

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT 26 NOV 2024 DAY *Tuesday*

TABLED
BY:

*Hon. Naemi Waga
Deputy Majority Whip*

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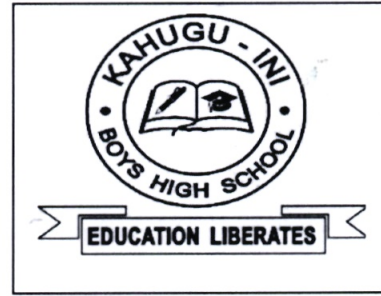
THE AUDITOR-GENERAL

ON

KAHUGUINI BOYS HIGH SCHOOL

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

KIAMBU COUNTY



KAHUGUINI BOYS HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021

Prepared in accordance with the CashBasis of Accounting Method under the International Public Sector Accounting Standards

MHUGUINI BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2021

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2 Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

3 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 in Kiambu County, Gatundu South Sub-County.

The school was registered in 01/21 under registration number 22S00300649 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a day/boarding school and had 750 number of students as at 30th June 2021. It has 5 streams and 32 teachers of which 11 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:

School Board of Management			
1	FRANCIS MUHIA KIMORE	Chairman	23/11/2021
2	GEORGE GUCU MUNGAI	Secretary- Principal	23/11/2021
3	TERESIA WANJIKU MATHU	Member	23/11/2021
4	ELIJAH GATHUA MUTAARU	Member	23/11/2021
5	GEORGE GITAU	Member	23/11/2021
6	SILVESTER THUO	Member	23/11/2021
7	JOSEPH NGARUIYA	Member	23/11/2021
8	PETER KAMAU KARIUKI	Member – Rep CEB	23/11/2021
9	SAMMY WAINAINA	Member Rep Teachers	23/11/2021
10	FRANCIS KIERU	3 Members - Sponsor	23/11/2021
11	PURITY MUTHONI	Member - Community	23/11/2021
12	LUCY W. WAIGANJO	Member Special Needs	23/11/2021
		Rep Students	

The functions of the School Board of Management are to:

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

(c) Committees of the Board

		Number of meetings attended during		
1	Executive Committee	i) Francis Muhia Kimore ii) Purity Muthoni iii) Teresia W. Mathu iv) Peter Kamau v) George G. Mungai	BOM Chairman P.A Chairperson BOM member BOM member BOM secretary	1
2	Audit Committee	i) Francis M. Kimore ii) Purity Muthoni iii) Silvester Thuo iv) Joseph Makimii v) George G. Mungai	BOM Chairman P.A Chairperson BOM member BOM member BOM secretary	1
3	Finance, procurement and general purposes Committee	i) Francis M. Kimore ii) Purity Muthoni iii) Silvester Thuo iv) Joseph Makimii v) George G. Mungai	BOM Chairman P.A Chairperson BOM member BOM member BOM secretary	1
4	Academic Committee	i) Elijah Mutaaru ii) Nelson Kimani iii) Joseph Makimii iv) Archmond Omwega v) George G. Mungai vi) Lawrence K. Mwaura	BOM Member BOM Member BOM Member Teacher Representative BOM Secretary Deputy principal	1
5	DEVELOPMENT	i) Francis Muhia Kimore ii) George G. Mungai iii) Purity Muthoni iv) Lawrence K. Mwaura v) Peter Kamau	BOM Chairman BOM Secretary P.A Chairperson BOM Member (Deputy Principal) BOM Member	3

		vi)Silvester Thuo	BOM Member	
6	Discipline and welfare Committee	i)Purity Muthoni ii) Ruth Njeri iii)George Gitau iv) Francis Ruo v) John Kaniaru vi)Sammy Wainaina	P.A Chairperson BOM Member BOM Member BOM Member BOM Member Teacher Representative	1
7	Adhoc Committee (if any during the year)			

4 School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	George G. Mungai	335138
2	Deputy Principal	Lawrence K. Mwaura	420512
3	School Bursar	Faith Wangari	22356476

(d) Schools contacts

Post Office Box: 92-01030
 Telephone: 0724 944 128
 E-mail: kahuginisecondary@gmail.com
 Website: Kahuguini secondary school
 Facebook:
 Twitter:

(e) School Bankers

**Name of Bank: EQUITY BANK
Branch: GATUNDU BRANCH
Account Number: 0660261104161**

**Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000005281**

**Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000017599**

**Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000016696**

**MPESA PayBill No. 649326 attached to Equity bank account
0660261104161**

Independent Auditors

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

5 Summary Report of Performance of The School

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

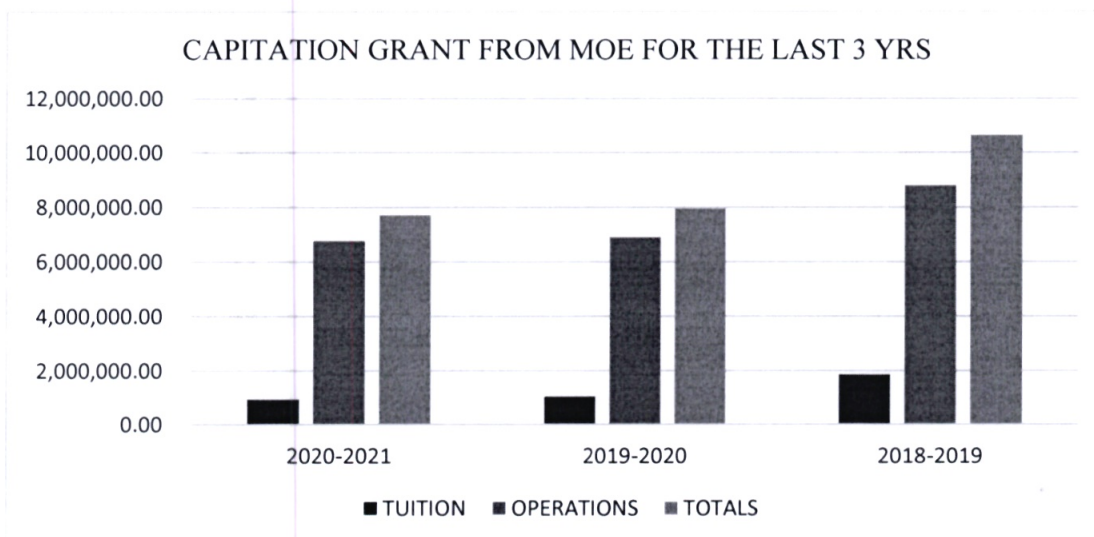
a) Financial performance:

SURPLUS/DEFICIT FOR THE LAST THREE YEARS

YEAR	2020-2021	2019-2020	2018-2019
DEFICIT/SURPLUS	(2,564,768)	6,247,635	(3,107,741)

CAPITATION GRANTS FROM M. O.E FOR THE LAST THREE YEARS

	2020-2021	2019-2020	2018-2019
TUITION	943,165	1,045,745	1,860,502
OPERATIONS	6,770,734	6,905,836	8,795,036
TOTALS	7,713,899	7,951,581	10,655,538



RATIO OF CAPITATION GRANTS PER STUDENT OVER THE LAST 3 YEARS

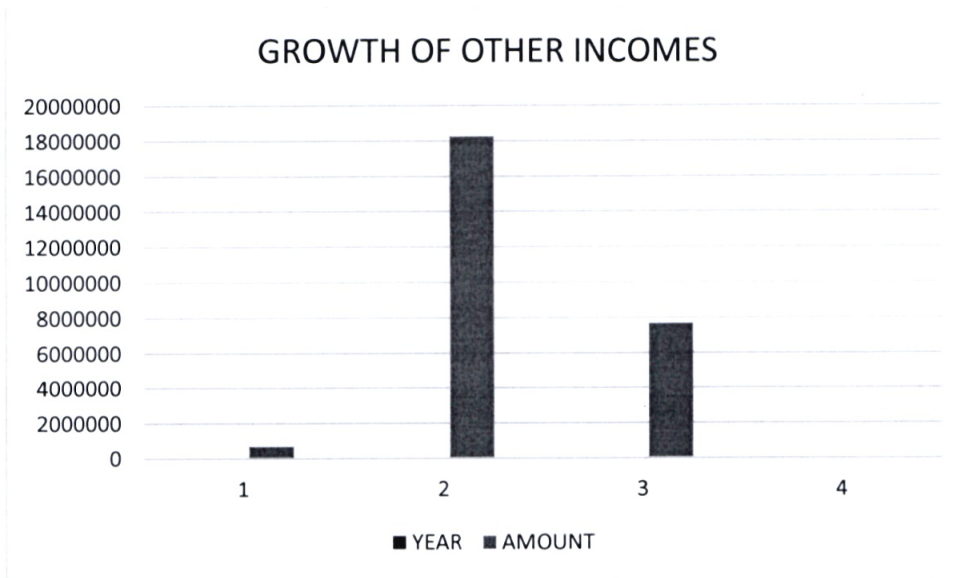
YEAR	2020-2021	2019-2020	2018-2019
RATIO	7473:1	16957:1	18831:1

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

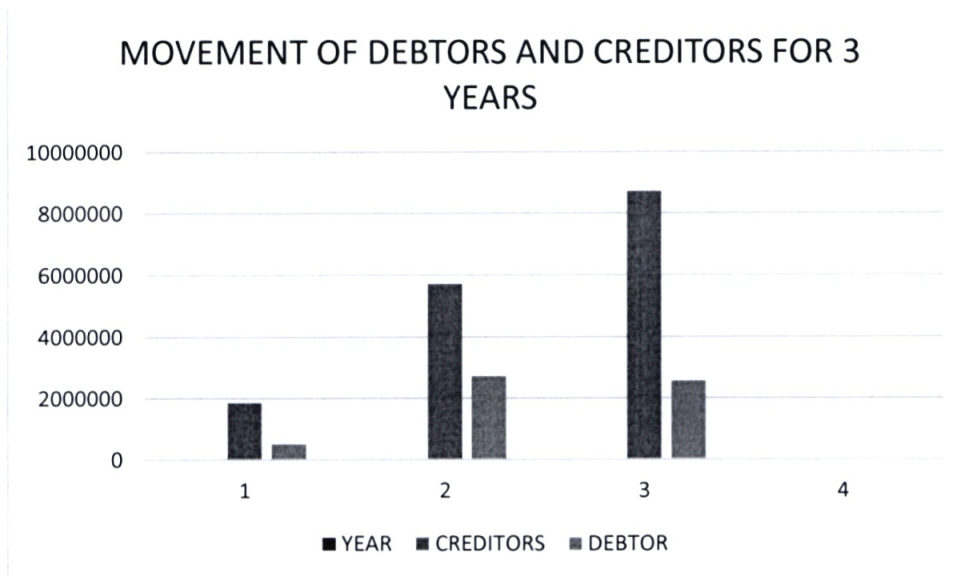
GROWTH OF OTHER INCOMES FOR THE LAST 3 YEARS
SCHOOL FUND ACCOUNT

YEAR	2020-2021	2019-2020	2018-2019
AMOUNT	7,313,190	18,255,639	7,677,378



MOVEMENT OF DEBTORS AND CREDITORS OVER THE LAST 3 YEARS

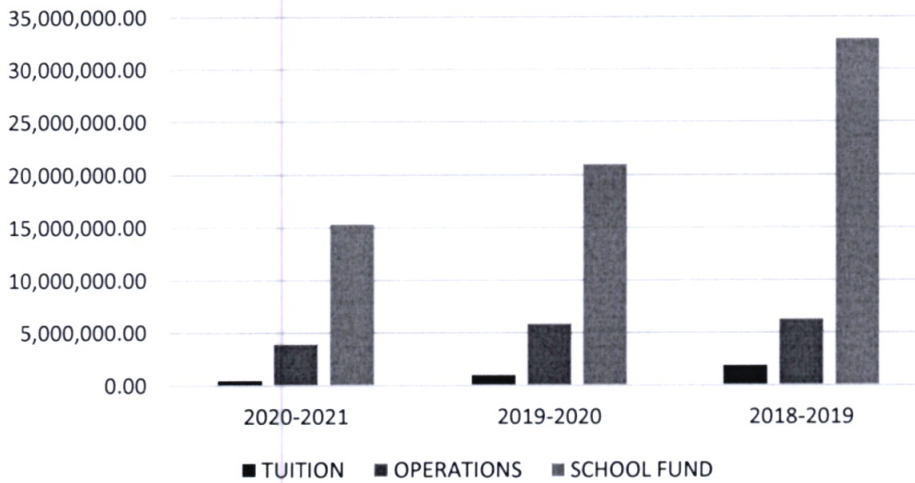
YEAR	2020-2021	2019-2020	2018-2019
CREDITORS	1,865,181	5,714,682	8,727,494
DEBTOR	528,177	2,732,421	2,571,348



GROWTH IN EXPENDITURE FOR THE LAST 3 YEARS

ACCOUNT	2020-2021	2019-2020	2018-2019
TUITION	493,904	1,014,030	1,906,145
OPERATIONS	3,946,649	5,860,526	6,298,221
SCHOOL FUND	15,376,058	21,013,722	32,915,141

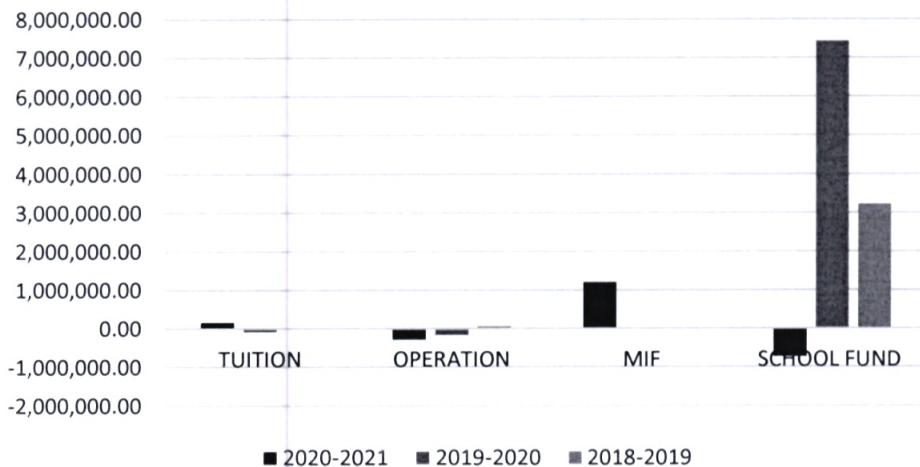
GROWTH IN EXPENDITURE FOR 3 YEARS



MOVEMENT OF BANK BALANCES FOR THE LAST 3 YEARS

ACCOUNT	2020-2021	2019-2020	2018-2019
TUITION	165,350	(89,041)	8,214
OPERATION	(290,218)	(173,653)	66,056
MIF	1,202,855	0	0
SCHOOL FUND	-742,086	7,434,507	3,234,566

BANK BALANCES FOR THE 3 YEARS

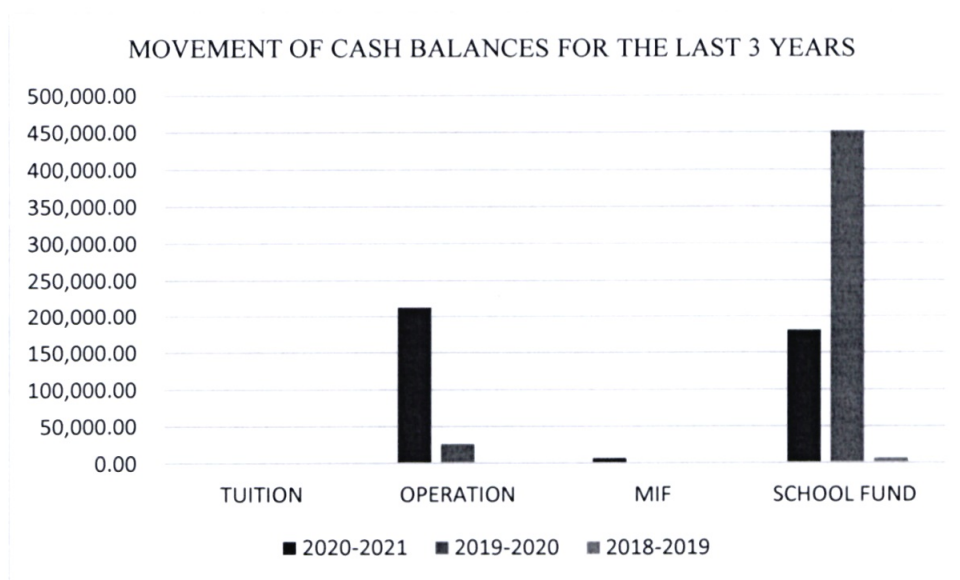


KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

MOVEMENT OF CASH BALANCES FOR THE LAST 3 YEARS

ACCOUNT	2020-2021	2019-2020	2018-2019
TUITION	0	0	0
OPERATION	213,077	26,827	926
MIF	7,095	0	0
SCHOOL FUND	180,828	452,268	7,157



b) Teacher/ Student ratio:

NO OF STUDENTS	BOM TEACHERS	TSC TEACHERS	TRANSFERRED	RETIRED
724	15	20	0	0

SUBJECT	NO. REQUIRED	NO. PRESENT B.O.M	NO. PRESENT TSC	SHORTAGE
MATHS	12	5	7	5
ENGLISH	6	1	4	2
SWAHILI	8	2	4	4
CHEMISTRY	5	3	2	3
C.R.E	5	1	3	2
PHYSICS	3	2	1	4
BIOLOGY	3	2	3	0
GEOGRAPHY	5	1	4	1
HISTORY	5	4	3	2
AGRICULTURE	2	1	2	0
BUSINESS STUDIES	2	2	2	0
COMPUTER STUDIES	1	1	0	1
HOMESCIENCE	1	1	0	1

c) Mean score in the 2020-2021 KCSE:

S	Category	Candidature			A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	Mean Grade	Deviation
Kahuguini	County	Year	Gender	Total																
		2020	Male	117	0	0	1	2	2	4	9	17	23	29	29	0	1	0	3.86	+0.05
		2019	Male	63	0	0	0	1	1	1	5	5	15	27	7	0	1	0	3.81	+0.96
		2018	Male	65	0	0	0	0	0	2	2	5	5	14	35	2	0	0	2.85	-0.48
		2017	Male	60	0	0	0	0	0	1	3	6	14	18	17	1	0	0	3.33	+0.31

d) Number of Candidates in the 2021 KCSE:

YEAR	NO OF STUDENTS
2020	117
2019	63
2018	65
2017	60

e) Capacity of the school:

NO OF STUDENTS	DORMITORIES	DINNING HALL	LABORATORY	TOILET	LATRINES
724	5	1	2	20	16

f) Development projects carried out by the school:

PROJECT	PROJECTED COST	NEW OR ONGOING	SOURCE OF FUNDING	STATUS	
Construction of 3 classrooms first floor- Multipurpose hall and stair case phase	4,594,148.00	NEW	M.I.F P.A FUNDING	ONGOING	
Ground floor 3 classes	2,512,280.00			COMPLETE	

PRINCIPAL
KAHUGU-INI SEC SCHOOL
 P. O. Box 92-01030, GATUNDU

DATE: 10/7/21 SIGN: 

School Principal

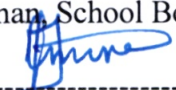
6 Statement of School Management Responsibility


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

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

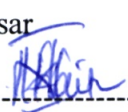
The Board of Management of *Kahuguini boys high school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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, 2021, and of the school's financial position as at that date.

Name: Francis Muhia Kimore
Designation: Chairman, School Board of Management
Sign: 
Date: 10/7/20

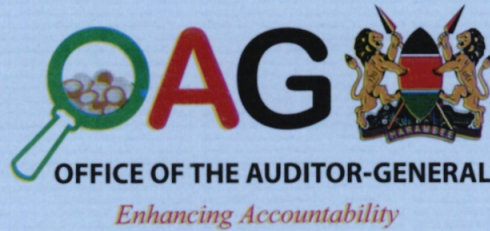
Name: George Gucu Mungai
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 10/7/20

PRINCIPAL
KAHUGU-INI SEC SCHOOL
P. O. Box 92-01030, GATUNDU

Name: Faith Wangari
Designation: Bursar
Sign: 
Date: 10/7/20

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAHUGUINI BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kahuguini Boys High School – Kiambu County set out on pages 1 to 21, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The statement of receipts and payments reflects total receipts and expenditure of Kshs.17,251,843 and Kshs.19,816,611 while the statement of budgeted versus actuals reflects total receipts and expenditure of Kshs.16,592,922 and Kshs.18,571,614 resulting to an unreconciled variance of Kshs.658,9211 and Kshs.1,244,997 respectively.
- ii. The statement of budgeted and actual amounts reflects final budget expenditure of Kshs.53,006,160 while the approved budget reflects expenditure of Kshs.50,834,250 resulting to an unexplained and an unreconciled variance of Kshs.2,171,910.
- iii. The statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflects accounts payables balance of Kshs.7,632,097. However, the balance is at variance with the analysis of pending accounts payable of Kshs.1,865,181.

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

2. Accounts Receivables

2.1 Variances in Accounts Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.14,496,543 as disclosed in Note 11 to the financial statements. However, re-computation of the movement in the accounts receivables made up of opening balance of Kshs.14,181,719, total amount for the period of Kshs.17,251,843 and total actual receipts for the period of Kshs.17,288,776 results to a balance of Kshs.14,144,786 leading to unreconciled and unexplained variance of Kshs.351,757.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.14,496,543 could not be confirmed.

2.2 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.14,496,543 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

2.3 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.14,496,543 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.11,449,298 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.14,496,543 could not be confirmed.

3. Undisclosed Assets

Summary of fixed assets register at Annex 2 to the financial statements discloses historical cost of fixed assets carried forward of Kshs.69,200,000 which includes land with undisclosed value.

In the circumstances, the accuracy and completeness of the Nil land balance could not be confirmed.

4. Overdrawn Account and Netting off of Bank Balance

The statement of financial assets and financial liabilities reflects bank balance of Kshs.335,900 as disclosed in Note 8 to the financial statements. Included in the bank balance are operations and fund bank accounts with an overdraft balance of Kshs.729,824 which has been netted off contrary to Section 28(4)(5) of the Public Finance Management Act, 2012 which states that an accounting officer for a National Government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized by The National Treasury or a Board of a National Government entity, if any.

In the circumstances, the accuracy and completeness bank balance of Kshs.335,900 could not be confirmed.

5. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.943,165 and Kshs.6,770,714 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the

School against the amount received by the School revealed an amount of Kshs.1,200,679.75 and Kshs.9,624,662.75 resulting to an unexplained variance of Kshs.257,514.75 and Kshs.2,853,948.75.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operation of Kshs.943,165 and Kshs.6,770,714 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis amount of Kshs.52,489,140 and Kshs.16,592,922 respectively, resulting to underfunding of Kshs.35,896,218 or 68% of the budget.

In the circumstances, the underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Management presented the annual report and financial statements covering twelve months from July, 2020 to June, 2021 contrary to the Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya, dated 20 August, 2021 which requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021. Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

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

2. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 22 June, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

3. Unbalanced and Unapproved Budget

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.52,489,140 and Kshs.53,006,190 in respect to approved revenue and expenditure respectively resulting to a variance of Kshs.517,050 contrary to Regulations 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget revenue and expenditure appropriations shall be balanced.

Further, review of the Board of Managements' minutes revealed that the budget was approved on 27 May, 2021 a month before the end of the financial year. This was contrary to Regulations 40(2) of the Public Finance Management (National Government) Regulations, 2015 states that prior to incurring any expenditure under paragraph (1), Accounting Officers shall seek the approval of The National Treasury, and if approval is granted by the Cabinet Secretary, it shall be communicated to the Accounting Officers through a notification which shall be copied to the Auditor-General and the Controller of Budget.

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

4. Lack of Approved Staff Establishment

Management did not have an approved staff establishment and a human resource plan to support achievement of goals and objectives in the strategic plan. Therefore, optimal staffing levels for all cadre of staff have not been established. This was contrary to Section B.2(1)(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires every Ministry/State Department to prepare human resource plans to support achievement of goals and objectives in their strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

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

5. Non-Compliance with the National Cohesion and Integration Act, 2008

Review of personnel records revealed that all the employees were from the same ethnic community. This was contrary to Section 7(2) of National Cohesion and Integration Act, 2008 which provides that the staff establishments of public entities to reflect the diversity of the people of Kenya with least 30% of employees are expected to be from other ethnic communities.

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

6. Excess Supply of Books

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed three thousand and forty-eight (3,048) books to the School while only two thousand four hundred and seventy two (2,472) books were issued to the students, resulting to unexplained excess textbooks of five hundred and seventy six (576) books in the School store.

In the circumstances, value for money on the excess five hundred and seventy-six (576) textbooks could not be confirmed.

7. Failure to Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.6,770,734 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.3,259,000 in respect of infrastructure grants which were to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.1,880,000 was transferred to infrastructure account, leaving a balance of Kshs.1,379,000 as at 30 June, 2021. This is contrary to the Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021 which requires that infrastructure grants as well as maintenance and improvement funds be transferred to the

school infrastructure account fifteen days upon receipt of the funds in the operation account.

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

8. Lack of School Improvement Plan

During the period 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.

9. Shortage of Teachers

The School's records showed that the required number of teachers was thirty eight (38). However, only twenty (20) were in place resulting to a shortfall of eighteen (18).

In the circumstances, the shortage of the teaching resources negatively affected the service delivery to the students.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are complying, 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

Non-Tagging of Fixed Assets

Physical verification of assets done in May, 2024 revealed that the school has several fixed assets that have been acquired over some time and all of the assets have not been coded/tagged with unique identification codes.

In the circumstances, the effectiveness of safeguarding measures for the assets owned by the School could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the 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 following 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 overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 control 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's

ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

17 September, 2024

8 Statement Of Receipts and Payments For the Year Ended 30th June 2021

DESCRIPTION OF YOUTH HEAD		2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	943,165	1,045,745
Capitation grants for operations	2	6,770,734	6,905,836
School Fund Income- Parents' Contributions	3	2,224,754	7,928,693
School Fund Income- Other receipts	4	7,313,190	18,255,639
Proceeds from borrowings		0	0
TOTAL RECEIPTS		17,251,843	34,135,913
PAYMENTS			
Payments for Tuition	5	493,904	1,014,030
Payments for operations	6	3,946,649	5,860,526
Boarding and school fund payments	7	15,376,058	21,013,722
TOTAL PAYMENTS		19,816,611	27,888,278
SURPLUS/DEFICIT		(2,564,768)	6,247,635

The school financial statements were approved on _____ 2021 and signed by:



Name: Francis M. Kimore

Chair BOM

Date: 10/7/24

Name: George G. Mungai

School Principal/ Secretary to
BOM
KAHUGU-INI SEC SCHOOL
P. O. Box 92-01030, GATUNDU

Date: 10/7/24
DATE:.....SIGN:.....



Name: Faith Wangari

Bursar/ Finance Officer





Date: 10/7/24

(Comparative FY refers to the financial year preceding the current financial year.)

10 Statement of Assets and Liabilities For the year ended 30th June 2021

FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	335,900	7,121,386
Cash Balances	9	401,000.00	479,095
Short term Investment	10	-	-
Total Cash and cash equivalent		<u>736,900</u>	<u>7,600,481</u>
Account's receivables	11	14,496,543	14,181,719
TOTAL FINANCIAL ASSETS		15,233,443	21,782,199
FINANCIAL LIABILITIES			
Accounts Payables	12	7,632,097	11,616,085
NET FINANCIAL ASSETS		7,601,346	10,166,114
REPRESENTED BY			
Accumulated Fund b/fwd	13	10,166,114	3,918,479
Surplus/Deficit for the year		(2,564,768)	6,247,635
NET FINANCIAL POSITION		7,601,346	10,166,114

The school's financial statements were approved on _____ 2021 and signed by:

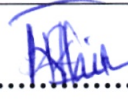
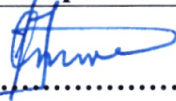
 Name: Francis M. Kimore Chair BOM Date: 10/7/24	 Name: George G. Mungai School Principal/ Secretary to BOM KAHUGU-INI SEC SCHOOL P. O. Box 92-01030, GATUNDU Date: 10/7/24 SIGN: 	 Name: Faith Wangari Bursar/ Finance Officer Date: 10/7/24
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(Comparative FY refers to the financial year preceding the current Financial year.)

11 Statement of Cash Flows for the Year Ended 30th June 2021

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	943,165	1,045,745
Capitation grants for operations	2	6,770,734	6,905,836
School fund income- Parents contributions/ fees	3	6,927,030	16,012,454
School fund income- other receipts	4	2,647,847	8,808,905
Total receipts		17,288,776	32,772,940
Payments			
Payments for Tuition		1,188,774	1,143,000
Payments for operations		3,252,049	7,119,645
Boarding and school fund payments		18,441,483	20,226,735
Total payments		22,882,306	28,489,380
Net cashflow from operating activities		(5,593,530)	4,283,560
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(1,270,050)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(1,270,050)	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(6,863,580)	4,283,560
Cash and cash equivalent at BEGINNING of the year		7,600,481	3,316,921
Cash and cash equivalent at END of the year		736,900	7,600,481

The school's financial statements were approved on _____ 2021 and signed by:



Name: Francis M. Kimore

Name: George G. Mungai

Name: Faith Wangari

Chair BOM

School Principal/ Secretary to
BOM

Bursar/ Finance Officer

Date: 10/7/24

Date: 10/7/24
PRINCIPAL
KAHUGU-INI SEC SCHOOL
P.O. Box 92-01030, GATUNYI
DATE:.....SIGN:.....

Date: 10/7/24

(Comparative FY refers to the financial year preceding the current Financial year.)

12 Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

Revenue/Expenses Item	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on Comparable Basis Kshs	Budget Utilization Difference Kshs	% of Utilization Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	838,200	0	938,200	258,106	580,094	30.8%
Laboratory equipment	746,300	0	946,300	0	246,300	67.0%
Internal exams	22,680	0	22,680	0	22680	0%
Teaching / learning materials	1,986,820	0	1,986,820	684,829	1,301,991	34.5%
Chalks	0	0	0	230	(230)	0%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	4,316,250	0	4,316,250	2,474,012	1,844,338	57.3%
Repairs and maintenance	1,414,500	0	1,414,500	3,271,680	571,820	59.6%
Local transport / travelling	1,374,750	0	1,374,750	341,680	1,033,070	24.9%
Electricity and water	2,363,250	0	2,363,250	341,681	2,021,569	14.5%
Medical	749,250	0	749,250	0	749,250	0%
Administration costs	1,179,000	0	1,179,000	0	1,179,000	0%
Activity	942,000	0	942,000	341,681	600,319	36.3%
Gratuity	0	0	0	0	0	0
Insurance	750,000	0	750,000	0	750,000	0
(3) FEES CHARGED ON PARENTS						

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	
Personnel emoluments	2,325,000	0	2,325,000	561,760	1,763,890	24.0%
Repairs and maintenance	1,800,000	0	1,800,000	492,471	1307,529	27.4%
Local transport / travelling	487,500	0	487,500	186,225	301,275	38%
Electricity and water	3,675,000	0	3,675,000	593,514	3,081,486	16.2%
Medical	75,000	0	75,000	29,210	45,790	38.9%
Administration costs	1,387,500	0	1,387,500	320,309	1,067,191	23.1%
Activity	112,500	0	112,500	41,265	71,235	36.7%
Fee on Boarding Equipment and Stores	20,538,750	0	20,538,750	5,017,100	15,521,650	24%
OTHER INCOME						
P.A Donations	3,620,000	0	3,620,000	1,048,290	2,571,710	29.0%
UNIFORM	0	0	1,247,800	1,247,800	-1,247,800	0
TOTAL INCOME	53,006,160	0	52,489,140	16,592,922	35,896,218	
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	0	0	0	0	0	0
Exercise books	838,200	0	838,200	0	838,200	0%
Laboratory equipment	746,300	0	746,300	181,160	565,140	24%
Internal exams	22,680	0	22,680	0	22,680	0%
Teaching / learning materials	1,986,820	0	1,986,820	310,200	1,676,620	16%
Chalks	0	0	0	0	0	0
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Bank Charges	0	0	0	2,544	0	0

Revenue/Expenditure Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	4,316,250.00	0	4,316,250.00	1,561,766	2,754,484	36%
Repairs, maintenance & improvements	1,414,00.00	0	1,414,00.00	570,800	843,700	40%
Local transport / travelling	1,374,750.00	0	1,374,750.00	0	1,374,750.00	0%
Electricity, water and conservancy	2,363,250	0	2,363,250	226,700	2,136,550	10%
Medical	749,250.00	0	749,250.00	0	749,250.00	0%
Administration costs	1,179,000	0	1,179,000	328,768	850,232	28%
Activity Expenses	942,000.00	0	942,000.00	182,500	759,500	72%
Gratuity	0	0	0	0	0	0
Bank charges	0	0	0	2,065	-2,065	0%
Asset aquisition				1,074,050	-1,074,050	0%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	2,325,000	0	2,325,000	1,029,264	1,295,736	44%
Repairs, maintenance and improvements	1,800,000	0	1,800,000	5,052,908	(3,252,908)	254%
Local transport / travelling	487,500	0	487,500	238,660	248,840	49%
Electricity, water and conservancy	3,675,000	0	3,675,000	0	3,667,115	0%
Medical Expenses	75,000	0	75,000	73,525	1,475	98%
Administration costs	1,387,500	0	1,387,500	605,008	782,492	44%
Activity	112,500	0	112,500	332,550	(220,050)	296%

13 Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14 Notes To The Financial Statements

1 Government Grants for Tuition

	2020-2021 KShs	2019-2020 KShs
Textbooks and reference materials	0	0
Exercise books	258,106	522,625
Laboratory equipment	0	522,625
Internal exams	0	0
Teaching / learning materials	684,829	0
Chalks	230	495
Exams and assessment	0	0
Teachers guides	0	0
Total	943,165	1,045,745

2 Government Grants for Operations

	2020-2021 KShs	2019-2020 KShs
Personnel emoluments	2,474,012	2,723,087
Repairs and maintenance	3,271,680	1,596,374
Local transport / travelling	341,680	495,000
Electricity and water	341,681	798,187
Medical	0	0
Administration costs	0	1,045,688
Activity	341,681	247,500
Total	6,770,734	6,905,836

3 School Fund Income -Parents Contribution/Fees

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	561,760	1,797,003
Repairs and maintenance	492,471	3,001,190
Local transport / travelling	186,225	269,660
Electricity and water	593,514	2,011,219
Medical	29,210	40,440
Administration costs	320,309	749,959
Activity	41,265	59,222
Total	2,224,754	7,928,693

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	5,017,100	11,463,984
COURSES/MOTIVATION	0	1,364,985
UNIFORM	1,247,800	3,456,346
Income P.A donations*	1,048,290	1,970,324
Interest income	0	0
Dividends income	0	0
Total	7,313,190	18,255,639

Notes to the Financial Statements (continued)**5 Tuition payments**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	699,280
Laboratory equipment	181,160	314,750
Internal exams	0	0
Teaching / learning materials	310,200	0

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

Exams and assessment	0	0
Teachers guides	0	0
Administration Costs	0	0
Bank Charges	2,544	0
Total	493,904	1,014,030

6 Operations payments

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,561,766	1,829,731
Service Gratuity	0	0
Administration Cost	328,768	31,100
Repairs and maintenance & improvements	570,800	2,921,054
Local transport / travelling	0	9,500
Electricity and water	226,700	201,000
Medical	0	61,250
Activity Expenses	182,500	806,891
SMASSE	0	0
Insurance Cost	0	0
Bank Charges	2,065	0
Infrastructure	1,074,050	
TOTAL	3,946,649	5,860,526

Notes to the Financial Statements (continued)

7 Boarding And School Fund Payment

	2020-2021	2019-2020
	Kshs	Kshs
B.E.S	6,902,221.	6,543,457
ACTIVITY	332,550	5,763,826
Repairs and maintenance & Improvements	5,052,908	116,607
Electricity and water	0	240,300
Local transport / travelling	238,660	389,601
Medical Expenses	73,525	917,205

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

Administration costs	605,008	2,692,049
Personnel emoluments	1,029,264	22,110
Bank Charges	12,262	0
P.A Donations	1,009,660	876,020
Fee on Boarding Equipment and Stores	0	0
Uniform	0	2,668,000
Insurance Cost (Life Property)	120,000	258,797
Courses/motivation	0	525,750
Loan Interest repayment	0	0
Acquisition of Assets	0	0
TOTAL	15,376,058	21,013,722

Notes to the Financial Statements (continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	004000016696	165,350	(89,041)
Operations Account	004000017599	(290,218)	(173,653)
School Fund Account/Boarding	0660261104161	(742,086)	7,384,079
Infrastructural Account	004000005281	1,202,855	0
Total		335,900	7,121,386

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0	0
Operation Account	213,077	26,827
School Fund account	180,828	452,268
Infrastructural Account	7,095	0
Total	401,000	479,095

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	14,496,543	14,181,719
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	14,496,543	14,181,719

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	528,177	2,732,421
Fees arrears for the previous year	2,519,068	1,870,382
Fees arrears for prior periods (over two years)	11,449,298	9,578,916
Total	14,496,543	14,181,719

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	9,612,792	12,239,725
Prepaid fees	(1,980,695)	(623,640)
Retention monies	0	0
Total	7,632,097	11,616,085

Description	2020-2021	2019-2020
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	Kshs	Kshs
Trade creditors for current year	1,865,181	5,714,682
Trade creditors for the previous year	1,222,568	3,787,710
Trade creditors for prior periods (over two years)	6,525,043	2,737,333
Total	9,612,792	12,239,725

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	335,900	7,121,386
Cash balances	401,000	479,095
Short Term Investments	0	0
Receivables	14,496,543	14,181,718
Payables	(7,632,097)	(11,616,085)
Total	7,601,346	10,166,114

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees	65stems	65,000	65,000
banana Plantation	165stems	165,000	165,000
Poultry		0	0
Others (specify)		0	0
Total		230,000	230,000

16 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	00	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

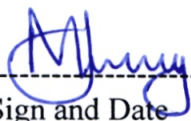
KAHUGUINI BOYS HIGH SCHOOL

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18 Progress On Follow Up Of Auditor Recommendations

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

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

15 Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.ZACHARY MBURU WAMUTWE (ZAWAMU)	920,000	2019-2020	620,000	300,000	300,000	
2.STEPHEN MUTURA	261,290	2018-2020	0	261,290	261,290	
Sub-Total	1,181,290		620,000			
Supply of goods						
1.JOSMAN ENTERPRISES LTD	226,891	2018-2019	0	226,891	226,891	
			0			
Sub-Total	226,891			226,891.00	226,891	
Supply of services						
1.PINCHTECH SYSTEMS	471,000	2019-2020	0	471,000	471,000	
2.JIMTEX COMPUTER SERVICES	606,000	2019-2020		606,000	606,000	
Sub-Total	1,077,000			1,077,000	1,077,000	
Grand Total	1,865,181			1,865,181	1,865,181	
1.						
2.						

Annex 2 – Summary of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost b/f (Kshs) 30th June 2021
Land 1			No valuer			No valuer
Buildings and structures			50,000,000			50,000,000
Motor vehicles			8,000,000			8,000,000
Office equipment, furniture and fittings			5,000,000			5,000,000
ICT Equipment, and Other ICT Assets			1,000,000			1,000,000
Tools and apparatus			1,000,000			1,000,000
Textbooks			1,000,000			1,000,000
Other Machinery and Equipment			3,000,000			3,000,000
Heritage and cultural assets			0			0
Intangible assets- soft ware			200,000			200,000
Total			69,200,000			69,200,000