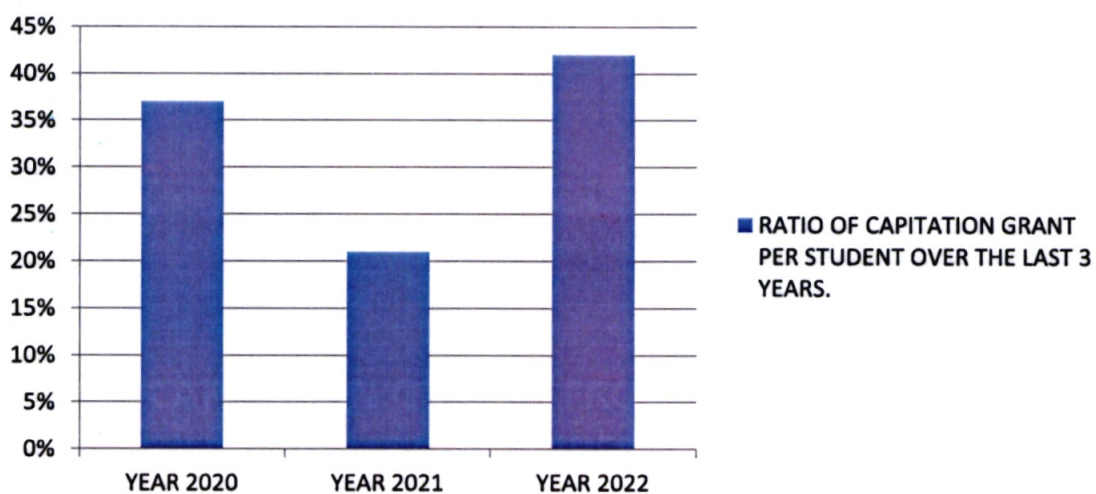
CAPITATION GRANTS FROM THE MOE FOR THE LAST THREE YEARS.



RATIO OF CAPITATION GRANT PER STUDENT OVER THE LAST 3 YEARS.

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
40,253	1:14,856	1:8,382	1:17,015
	37%	21%	42%

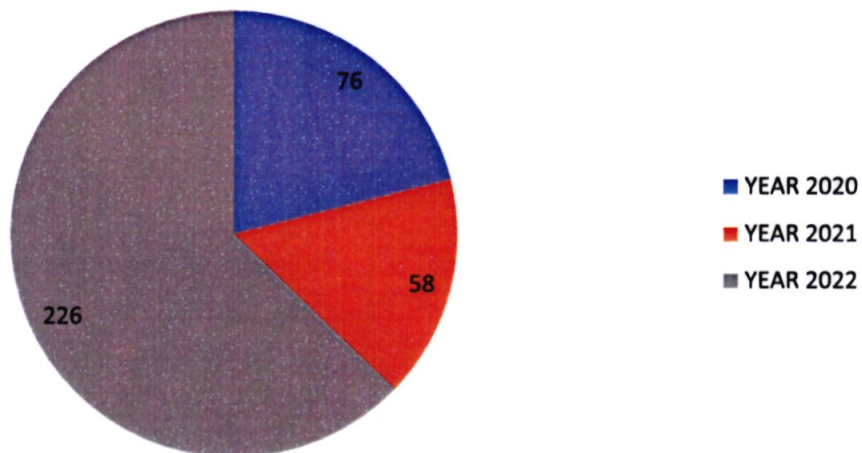
RATIO OF CAPITATION GRANT PER STUDENT OVER THE LAST 3 YEARS.



INCOME FROM SCHOOL FUND A/C.

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
118,763,659	23,904,738	24,023,032	70,835,889
	72	72	216

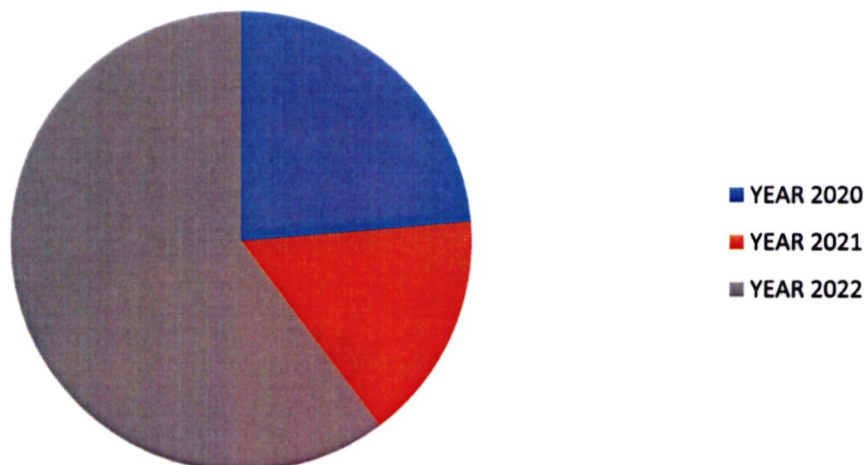
INCOME FROM SCHOOL FUND A/C.



EXPENDITURE FROM SCHOOL FUND ACCOUNT.

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
119,495,920	27,663,569	20,692,494.00	71,139,857
	83	62	215

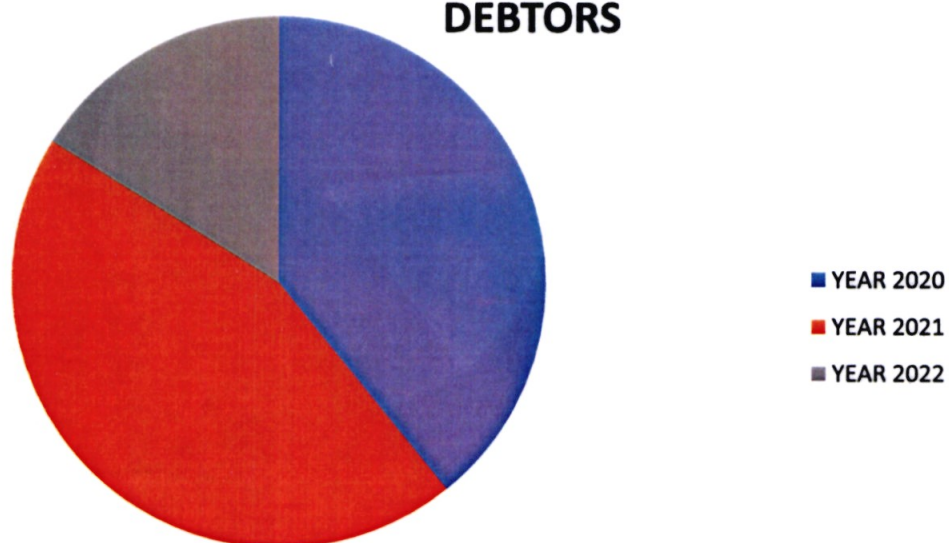
EXPENDITURE FROM SCHOOL FUND ACCOUNT.



DEBTORS

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
27270537	10,693,564.00	12,208,262.00	4,368,711
	141	161	58

DEBTORS

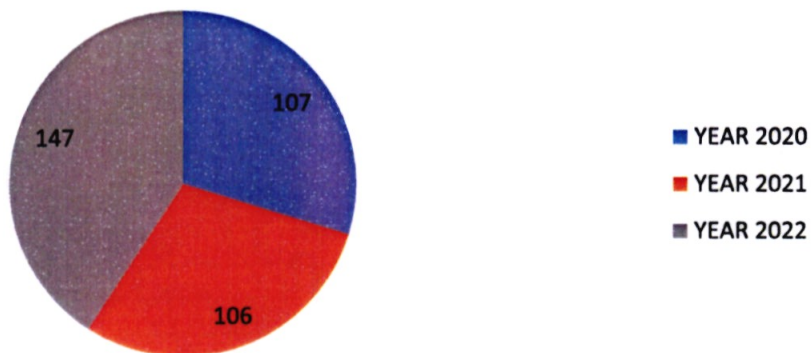


SUNDRY CREDITORS.

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
6,186,524	1,846,618.00	1,822,081.00	2,517,825

	107°	106 °	147°

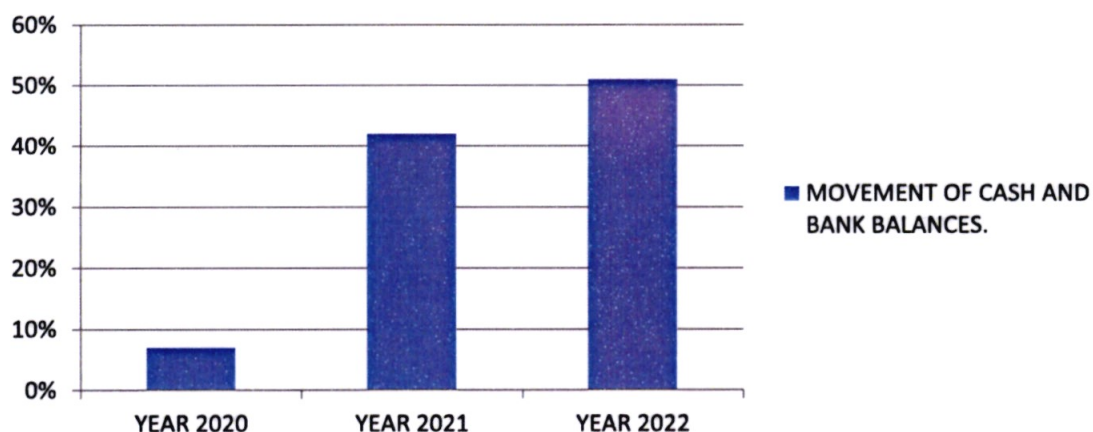
SUNDRY CREDITORS.



MOVEMENT OF CASH AND BANK BALANCES.

TOTAL	YEAR 2020	YEAR 2021	YEAR 2022
16,032,224	1,069,622	6,695,791	8,266,810.87
	7%	42%	51%

MOVEMENT OF CASH AND BANK BALANCES.



B

SERIAL	SUBJECT COMBINATION	EMPLOYER TSC	B.O. M	TOTAL	TRANSFERED	EMPLOYED	RETIRED	SHORTAGE
1.	ENG/LIT	7	3	10	0	0	0	0
2.	CHEM/GEO	1	0	1	0	0	0	0
3.	MATHS/PHY	3	2	5	0	0	0	1
4.	MATHS/CHEM	3	2	5	0	0	0	2
5.	MATHS/BIO	1	2	3	0	0	0	0
6.	MATHS/B.STUDIES	3	1	4	0	0	0	0
7.	BIO/CHEMISTRY	2	1	3	0	0	0	2
8.	BIO/AGRIC	2	3	5	1	0	0	2
9.	PHYSICS/CHEM	0	1	1	0	0	0	0
10.	HIST/GEO	2	0	2	0	0	0	0
11.	HIST/CRE	6	2	8	1	0	0	1
12.	HIST/KISW	3	2	5	0	0	0	1
13.	KISW/CRE	1	1	2	0	0	0	0
14.	KISW/GEO	2	1	3	0	0	0	0
15.	C.R.E/GEO	3	0	3	0	0	0	0
16.	GEO/B.STUDIES	1	0	1	0	0	0	0
17.	HOMESCIENCE/BIO	1	0	1	0	0	1	0
18.	GERMAN	0	1	1	1	0	0	1
19.	COMPUTER	0	1	1	0	0	1	1

(C) Mean score in the K.C.S.E 2021 - 2019

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN SCORE	MEAN GRADE
2021	332	-	-	1	3	14	24	73	93	71	46	7	0	4.9879	C-
2020	251	-	-	2	3	10	19	51	77	59	18	12	-	5.1	C-
2019	196	-	-	6	5	16	18	39	57	35	21	-	-	5.4848	C-

(d) Number of Candidates in K.C.S.E 2021 - 2019

YEAR	ENTRY
2021	332
2020	251
2019	196

(e) Capacity of the school

	No.	Capacity	Comment
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Laboratories	4	1285	Adequate
Dormitories	12	1285	Adequate
Classes	24	1285	Adequate
Dining Hall	1	1285	Adequate
Toilets	Pit latrines – 51 Flush toilets - 60	1285	Adequate
Administration Block	1	8	Adequate
Staffroom	2	60	Adequate
Store	2	1	Adequate
Library	1	100	Adequate

(f) Development Project – There was no project undertaken during the period.

Sign..........

School Principal: MS NANCY N KAHURA

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 *MAKURI GIRLS SECONDARY* 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:

Designation:

Sign:

Date:

Samuel Majuri
Chairman, School Board of Management
22/04/2024. H. Kahura
22/

Name:

Designation:

Sign:

Date:

H. Kahura
School Principal & Secretary to Board of Management
H. Kahura
22/04/2022

Name:

Designation:

Sign:

Date:

Eunice Muri
Bursar/ Finance Officer
Eunice
22/04/2022

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MAKURI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – THARAKA NITHI COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Makuri Girls Secondary School set out on pages 1 to 10, which comprise of the statement of assets and liabilities as at

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Makuri Girls Secondary School 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.

Basis for Qualified Opinion

1. Variances between the Financial Statements and the Related Supporting Schedule

Review of financial statement against the corresponding supporting schedules revealed variances that have not been explained or reconciled by the management as detailed below;

Component	Financial Statement	Supporting Schedule (Kshs)	Variance (Kshs)
Payments for Tuition	4,427,928	8,148,440	(3,720,512)
Payments for Operations	14,694,395	14,694,875	480
Boarding and School Fund Payments	71,139,857	138,468,978	(67,329,121)

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

2. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.8,266,811. However, the cash balances were not supported with monthly bank reconciliation statements. Further, Management did not provide board of survey report as at 30 June, 2022.

In the circumstances, the accuracy, completeness, existence and fair presentation of cash and cash equivalents balance of Kshs.8,266,811 could not be confirmed.

3. Lack of Ownership Documents for Land

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.233,482,733 in respect of fixed assets. Included in this balance is Kshs.880,000

(under-valued) in respect to land owned by the school. The School land acreage was unknown. Further, land ownership documents were not provided for audit and no explanation or disclosure was provided on the method of depreciation including the rate used to depreciate the other assets. Tagging of the assets for ease of identification was not done and the management did not insure assets with the exception of motor vehicle in the institution hence exposure to risk of total loss in case of a disaster or theft.

In the circumstances, the accuracy, existence and completeness of the fixed assets register could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Makuri Girls Secondary School 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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management are responsible for the Other Information set out on page iii to xiv which comprises of Key School Information and Management, Summary Report of Performance of the School and 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, 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 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. Failure to Prepare School Improvement Plan

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

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

2. Failure to Submit for Approval the Estimates of Revenue and Expenditure

Audit review revealed that the School Management failed to submit estimates of revenue and expenditure for approval to the cabinet secretary of education in the manner and format issued by the Cabinet Secretary, contrary to provisions of Section 16(1) and (2) of the Basic Education Act, 2013.

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

3. Payments to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations amount of Kshs.14,694,395. Included in this was a payment of Kshs.1,476,975 towards activities remittances to the Secondary Schools Heads Association. However, the enabling legislation supporting the contribution to the association including documents showing how the funds were expended were not provided for audit review.

In the circumstances, the regularity of the expenditure and value for money on the expenditure of Kshs.1,476,975 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function

During the year under review, the School had not established a functionally independent internal audit department to oversee its internal operations as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity is to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. Further, the audit committee failed to hold any meeting during the year. In the circumstances, the school did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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

2. Failure to Submit Annual Report on Governance

A review of the Board of Management (BOM) documents and minutes held by various committees during the year revealed that there was no evidence that the BOM submitted on annual basis report on governance to the Director general of basic education as required by the Basic Education Act, 2013.

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

3. Weakness in the Information Communication Technology Environment

Review of the Information Technology Internal Controls revealed the following;

- i) The School did not have an approved ICT Policy, IT security policy, policy on physical, access to IT environment, access to IT continuity and disaster recovery plan in place to guide ICT operations. Such policies are vital in effective and efficient management of the institution's IT resources.
- ii) The School did not have an IT strategic committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in achievement of organizational objectives in an economic, efficient and effective way.

iii) The School did not have an IT steering committee and periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

iv) Further, all of the procedures and functions in the finance and accounting department were manually performed as the department is yet to embrace information communication technology in all of its operational areas.

In the circumstances, there is risk that the organizational objectives may not be achieved and also it may not be possible to maximize the utilization of the IT resources.

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 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 ISSAI 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

08 May, 2026

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	4,417,102	1,118,812
Capitation grants for operations	2	17,446,782	9,652,282
School fund income- parents' contributions	3	23,295,325	25,154,380
School fund income- other receipts	4	47,540,564	187,270
Proceeds from borrowings			
Total Receipts		92,699,773	36,112,744
Payments			
Payments for tuition	5	4,427,928	1,080,770
Payments for operations	6	14,694,395	6,787,452
Boarding and school fund payments	7	71,139,857	20,692,494
Total Payments		90,262,180	28,560,716
Surplus/Deficit		2,437,593	7,552,028

The school financial statements were approved on 30/8/2022 and signed by:

.....

Name: Samuel Magon
Chair BOM

Date: 22/04/2022

.....

Name: Nancy Kahur
School Principal/ Secretary to
BOM

Date: 22/04/2022

.....

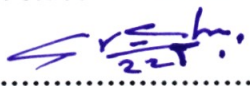
Name: Enock Mureithi
Bursar/ Finance Officer

Date: 22/04/2022

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	8,018,106.87	10,905,091.32
Cash balances	9	248,704	157,985.00
Short term investment	10	-	
Total cash and cash equivalent		<u>8,266,810.87</u>	11,063,076.32
Account's receivables	10	4,368,711.00	8,817,399.00
Total financial assets		12,635,521.87	19,880,475.32
Financial liabilities		-	
Accounts payables	11	2,517,825.00	3,661,995.00
Net financial assets		10,117,696.87	16,218,480.32
Fund balance b/fwd 1st July...	12	7,680,103.55	9,356,808.32
Surplus/deficit for the year		2,437,593.32	6,861,672.00
Net financial position		10,117,696.87	16,218,480.32

The school's financial statements were approved on 30/8/22 2022 and signed by:


.....

Name: Samuel Mwangi
Chair BOM

Date: 22/04/2022


.....

Name: Robert Kohn
School Principal/ Secretary to BOM

Date: 22/04/2022


.....

Name: George Mwangi
Bursar/ Finance Officer

Date: 22/04/2022

VII. 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	4,417,102	1,118,812
Capitation grants for operations	2	17,446,782.30	9,652,282
School fund income- parents contributions/ fees	3	67,866,698	24,082,952
Total receipts		89,730,582.30	34,854,046
Payments			
Payments for tuition	5	4,427,928	1,080,770
Payments for operations	6	14,694,395	6,787,452
Boarding and school fund payments	7	69,571,869	21,359,396
Total payments		88,694,192	29,227,618
		1,085,727.00	
Net cash flow from operating activities			5,626,170
		1,085,727.00	
Net increase in cash and cash equivalents			5,626,170
		7,181,083.55	
Cash and cash equivalent at beginning of the year			1,069,622.02
		8,266,810.55	
Cash and cash equivalent at end of the year			6,695,792

VIII. 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 Utilization Difference	% of Utilisation
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks And Reference Materials	1,000,000		1,000,000	876,085	-123,915.00	87.61
Exercise Books	600,000		600,000	569,414	-30,586.00	94.90
Laboratory Equipment	1,400,000		1,400,000	1,334,936	-65,064.00	95.35
Teaching / Learning Materials	1,200,000		1,200,000	1,254,529	54,529.00	104.54
Chalks	34,076		34,076	34,076	0.00	100.00
Exams And Assessment	350,000		350,000	348,062	-1,938.00	99.45
TOTALS	4,584,076		4,584,076	4,417,102	-166,974.00	96.36
(2) CAPITATION GRANT ON OPERATIONS						
Personnel Emoluments	5,715,510		5,715,510	5,531,127	-184383	96.77
Repairs And Maintenance	6,010,000		6,010,000	5,893,500	-116500	98.06
Local Transport / Travelling	1,202,000		602,000	512,395	-89605	85.12
Electricity And Water	2,581,200		2,581,200	2,273,092	-308108	88.06
Medical	300000		300000	243,400	-56600	81.13
Administration Costs	1,795,788		1,795,788	2,217,318.30	421530.3	123.47
Activity	1,803,000		1,003,000	775,950	-227050	77.36

TOTALS	19107498		19107498	17446782	-1660716	91.31
TOTALS			-	-		
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	7,500,000		7,500,000	7,237,258	-262,742	96%
Repairs and maintenance	3,000,000		3,000,000	3,144,700	144,700	105%
Local transport / travelling	1,000,000		1,000,000	1,046,505	46,505	105%
Electricity and water	8,500,000		8,500,000	8,268,864	-231,136	97%
Administration costs	3,000,000		3,000,000	2,759,922	-240,078	92%
Activity	900,000		900,000	838,076	-61,924	93%
Fee On Boarding Equipment and Stores	45000000		45000000	43,209,894	-1,790,106	96%
SAVINGS	940,000		940,000	940000	0	100%
School farm	10,000		10,000	7,000	-3,000	70%
Tution A/c	1,697,480		1,697,480	1,697,480	0	100%
UNIFORM	700,000		700,000	655,275	-44,725	94%
SCHOOL BUS	1,530,915		1,530,915	1,030,915	-500,000	67%
TOTALS	73,778,395		73,778,395	70,835,889	-2,942,506	96%
(1) EXPENDITURE ON TUITION						
Textbooks And Reference Materials	1,000,000		1,000,000	908,360	-91,640	91%
Exercise Books	1,855,700		1,855,700	1,877,700	22,000	101%
Laboratory Equipment	1,000,000		1,000,000	956,860	-43,140	96%
Teaching / Learning Materials	800,000		800,000	698,200	-101,800	87%
Bank Charges	10,000		10,000	8,808	-1,192	88%
	4,665,700		4,665,700	4,449,928	-215,772	95%
(2) EXPENDITURE ON OPERATIONS						
Personnel Emoluments	4,000,000		4,000,000	4,009,068	9,068	100.23
Administration Cost	5,000,000		5,000,000	5,810,169	810,169	116.20

Repairs And Maintenance & Improvements	275,000		275,000	271,540	-3,460	98.74
Local Transport / Travelling	75,000		75,000	73,231	-1,769	97.64
Electricity And Water	2,400,000		2,400,000	2,174,971	-225,029	90.62
Activity Expenses	700,000		700,000	672,860	-27,140	96.12
NHIF	182,722		182,722	182,722	0	100.00
WELFARE	1,014,892		1,014,892	1,014,892	0	100.00
NSSF	461,102		461,102	461,102	0	100.00
Bank Charges	25,000		25,000	23,840	-1,160	95.36
TOTALS	14,133,716		14,133,716	14,694,395	560,679	103.97
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel Emoluments	4,700,000		4,700,000	4,598,259	-101,741	97.84
Activity	600,000		600,000	587,625	-12,375	97.94
Repairs And Maintenance & Improvements	3,200,000		3,200,000	3,159,984	-40,016	98.75
Local Transport / Travelling	750,000		750,000	769,190	19,190	102.56
Electricity And Water	4,500,000		4,500,000	5,073,505	573,505	112.74
Administration Costs	3,500,000		3,500,000	3,909,504	409,504	111.70
SCHOOL BUS	1,015,416		1,015,416	1,015,416	0	100.00
Bank Charges	26,538		26,538	26,538	0	100.00
Fee On Boarding Equipment and Stores	45,000,000.00		45,000,000.00	48,551,779	3,551,779	107.89

TUITION A/C	2,118,150		2,118,150	2,118,150	0	100.00
SAVINGS A/C	1,329,907		1,329,907	1,329,907	0	100.00
Total	66,740,011		66,740,011	71,139,857	4,399,846	106.59

Commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%

1. Admin cost - More demand for printing papers for exams, revision papers, assignments and discussion questions to be able to improve the overall meanscore of the school.
2. Boarding equipment and stores new modern school gate was constructed by savings made in the year 2021/2022.
3. Under Electricity, Water, and Conservancy (EWC), the increased expenditure was attributed to the installation of two boilers for a hot water system for students. This was a necessary investment aimed at improving student welfare and ensuring adequate provision of hot water within the boarding facilities.

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes To The Financial Statements**1 Government Grant for Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	876,085	151,764
Exercise Books	569,414	295,199
Laboratory Equipment	1,334,936	513,714
Internal Exams	-	-
Teaching / Learning Materials	1,254,529	158,135
Chalks	34,076	-
Exams And Assessment	348,062	-
Teachers Guides	-	-
Total	4,417,102	1,118,812

2 Government Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	5,531,127	3,351,140
Repairs And Maintenance	5,893,500	2,950,000
Local Transport / Travelling	512,395	414,395
Electricity And Water	2,273,092	1,490,326
Medical	243,400	-
Administration Costs	2,217,318.30	1,446,420
Activity	775,950	-
Total	17,446,782.30	9,652,281

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	7,237,258	2,387,176
Repairs and maintenance	3,144,700	2,088,647
Local transport / travelling	1,046,505	292,515
Electricity and water	8,268,864	2,633,402
Medical	-	-
Administration costs	2759,922	1842,373
Activity	838,076	803,513.00
Total	23,295,325	10,047,626

4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	43,209,894	13,975,406.00
School farm	7,000	-
Tution A/c	1,697,480	1,131,348.00
UNIFORM	655,275	112,270
SCHOOL BUS	1,030,915	75,000
Savings a/c	940,000	-
Total	47,540,564.00	15,294,024

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	923,360	392000
Exercise Books	1,840,700	150000
Laboratory Equipment	956,860	392170
Teaching / Learning Materials	698,200	146600
Bank Charges	8,808	1080770
Total	4,427,928	1080770

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	4,009,068	1,312,912
Administration Cost	5,810,169	3,232,760.00
Repairs And Maintenance & Improvements	271,540	849,650
Local Transport / Travelling	73,231	-
Electricity And Water	2,174,971	727,857
Medical	-	293,010
Activity Expenses	672,860	-
NHIF	182,722	50,550
WELFARE	1,014,892	165035

NSSF	461,102	148168
Bank Charges	23,840	7,510
Total	14,694,395	6,787,452

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	4,668,759	2,108,653
Activity	587,625	180,000
Repairs And Maintenance & Improvements	3,159,984	404734
Local Transport / Travelling	770,190	289,685
Electricity And Water	5,071,505	796,115
CREDITORS	900500	1,121,502
Administration Costs	3704751	1,174,956
SCHOOL BUS	1,015,416	484,739
Bank Charges	26,538	6028
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	46,315,841	13,307,680
TUITION A/C	3,418,150	710675
SAVINGS A/C	1,500,598	-
OTHERS		107,724.00
Total	71,139,857	20,692,494.00

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1103772473	37,939.05	48,764.55
Operations Account	02102917712161	5,765,289.58	2,913,561.28
School Fund Account/Boarding	1103770357	1,877,190.69	3,299,408.00
Savings Account	1103508717	337,687.55	290,519.55
Total		8,018,106.87	6,552,253.38

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	1,782	1,123
School Fund account	246,922	142,415.00
Total	248,704	143,538.00

10 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	4,368,711	12,208,262.00
Imprest		
Other non-fees receivables		
Salary advances		
Total	4,368,711	

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	4,368,711	5,345,600.00
Fees Arrears For The Previous Year		6,862,662.00
Fees Arrears For Prior Periods (Over Two Years)		-
Total	4,368,711	12,208,262.00

11 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,517,825	1,822,081.00
Prepaid Fees		256,000.00
Retention Monies		-
Total	2,517,825	2,078,081.00

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	2,517,825	208,964.00
Trade Creditors for The Previous Year		1,613,117.00
Trade Creditors for Prior Periods (Over Two Years)		0
Total	2,517,825	1,822,081.00

12 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	7,037,545.55	1,024,341.02
Cash Balances	143,538	45,281.00
Short Term Investments	N/A	-
Receivables	1,399,520	10,693,564.00
Payables	900,500	2,489,241.00
Total	7,680,103.55	9,273,945.02

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.

13 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	625,300	1,540,700
Stock/ inventory purchased during the year	28,200,000	20,473,100
Stock/ inventory issued during the year	27,600,000	19,847,800
Balance at end of the year	1,225,000	625,300

14 Progress On Follow Up Of Auditor Recommendations

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

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



Sign and Date
Principal

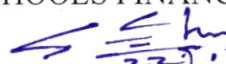
Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-1	Comments
	a	b	C		
	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings					
1. MS MITHLINK CO.LTD	884,835	2022	440,000	444,835	
Sub-Total				444,835	
Supply Of Goods					
2. TOP NOTCH PRINTING PRESS	152,000	2022		152,000	
3. GRAM SMART FURNITURE	93,500	2022		93,500	
4. KAMUGA GENERAL SUPPLIERS	1,036,500	2022	500,000	536,500	
5. DPL FESTIVE LTD	882,280			882,280	
6. BITITEC SYSTEMS SUPPLIERS LTD	34,800	2022		34,800	
7. MAGUNDU TEXTILES	162,400	2022		162,400	
Sub-Total				1,861,480	
Supply Of Services					
8. PATRICK MBAKA NTIIRI	149,700	2022		149,700	
9. PCEA CHOGORIA HOSPITAL	56,310	2022		56,310	
10. DEDAN KARIUKI	5,500	2022		5,500	
Sub-Total				211,510	
Grand Total	3,457,825		940,000	2,517,825	

Annex 2 – Summary Of Fixed Assets Register

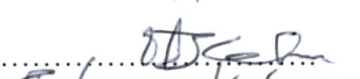
Asset class	Date purchased	Historical Cost b/f (Kshs) 1st JULY 2021	Additions during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	1-Jan-1987	700,000		700,000
Land 2	1-Jan-1999	180,000		180,000
Buildings and structures	2-Oct-2015	159,544,800		159,544,800
Motor vehicles	14-NOV-2008	7,100,000		7,100,000
Office equipment, furniture and fittings	2-Jan-09	18,222,674		18,222,674
ICT Equipment, and Other ICT Assets	2-Sep-2019	5,925,000		5,925,000
Tools and apparatus	2-Sep2019	17,911,190		17,911,190
Textbooks	17-Jul-21	16,022,069		16,022,069
Other Machinery and Equipment	2-Sep-14	5,877,000		5,877,000
Heritage and cultural assets				
Intangible assets- soft ware	2-Sep-2019	2,200,000		2,200,000
Total		233,482,733		233,482,733

THE SCHOOLS FINANCIAL STATEMENTS WERE APPROVED ON.....2022 AND SIGNED BY:

SIGN.....

NAME.....*S. M. M.* (CHAIR BOM)

DATE.....22/04/2026

SIGN.....

NAME.....*B. K.* (SCHOOL PRINCIPAL/SECRETARY TO BOM)

DATE.....22/04/2026

SIGN.....

NAME.....*E. M.* (BURSAR/ FINANCE OFFICER)

DATE.....22/04/2026