

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

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BY:

Deputy Leader of
Majority Party

CLERK-AT
THE-TABLE:

WILLIS OBIERO

THE AUDITOR-GENERAL

ON

KATHIANI GIRLS' HIGH SCHOOL

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

MACHAKOS COUNTY



KATHIANI GIRLS' HIGH SCHOOL
PUBLIC 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

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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KATHIANI GIRLS' HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

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 Machakos County, Kathiani Sub-County.

The school was registered on 18/07/2017 under registration number 1653000287 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1215 number of students as at 30 June 2022. It has 19 streams as tabulated below;

S/NO.	FORM	NO. OF STREAMS
1	4	3
2	3	5
3	2	6
4	1	5
	TOTAL	19

And 36 teachers of which 10 teachers are employed by the School Board of Management.

BRIEF HISTORY

1.0 OVERVIEW

Kathiani Girls' High School was conceived by the local leaders led by the Late Rtd. General J. K. Mulinge in the Mid 1990's with the objective of expanding the opportunities of the girl-child in Kathiani and Kenya as a whole.

Due to sustained development in all key performance indicators such as academic, discipline, management style and availability of space for expansion, the school was in 2011 earmarked by Ministry of Education for elevation to National School status representing a Girls' School in Machakos County. This has since been actualized in 2015.

2.0 VISION

"To be the leading centre of academic excellence that produces an all-round citizen."

2.1 MISSION

"To provide quality and relevant education by imparting knowledge for service and better lives."

2.2 CORE VALUES

The BOM, P.A, staff and students are committed to the following set of core values:

- i. Discipline
- ii. Teamwork
- iii. Self-drive
- iv. Neatness
- v. Excellence

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2.3 MOTTO

Enter to learn, leave to serve.

3.0 CURRENT PHYSICAL FACILITIES

The construction of the physical facilities for the school commenced in 1995 initially through community efforts (Harambee) with significant contributions from Community Development Trust Fund – European Union, DANIDA, Safaricom Foundation and Constituency Development Fund Kathiani Constituency. After elevation to National School status the National Government through the Ministry of Education Science and Technology has supported the school through the School Infrastructure funds.

The Board of Management in conjunction with the local community and well-wishers have put up the current physical facilities. In addition, Parents Association contributions and ordinary school revenue has been used to acquire the current facilities as listed below:-

Classrooms	-	19 No. 12 more required
Administration block	-	1 No. (with the principal's office, Deputy Principal Secretary, Accounts and Senior Teacher offices)
Staffroom	-	1 No. Furnished. More Departmental offices required.
Dormitories	-	5 No. A dormitory of 436 bed capacity required
Science lab	-	3 No. Equipped, 2 more required
Library	-	1 No. 250 chairs, 27 work tables, 20 double Shelving units, 6 computer tables. More chairs and tables required
Dining Hall	-	1 No. 504 chairs, 51 tables more tables and Chairs required
Kitchen	-	1 No. Equipped
Matrons house	-	1 No. A separate store required
Staff Quarters	-	2 unit hosting 4 teachers, 10 more units required
Computer Lab	-	Preparation rooms and stores for 2nd Science lab are currently used as the Computer Laboratory (Computer Laboratory required urgently)
Home Science Lab	-	Required urgently
Students Desks & Chairs	-	815 Desks, 815 chairs
Water Tank	-	1 No. Masonry, 5No. plastic, more plastic tanks needed
School Bus	-	1 No. (51 seater Isuzu) Scania bus and a Van Needed
30KVA Generator	-	1 No. Adequate to light the whole school
90,000 Septic Tank	-	1 No. Adequate

4.0 ENROLMENT

The school admitted the first two (2) streams of 80 students in 1999 and has grown to 1215 students in 2022. The school is five (5) streams in forms 1 & 3 and six (6) streams in form 2 and three (3) in form 4. The facilities are getting strained as the enrolment continues to grow.

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The most critical areas are as follows;

- a) There is need for an additional 436 bed capacity dormitory in view of the 6th stream given that the existing ones are overcrowded.
- b) An additional 6 classrooms in readiness for sixth stream.
- c) An extra Science Laboratory is also needed.
- d) A Computer Laboratory is required.
- e) A Home Science Laboratory is required.
- f) 10 units Staff houses.

5.0 PRIORITY SCHOOL NEEDS

The Board of Management has identified priority needs which have a direct impact on learning and student welfare as per the attached brief. In view of this, we request support from Ministry of Education for the following:

S/No.	Item	Cost Kshs
1	A 436 bed capacity dormitory	12,794,561.00
2	6 (six) classrooms	8,327,240.00
3	1 Modern furnished computer laboratory & 1 Home Science and equipped Laboratory	19,037,315.00
	TOTAL	40,159,116.00

6.0 MANAGEMENT

The school has been managed by a dedicated Board of Management team led by Amb. Rtd. Maj. Gen. J. M. Mulinge since inception upto 27th February, 2009. Mr. John N. Kithete, took over the leadership up to June 2019. The current BOM Chairman is Mr. Daniel M. Yumbya. The School Principal is Mrs. Damaris M. Munyao. It has a teaching staff of 36 and 20 support staff.

6.1 Under Staffing Challenges

The school Board of Management is grateful to the Commission for the continued support in staffing. The school has a Curriculum Based Establishment of 38. The current number of Teachers Service Commission employed teachers is 26 and thus an understaffing of 12 as detailed below.

S/NO.	SUBJECT COMBINATION	NO. REQUIRED
1	Geography / Kiswahili	1
2	Mathematics/Chemistry	1
3	Physics / Mathematics	1
4	Biology / Agriculture	1
5	Chemistry / Mathematics	1

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6	Chemistry / Biology	1
7	Kiswahili / History	1
8	English / Literature	1
9	History / Christian Religious Education	1
10	Geography / Christian Religious Education	1
11	Physics / Chemistry	1
12	French	1
	Total	12

In view of the above, the Board of Management is requesting for consideration for more teachers in order to uplift the academic standard of the school.

7.0 ACADEMIC PERFORMANCE - KENYA CERTIFICATE OF SECONDARY EDUCATION

7.1 Performance summary 2015 – 2021

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	P	Y	MEA N	GRADE
2021	159	0	3	23	36	34	35	20	5	2	1	0	0	0	0	0	7.9240	B-
2020	175	1	4	25	41	51	28	17	7	0	0	1	0	0	0	0	8.1029	B-
2019	178	0	1	7	15	32	36	38	37	7	5	0	0	0	0	0	6.6347	C+
2018	121	0	0	4	14	20	17	29	26	10	0	1	0	0	0	0	6.5300	C+
2017	109	0	0	0	2	16	15	25	32	17	1	1	0	0	0	0	5.8165	C
2016	106	0	2	4	15	22	27	18	13	4	1	0	0	0	0	0	7.1132	C+
2015	96	0	0	7	21	22	22	11	1	0	0	0	0	1	0	0	7.8571	C+

X – Absentee Y – Irregularity P - Pending

7.2 Minimum university entry

YEAR	NO. OF STUDENTS	PERCENTAGE
2021	159	82.39%
2020	175	86%
2019	90	51%
2018	53	44%
2017	33	30%
2016	70	66%
2015	72	69%

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7.3 KENYA CERTIFICATE OF SECONDARY EDUCATION - PERFORMANCE

As indicated in the table above, the School achieved a mean score of 7.9240 in the 2021 Kenya Certificate of Secondary Education results. From this performance, 82.39% of the candidates (131) achieved the minimum University entry grade of C+ and above.

8.0 CO-CURRICULAR ACTIVITIES

The school is very active in co-curricular activities. For example, students have reached the national level in Music festivals, National level in Science Congress and district level in ball games. The school is also quite active in athletics.

9.0 CLUBS AND SOCIETIES

Wildlife	Red Cross
Journalism	Muslim Society
Drama	Seventh Day Adventist
Integrity	Scouts Movement
Science	Young Christian Society
Creative Arts (Talanta Club)	Christian Union
English & Debating	Mathematics
Entrepreneurship	

10.0 CURRICULUM OFFERED FOR KENYA CERTIFICATE OF SECONDARY EDUCATION

101 English	312 Geography
102 Kiswahili	313 Christian Religious Education
121 Mathematics	443 Agriculture
231 Biology	451 Computer Studies
232 Physics	501 French
233 Chemistry	565 Business Studies
311 History & Government	451 Home Science

11.0 CONCLUSION

The School intends to be a premier and model academic institution producing all round citizens able to cope with the requirements of a modern society in an ambient environment. For this to be achieved we request support from all the stakeholders to assist the school realize its aspirations and vision.

We specifically request the Ministry of Education to fund the school in infrastructure because we are over 100% transition rates. The Teachers Service Commission to provide more teachers to the school this being the only Girls National School in Machakos County.

(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:

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Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Daniel Yumbya	Chairman	May 2022
2	Mrs. Damaris Munyao	Secretary - Principal	May 2022
3	Mr. Jones Masila	Member	May 2022
4	Mr. Onesmus Ituo	Member	May 2022
5	Mrs. Grace Wanjiku Njoroge	Member	May 2022
6	Ms Ruth Mutanu	Member Rep Teachers	May 2022
7	Ms. Hellen Jonathan	Sponsor	May 2022
8	Mr. Steve Kivuva	Sponsor	May 2022
9	Mr. Victor Mwiu	Sponsor	May 2022
10	Mr. John Nzioka	MemberSpecial Needs	May 2022
11	Grace Wanjiku Gachie	Rep Students	May 2022
12	Mrs. Beth Kitheka	Member	May 2022
13	Mrs. Diana Mutisya	Member	May 2022
14	Adv. Mark Makau	Member	May 2022
15	Dr. Grace Muluki Munguti	Member	May 2022

The functions 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 County Education Board.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to County Education Board.
- 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.

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(c) Committees of the Board

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Daniel Yumbya Mrs. Beth Kitheka Mr. Jones Masila Mr. Victor Kimweli Mrs. Damaris Munyao	Chairman Member Member Member Secretary	4 out of 6
2	Audit Committee	Mrs. Diana Musembi Mrs. Grace Njoroge Mr. Onesmus Ituo Mrs. Beth Kitheka	Chairperson Member Member Member	4 out of 6
3	Finance, procurement and general purposes Committee	Mr. Victor Mwiu Adv Mutua Makau Eng. Eric Nzola Mr. Steve Kivuva Dr. Grace Munguti	Chairman Member Member Member Member	5 out of 6
4	Academic Committee	Ms. Hellen Jonathan Eng. Eric Nzola Mr. Onesmus Ituo Ms Ruth Mutanu Mr. Victor Mwiu Mr. John Nzioka	Chairperson Member Member Member Member Member	4 out of 6
5	School Infrastructure committee	Mr. Steve Kivuva Mr. Daniel Yumbya Ms Grace Munguti Eng. Eric Nzola	Chairman BOM Chairman Member Member	4 out of 6
6	Discipline and welfare Committee	Adv. Mutua Makau Ms Ruth Mutanu Mrs. Grace Njoroge Mr. John Nzioka Mrs. Diana Mutisya	Chairman Member Member Member Member	3 out of 6
7	Adhoc Committee (if any during the year)	None		

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For the year ended 30th June 2022

(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	Chief Principal	Damaris Nzoka	335335
2	Deputy Principal-Adminstration	Josphine M Mutua	335336
3	Deputy principal -academics	Inoti Lucy Gakii	255174
4	School Bursar	Caroline Ndaka	

Schools contacts

Post Office Box: 168- 90105 Kathiani
Telephone: 0728393218
E-mail: kathianigirlshigh@gmail.com
Website: kathianigirls.sc.ke

(e) School Bankers

The following school operated 7 number of bank accounts in the following banks:

- 1 Name of Bank : Kenya Commercial Bank
Branch: Machakos
Account Number: 1108310826
- 2 Name of Bank: Kenya Commercial Bank
Branch: Machakos
Account Number 1106283937
- 3 Name of Bank: Kenya Commercial Bank
Branch: Machakos
Account Number: 1106285425
- 4 Name of Bank: Kenya Commercial Bank
Branch: Machakos
Account Number: 1106408276
- 5 Name of Bank: Kenya Commercial Bank
Branch: Machakos
Account Number: 1161228551
- 6 Name of bank Equity bank
Branch Machakos
Account Number 0600263556330

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LIPA KARO Pay Bill No.522123 40154K attached to Kenya Commercial Bank
account 1108310826

- g) **Independent Auditors**
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

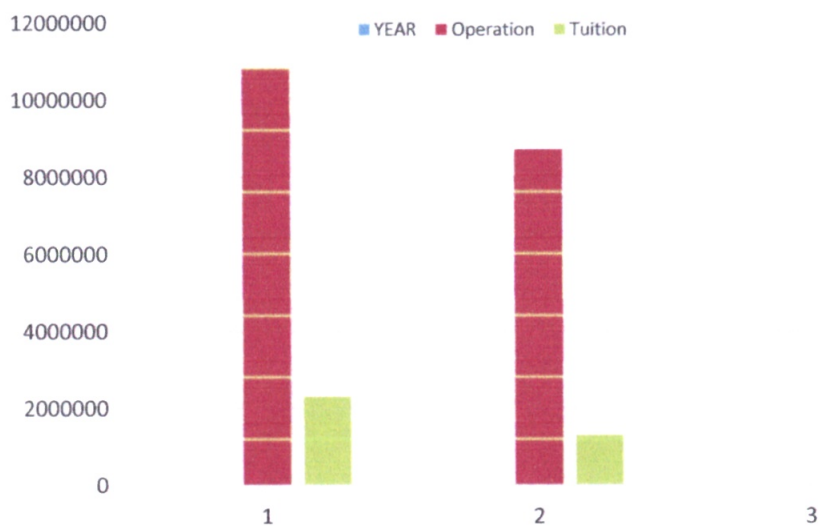
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

a) Financial Performance

NON FINANCIAL INFORMATION

CAPITATION FOR THE LAST THREE YEARS

YEAR	2020	2021	2022
Operation	10,843,781.00	8,710,600.00	7,252,084.00
Tuition	2,301,149.00	1,302,400.00	3,588,692.00



RATIO OF CAPITATION GRANT PER STUDENT

YEAR	2020	2021	2022
Tuition	2,301,149.00	1,302,400.00	3,588,692.00
Operation	10,843,781.00	8,710,600.00	7,252,084.00
Total	13,144,930.00	10,013,000.00	10,840,776.00

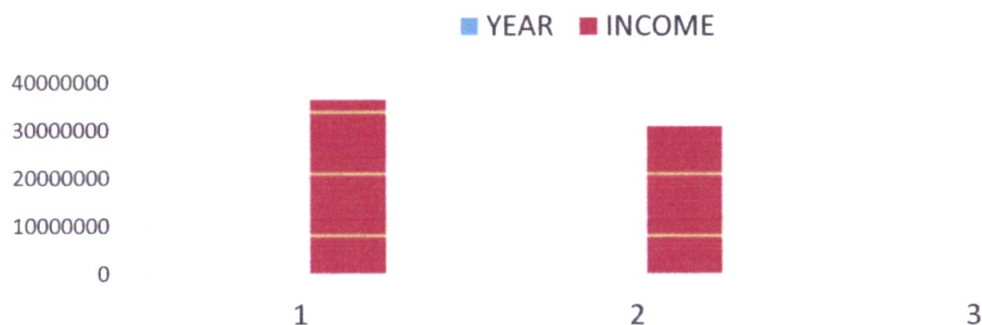
Student population	1,029	1,215	1,378
	12,774.47	8,241.15	7,867.04
RATIO	1:12,774.47	1.8,241.15	1:6,072.75

THREE YEAR OF GROWTH OF OTHER INCOMES

SCHOOL FUND A/C

YEAR	INCOME
2019	36,502,828.00
2020	30,931,477.00
2021	24,545,794.00

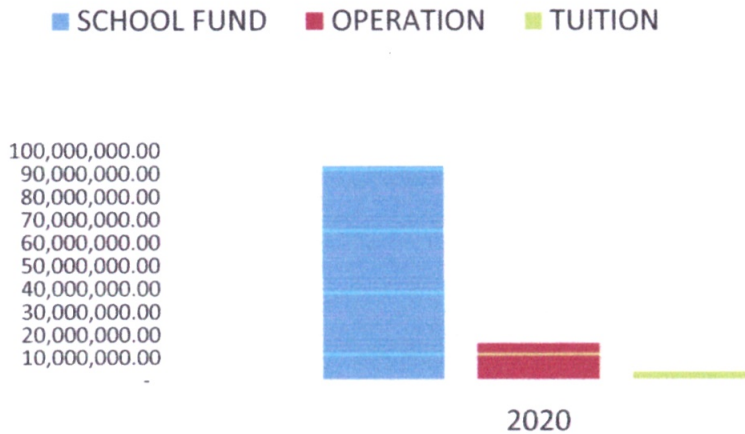
SCHOOL FUND INCOME



THREE YEAR OVERVIEW OF EXPENDITURE
EXPENDITURE

	2020	2021	2022
SCHOOL FUND	35,850,908.00	23,303,016.00	93,459,655.35
OPERATION	8,345,503.00	5,398,079.50	16,364,940.10
TUITION	2,255,855.00	776,446.00	3,600,076.00
TOTAL	46,452,266.00	29,477,541.50	113,424,671.45

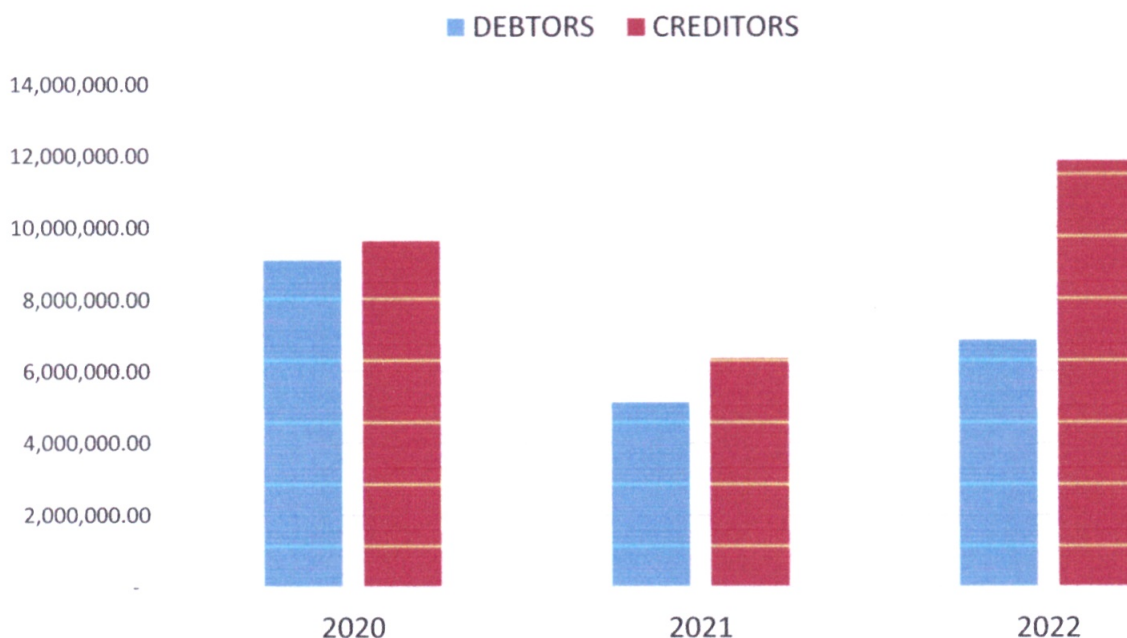
EXPENDITURE FOR THE LAST THREE YEARS



THREE OVERVIEW OF MOVEMENT OF DEBTORS AND CREDITORS

	DEBTORS/CREDITORS		
	2020	2021	2022
DEBTORS	9,099,105.00	5,127,247.00	6,879,110.00
CREDITORS	9,629,338.00	6,371,684.00	11,858,613.00

MOVEMENT OF DEBTORS AND CREDITORS



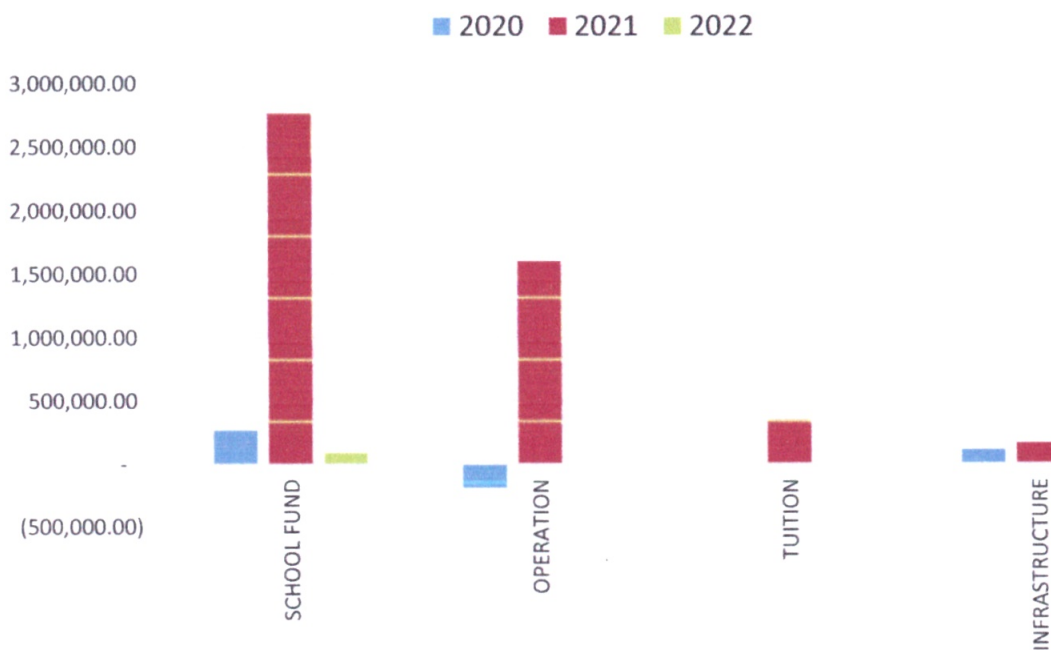
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MOVEMENT OF CASH AND BANK BALANCES FOR THE LAST THREE YEARS

CASH AND BANK BALANCES

	2020	2021	2022
SCHOOL FUND	87,560.00	266,680.00	2,766,580.24
OPERATION	1,159.00	(192,600.00)	1,597,570.00
TUITION	-	6,642.00	346,578.15
INFRASTRUCTURE	3,726.05	111,444.00	163,068.52

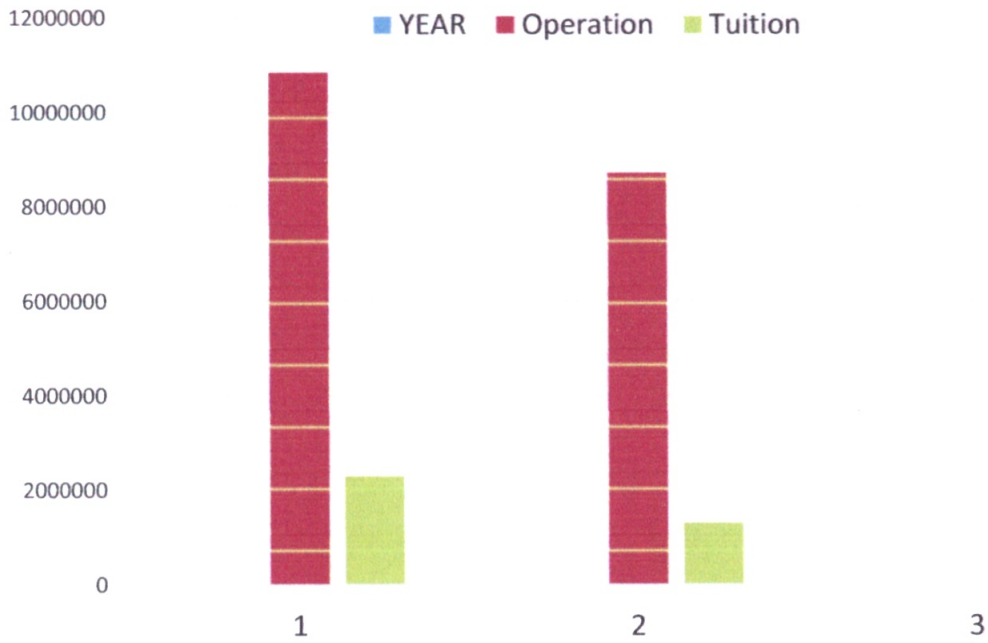
MOVEMENT OF CASH AND BANK BALANCES



NON FINANCIAL INFORMATION

CAPITATION FOR THE LAST THREE YEARS

YEAR	2020	2021	2022
Operation	10,843,781.00	8,710,600.00	7,252,084.00
Tuition	2,301,149.00	1,302,400.00	3,588,692.00



KATHIANI GIRLS' HIGH SCHOOL

Reports and Financial Statements

For the year ended 30th June 2022

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

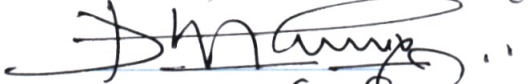
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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

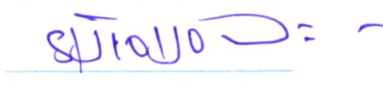
Name: DR. DANIEL YUMBYA EBS
Designation: Chairman, School Board of Management

Sign: 
Date: 27/8/2024

Name: DAMARIS MUNYAO (MRS.)
Designation: THE SECRETARY
BOARD OF MANAGEMENT
& Secretary to Board of Management
KATHIANI GIRLS' HIGH SCHOOL

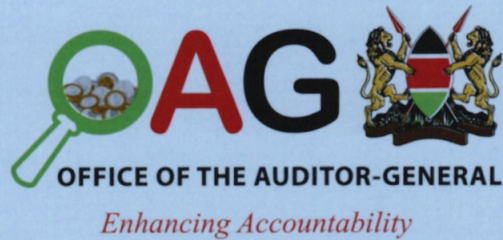
Sign: 
Date: 27/8/2024
P. O. Box 168-90105, KATHIANI.

Name: SAMSON KIOKO (CPA)
Designation: Bursar/ Finance Officer

Sign: 
Date: 27/08/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KATHIANI GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MACHAKOS 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 regulation 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 Kathiani Girls' High School - Machakos County set out on pages 3 to 23, which comprise of the statement of financial

assets and financial 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 Kathiani Girls' High School - Machakos 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. Inaccurate School Fund Income-Parents Contribution

The statement of receipts and payments reflects school fund income parents' contributions of Kshs.91,956,522 and as disclosed in Note 3 to the financial statements. However, the amount includes rent income of Kshs.18,000 which is other receipts that should be reflected under Note 4 to the financial statements.

In the circumstances, the accuracy and completeness of the School fund income parents contributions of Kshs.91,956,522 could not be confirmed.

2. Unsupported Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.6,879,110 as disclosed in Note 11 to the financial statements. However, the balance has not been supported with an aging analysis.

Further, year 2020/2021 fees arrears balance of Kshs.11,268,456 was not brought forward resulting in an unexplained variance of Kshs.11,268,456.

In the circumstances, the accuracy of account receivables balance of Kshs.6,879,110 could not be confirmed.

3. Variances in Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.11,858,613 as disclosed In Note 12 to the financial statements. Included in the balance is trade creditors of Kshs.8,526,661. However, Annexure 1 reflects outstanding trade creditors of Kshs.806,626 resulting in unexplained variance of Kshs.7,720,035.

In the circumstances, the accuracy and completeness of payables balance of Kshs.8,526,661 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements on 9 December, 2022 instead of the statutory deadline of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012

Section 84(3) and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

2. Unapproved Increase of School Fees

The statement of receipts and payments reflects school fund income - parents' contributions amount of Kshs.91,956,522 as disclosed in Note 3 to the financial statements. However, review of fee records revealed that from one students were charged an annual fee amount of Kshs.75,050 against a Ministry of Education (MOE) fee guidance of Kshs.45,000 resulting to an extra fee of Kshs.34,000 per student. Additionally, from two and three students were charged an annual fee of Kshs.60,000 against the MOE guidance on fee of Kshs.45,000 resulting to an extra fee of Kshs.15,000 per student. Further from four students paid a fee of Kshs.66,000 against the MOE fee guidance of Kshs.45,000 resulting the from four students to pay an extra fee of Kshs.21,000 per student. This was contrary to Regulation 44 of the Basic Education Regulations, 2015 which provides that no public school or institution shall issue alternative fees structures other than those approved by the Cabinet Secretary.

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

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

The statement of receipts and expenditure reflects capitation grant for operations of Kshs.15,698,451 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.152,000 transferred to Kenya Secondary Schools Heads Association a private entity that is not subject to PFM Act, 2012 or any other public finance regulations. Kenya Secondary Schools Heads Association (KESSHA) is a welfare organization and the organization is not defined in government funding and there is no assurance that it has implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money for money transferred to KESSHA amounting to Kshs.152,000 cannot be ascertained.

4. Late Transfer of Infrastructure Funds from Operation Bank Account

The statement of receipts and payments reflects capitation grants for operations totalling Kshs.15,698,451 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the grants is an amount of Kshs.3,983,000 which was transferred to infrastructure account for maintenance and improvement of the school facilities. However, the amount was transferred more than 15 days after the dates of receipt. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants

as well as maintenance and improvement funds be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

5. Non-Compliance with the Law on Board of Management Composition

During the year under review the Board of Management that is supposed to direct the school in achieving its strategic objectives was constituted of twenty-one (21) board members. However, the nominating and appointing authority did not consider the ethnic and regional diversity of the people of Kenya as required by Section 57(2)(a) the Basic Education Act, 2013 since members of BOM were from one ethnic group.

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

The audit was conducted in accordance with ISSAIs 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 and 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 governance were not effective.

Basis for Conclusion

1. Incomplete Fixed Assets Register

Annex 2 to the financial statements reflects a summary of the fixed assets register. However, the asset register does not have essential details such as dates of acquisition, historical costs, current values, remaining useful life, additions/disposals during the year and salvage value where applicable. This is contrary to Regulation 143(1) of the Public Finance Regulations, 2015 on asset management and Section 162(2) of Public Procurement and Disposal Act of 2015 on management of inventory, stores and assets.

In the circumstances, the adequacy of the internal controls on assets management cannot be ascertained.

2. Excess Board Members Representation

During the year under review, the Board of Management that is supposed to direct the school in achieving its strategic objectives had twenty-one (21) board members against the required number of fourteen (14) board members. This was contrary to Section 56 of the Basic Education Act 14, 2013 on composition of board members and requirement for appointment to the board.

In the circumstances, the adequacy of internal controls to provide assurance on Board of Management composition could not be confirmed.

3. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulation, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

4. Lack of Land Ownership Document

Annex 2 to the financial statements reflects a summary of the fixed assets register. Review of the land documents revealed that 4.1 hectares of land is under Machakos County Government who are the trustees. Additionally, the School was given a letter of allotment on 27 June, 1995 referenced file No.172496 for 4.1 hectares. Although there has been effort to obtain the title, the transfer of ownership has not been finalized. Additionally, the same piece of land is also occupied by other government entities including the Sub County Headquarters, the Kenya Police, and the Ministry of Education among others.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 the 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue sustain to services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its 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 the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

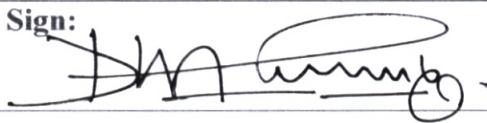
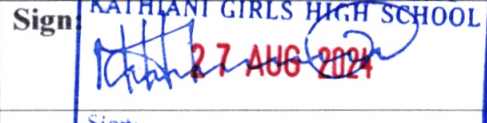
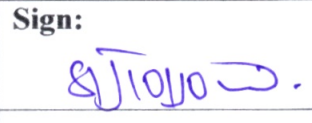
17 October, 2024

KATHIANI GIRLS' HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

V. STATEMENTS OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDING 30TH JUNE 2022

KATHIANI GIRLS HIGH SCHOOL

STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Capitation grants for tuition	1	3,588,692	1,116,163
Capitation grants for operations	2	15,698,451	7,252,084
School Fund Income- Parents' Contributions/fees	3	91,956,522	24,545,794
Proceeds from borrowings			-
TOTAL RECEIPTS		111,243,665	32,914,041
PAYMENTS			
Payments for Tuition	5	3,600,076	776,446
Payments for operations	6	16,364,940	5,398,080
Boarding and school fund payments	7	93,459,655	23,303,016
TOTAL PAYMENTS		113,424,671	29,477,542
SURPLUS/DEFICIT		(2,181,006)	3,436,499
Name: DR. DANIEL YUMBYA EBS	Name: DAMARIS MUNYAO (MRS.)	Name: SAMSON KIOKO (CPA)	
<i>Chairman, BoM</i>	<i>School Principal/Secretary to BoM</i>	<i>Bursar/Finance</i>	
Sign: 	Sign: 	Sign: 	
Date: 27/8/2024	Date: 27/08/2024	Date: 27/8/24	

THE SECRETARY
BOARD OF MANAGEMENT
KATHIANI GIRLS HIGH SCHOOL
 27 AUG 2024
 Sign:.....
 P. O. Box 168-90105, KATHIANI.

KATHIANI GIRLS' HIGH SCHOOL

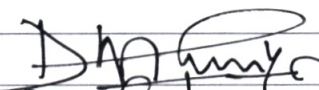

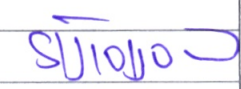
Reports and Financial Statements

For the year ended 30th June 2022

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

KATHIANI GIRLS HIGH SCHOOL

STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30th JUNE 2022

	Note	Kshs	Kshs
		2020-2022	2020-2021
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	7,667,134	4,862,435
Cash Balances	9	5,060	11,262
Short term Investment	10	-	-
Total Cash and Cash Equivalents		7,672,194	4,873,697
Account's receivables	11	6,879,110	5,127,247
TOTAL FINANCIAL ASSETS		14,551,304	10,000,944
FINANCIAL LIABILITIES			
Accounts Payable	12	11,858,613	6,371,684
NET FINANCIAL SSETS		2,692,691	3,629,260
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,873,697	192,761
Surplus/Defict for the year		(2,181,006)	3,436,499
NET FINANCIAL POSITION		2,692,691	3,629,260
Name: DR. DANIEL YUMBYA EBS	Name: DAMARIS MUNYAO (MRS.)	Name: SAMSON KIOKO (CPA)	
<i>Chairman. BoM</i>	<i>School Secretary to BoM</i>	<i>Bursar/Finance</i>	
Sign: 	Sign: 	Sign: 	
Date: 27/8/2024	Date: 27/08/2024	Date: 27/08/2024	



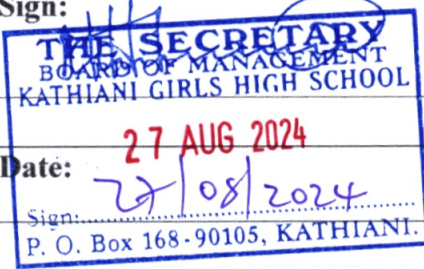
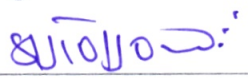
KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

STATEMENT OF CASH FLOW
FOR THE PERIOD ENDING 30TH JUNE 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	3,588,692	1,116,163
Capitation grants for operations	2	15,698,451	7,252,084
School fund income- Parents contributions/ fees	3	91,956,522	24,545,794
Other receipts	4	-	-
Total receipts		111,243,665	32,914,041
Payments			
Payments for Tuition	5	3,600,076	776,446
Payments for operations	6	16,364,940	5,398,080
Boarding and school fund payments	7	93,459,655	23,303,016
Infrastructure		-	-
Total payments		113,424,671	29,477,542
Net increase in creditors/debtors		-	(1,160,905)
Net cash flow from operating activities		(2,181,006)	2,275,594
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		-	
Repayment of principal borrowings		-	
Net cash flows from Investing Activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		2,798,497	
Cash and cash equivalent at BEGINNING of the year		4,873,697	270,999

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

Cash and cash equivalent at END of the year		7,672,194	4,873,697
Name: DR. DANIEL YUMBYA EBS	Name: DAMARIS MUNYAO (MRS.)	Name: SAMSON KIOKO (CPA)	
<i>Chairman, BoM</i>	<i>School Principal/Secretary to BoM</i>	<i>Bursar/Finance</i>	
Sign: 	Sign:  	Sign: 	
Date: 27/8/2024	Date: 27/08/2024 <small>Sign: _____ P. O. Box 168-90105, KATHIANI.</small>	Date: 27/08/2024	

KATHIANI GIRLS' HIGH SCHOOL
Reports and Financial Statements
For the year ended 30th June 2022

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

KATHIANI GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS -
Reports and Financial Statements
For the year ended 30th June 2022

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2022						
Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	0	0	0	-	-	0
Exercise books	0	0	0	-	-	0
Laboratory equipment	0	0	0	-	-	0

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

Internal exams	0	0	0	-	-	0
Teaching / learning materials	3,178,390.00	0	3,178,390.00	3,588,692.00	(410,302.00)	112.91
Chalks	0	0	0	-	-	0
Exams and assessment	0	0	0	-	-	0
Teachers guides	0	0	0	-	-	0
TOTALS	3178390	0	3178390	3588692	-410302	112.9091144
<i>(2) CAPITA TION GRANT ON OPERATIONS</i>						
Personnel emoluments	0	0	0	-	-	-
Repairs and maintenance	4,295,010.00	0	4,295,010.00	-	4,295,010.00	-
Local transport / travelling	0	0	0	-	-	-
Electricity and water	0.00	0	0.00	-	-	-
Medical	0	0	0	-	-	-
Other Voteheads	2,376,320.00	0	2,376,320.00	3,669,861.00	(1,293,541.00)	154.43
Activity	0	0	0	-	-	-
Gratuity	0	0	0	-	-	-

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

SMASSE	0	0	0		-	-
TOTALS	6671330	0	6671330	3669861	3001469	154.43463
<i>ST.VINCENT IMILINI SECONDARY SCHOOL</i>						
PUBLIC SECONDARY SCHOOL						
Annual Report and Financial Statements						
For the year ended 30th June 2022						
Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	-	0	-	-	-	-
Repairs and maintenance	4,529,742.00	0	4,529,742.00	3,571,829.00	957,913.00	-
Boarding Equipment and Stores	37,438,770.00	0	37,438,770.00	42,773,203.00	(5,334,433.00)	114.25
Electricity and water	-	0	-	-	-	-
Medical	-	0	-	-	-	-
Administration costs	-	0	-	-	-	-

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

Activity	3,073,857.00	0	3,073,857.00	1,421,004.00	1,652,853.00	-
SMASSE	-	0	-	-	-	-
OTHER INCOME	-	0	-	-	-	0
Rent income	-	0	-	-	-	0
Fee for hire of ground and equipment	-	0	-	-	-	0
Interest income	-	0	-	-	-	0
Income from any other investment	-	0	-	-	-	0
TOTAL INCOME	45,042,369.00	0	45,042,369.00	47766036	-2723667	114.2484195
(1) EXPENDITURE FOR TUITION						
T/L materials	3,122,610.00	0	3,122,610.00	1,283,106.00	1,839,504.00	41.09
Exams and assessment	0	0	-	-	-	0
Teachers guides	0	0	-	-	-	0
Administration costs	0	0	-	-	-	0
Bank Charges	0	0	-	-	-	-
TOTALS	3,122,610.00	0.00	3,122,610.00	1,283,106.00	1,839,504.00	41.09

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	0	0	-	-	-	-
Repairs, maintenance & improvements	6,500,000.00	0	6,500,000.00	6,244,000.00	256,000.00	96.06
Local transport / travelling	0	0	-	-	-	-
Electricity, water and conservancy	0	0	-	-	-	-
Medical	0	0	-	-	-	-
Other Voteheads	2,376,320	0	2,376,320.00	693,727.00	1,682,593.00	29.19
Activity Expenses	754,700.00	0	754,700.00	860,800.00	(106,100.00)	114.06
Gratuity	0	0	-	-	-	-
SMASSE	0	0	-	-	-	-
TOTALS	9631020	0	9,631,020.00	7798527	1832493	239.3134373
(3) EXPENDITURE FOR SCHOOL FUND						
Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization

KATHIANI GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs, maintenance and improvements	2,740,000.00	0	2,740,000.00	7324277	- 4,584,277.00	267.31
Local transport / travelling	-	0	-	0	-	
Electricity, water and conservancy	-	0	-	0	-	
Medical Expenses	-	0	-	0	-	
Administration costs	-	0	-	0	-	
Activity	1,093,260.00	0	1,093,260.00	468450	624,810.00	42.85
Gratuity	-	0	-	0	-	
Rent income	144,000.00	0	144,000.00	30,900.00	113,100.00	21.46
Boarding Equipment and Stores	46,799,200.00	0	46,799,200.00	37,680,686.00	9,118,514.00	80.52
Personal emoluments	-	0	-	-	-	
Bank Charges	-	0	-	-	-	
TOTALS	50,776,460.00	0	50,776,460.00	45504313	5,272,147.00	89.62

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.

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	CAPITATION GRANT FOR TUITION	2021-2022	2020-2021
		Kshs	Kshs
	Textbooks	-	
	Exercise books	-	
	Laboratory equipment	-	
	Internal exams	-	
	Teaching / learning materials	3,588,692.00	1,116,162.50
	Chalks	-	
	Exams and assessment	-	
	Teachers guides		
	Reference books	-	
	Total	3,588,692.00	1,116,162.50
2	CAPITATION GRANT FOR OPERATIONS	2021-2022	2020-2021
		Kshs	Kshs
	Personnel emoluments	6,279,379.10	2,238,308.00
	Other voteheads	-	
	Infrastructural A/c		1,660,000.00
	Medical and insurance		
	L T T	3,139,691.00	1,118,346.00
	E.W.C	2,609,520.00	1,845,386.00
	Administration costs	3,669,861.00	390,044.00
	Activity		
	Total	15,698,451.10	7,252,084.00
3	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT	2021-2022	2020-2021

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		Kshs	Kshs
	Boarding Equipment Stores(BES)	42,773,203	13,625,854
	Repairs and maintenance	3,571,829.00	323,507.00
	Other Voteheads	24,163,443.00	9,152,355.00
	Bus fund		
	Student id		
	Tenders		
	Rental income		
	Bursary		653,885.00
	Personnel emoluments		
	Activity	1,421,004.00	37,752.00
	Development Fee	13,324,909.00	563,652.00
	Rent income	18,000.00	65,000.00
	Uniform	6,591,642.00	121,289.00
	University Registration	86,492.00	2,500.00
	KNEC	6,000.00	
	Total	91,956,522.00	24,545,794.00
4	OTHER RECEIPTS – SCHOOL FUND ACCOUNT		
		2021-2022	2020-2021
		Kshs	Kshs
5	PAYMENTS FOR TUITION		
		2021-2022	2020-2021
		Kshs	Kshs
	Textbooks		
	Exercise books		
	Laboratory chem/ equip.	1,316,970.00	250,000.00
	Internal exams		
	Teaching / learning materials	1,283,106.00	
	Chalks		
	Reference books	1,000,000.00	525,880.00
	Exams and assessment		

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	Teachers guides		
	Administration Costs		
	Bank Charges		566.00
	Total	3,600,076.00	776,446.00
6	PAYMENTS FOR OPERATIONS		
		2021-2022	2020-2021
		Kshs	Kshs
	Activity fees	860,800.00	
	RMI	454,611.00	-
	Personnel emoluments	1,773,442.10	1,916,087.50
	Insurance	693,727.00	308,328.00
	Administration Costs	3,271,750.00	1,308,650.00
	EWC	2,811,430.00	121,430.00
	Bank Charges	9,980.00	-
	Infrastructure Account	6,244,000.00	1,743,584.00
	L.T.T	245,200.00	-
	TOTAL	16,364,940.10	5,398,079.50
7	BOARDING AND SCHOOL FUND PAYMENTS		
		2021-2022	2020-2021
		Kshs	Kshs
	Personnel emoluments		
	RMI	7,324,277.00	1,189,318.00
	Other Voteheads	17,562,117.35	8,129,183.00
	Bursary		391,848.00
	Uniform	8,301,050.00	75,035.00
	Development Fee	21,982,175.00	696.00
	Activity	468,450.00	208,539.00
	University Registration	110,000.00	-
	Boarding Equipment Stores(BES)	37,680,686.00	13,308,397.00
	KNEC	30,900.00	

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	TOTAL	93,459,655.35	23,303,016.00	
8	BANK BALANCES			
	BANK ACCOUNTS	Bank Account Number	2021-2022	2020-2021
			Kshs	Kshs
	Tuition Account	1106283937	12,118.55	346,478.15
	Operations Account	1106285425	177,311.10	1,597,570.10
	School Fund Account/Boarding	1108310826	7,433,392.65	2,755,318.24
	Development account	1106408276	-	-
	Income generating activities Account		-	-
	Infrastructural Account	1161228551	44,311.52	163,068.52
	Total		7,667,133.82	4,862,435.01
9	CASH IN HAND		2021-2022	2020-2021
	Description		Kshs	Kshs
	Tuition Account		-	-
	Operation Account		-	-
	Infrastructure Account		-	-
	School Fund account		5,060.00	11,262.00
	Total		5,060.00	11,262.00
10	SHORT TERM INVESTMENTS		2021-2022	2020-2021
	Description		Kshs	Kshs
			-	-
	Cooperative shares		-	-
	Treasury Bills		-	-
	Fixed deposit		-	-
	Equity stock		-	-
	Other investments		-	-
	Total			
11	ACCOUNTS RECIEVABLE			

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		2021-2022	2020-2021
Description		Kshs	Kshs
Fees arrears		6,638,610.00	4,886,747.00
Other non-fees receivables			
Salary advances/suspence account		240,500.00	240,500.00
Imprest			
Total		6,879,110.00	5,127,247.00
[Include an ageing of the fees / non fees arrears below]			
		2021-2022	2020-2021
Description		Kshs	Kshs
Fees arrears for current year			4,088,872.00
Fees arrears for the previous year			1,495,819.00
Fees arrears for prior periods (over two years)			5,443,265.00
Non fees arrears for current year			
Non fees arrears for previous year			240,500.00
Non fees arrears for prior periods			
Total		-	11,268,456.00
12 ACCOUNTS PAYABLE			
Description		2021-2022	2020-2021
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		8,526,661.00	5,341,240.00
Prepaid fees		3,331,954.00	1,030,444.00
Retention monies			
Total		11,858,613.00	6,371,684.00
[Include an ageing of the creditor's arrears below]			
		2021-2022	2020-2021
Description		Kshs	Kshs
Trade creditors for current year		1.00	4,012,762.00
Trade creditors for the previous year		-	-
Trade creditors for prior periods (over two years)		-	

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	Total	1.00	4,012,762.00	
13	FUND BALANCE BROUGHT FORWARD			
		2021-2022	2020-2021	
	Description	Kshs	Kshs	
	Bank balances	4,862,435.01	192,166.00	
	Cash balances	11,262.00	595.00	
	Short Term Investments			
	Receivables			
	Payables			
	Total	4,873,697.01	192,761.00	
14	Other important disclosure notes			
	Non-current Liabilities Summary			
		2021-2022	2020-2021	2019-2020
	Description	Kshs	Kshs	Kshs
	Bank loan(s)	-	-	-
	Outstanding Leases	-	-	-
	Hire purchase	-	-	-
	Gratuity and leave provision	-	-	-
	Total	-	-	-
15				
	Biological assets			
		Numbers	Numbers	
	Description		Kshs	KShs
	Cattle	0	-	
	Pigs	0	-	-
	Trees(blue gum)	0	-	-
	Coffee or tea plantation	0	-	-
	Poultry	0	-	-
	Total	0	-	
16				
	Borrowings			
			2021-2022	2020-2021
	Description		KShs	KShs
	a) Borrowings			
	Borrowing at beginning of the year		-	-
	Borrowings during the year		-	-

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	Repayments of during the year		-	-
	Balance at end of the year		-	-
17	Stock/ Inventory		2020-2021	
	Description		KShs	
	Stock/Inventory			
	Stock/ inventory at beginning of the year		-	
	Stock/ inventory purchased during the year		-	
	Stock/ inventory issued during the year		-	
	Balance at end of the year		-	

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Other important disclosure notes

1 Stock/ Inventory

Description	2021-2022	2020-2021
	KShs	KShs
a) Borrowings	ksh	
Stock/ inventory at beginning of the year	391,040.00	1,180,965.00
Stock/ inventory purchased during the year	1,240,864.00	910,630.00
Stock/ inventory issued during the year	(1,301,394.00)	(1,700,555.00)
Balance at end of the year	330,510.00	391,040.00

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)

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XI. ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
Sub-Total						
Supply of goods						
2. Charles Makau	37660.00	(Pv 290) 15/09 2021	37660.00	nil		
3. Machakos Ranching	212350.00	Pv 408 22/10/2021	212350.00	nil		
4. Beta Bakers	330094.00	(Pv245) 20/08/2021	244738.00	85356.00		
7 Dajopet enterprises	32448.00	(Pv243)1908/2021	324485.00	nil		
8 Umiisyo shop	387160.00	(Pv 6)07/12/2021	100000.00	287160.00		
9 David Nzau	54000.00	(Pv238) 19/08.2021	54000.00	nil		
10 Jit Investment	364285.00	(Pv243)/ 19/8 /2021 (Pv 59_) 24/01/2022	364285.00	nil		
11 Blanche Ndolo	75000.00	(Pv 335(16/09/2021	75000.00	nil		
12 New times	30000.00		-	30000.00		
13Genesis Rosso	599000.00	29/10 2021(Pv407/) 19/08 2021(pv/247) 20/09/202(1Pv312)	268000.00 230000.00 200000.00	nil		
14Eastern flour mills	352000.00	(Pv 306) 6/09/23021	352000.00	nil		
Sub-Total						
Supply of services						

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021	Comments
15 Dream liner	306500.00	(Pv 426)29/10/2021	100000.00	206500.00		
16 Toleo enterprise	60000.00	(Pv 308) 16/09/2021	60000.00	nil		
17 Q &t	265000.00	Pv409 Pv 519 10/12/2021	100000.00 16500.00	nil		
18 Mutuku Furniture	8100.00	(Pv 318) 16/09/2021	8100.00	nil		
19 Azimuth network	56900.00			56900.00		
20 Lees Wood technology	318465.00	(Pv 418) Pv(307) 1609/2021	235655- 100000.0	82810.00		
21Evamose Enterprise	465900.00	Pv 419 1/10/2021 Pv239 12/8/2021	371200.00 94700.00	nil		
2 2Glorie Supplies	57900.00		-	57900.00		
Sub-Total						
Grand Total	4012762		3206136	806626		

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	administration block and school area					
Land 2	Play ground					
Buildings and structures	Dormitory 16 Staff room 1 Admn office 1 library 1 Laboratories 3 Computer lab 1 Home science lab 1 Classrooms 16					
Motor vehicles	1 bus					
Office equipment, furniture and fittings	List attached					

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
ICT Equipment, and Other ICT Assets	List attached					
Tools and apparatus	List attached					
Textbooks	List attached					
Other Machinery and Equipment	1-Generator 2 Borehole 3/potato feeler 4 cabbage cutter Cctv cameras and control computer					
Heritage and cultural assets	Music/Drama costumes boards of administrators					
Intangible assets- soft ware	List attached					
Total						