

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 03 DEC 2024

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OF KENYA
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TABLED
BY:

Hon. Kimani Ichung'och
(Leader of the Majority Party)

OF

CLERK-AT
THE-TABLE:

Anastacia

THE AUDITOR-GENERAL

ON

KIBIKO SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD ENDED
30 JUNE, 2021**

KAJIADO COUNTY



KIBIKO SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021

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

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Annual Report and Financial Statements For the year ended 30th June 2021**I. Key School Information And Management****(a) Background information**

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

The school was registered in 11-7-2002 under registration number Gp/a/2238/2002 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 414 numbers of students as at 30th June 2021. It has 2 streams and 20 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Douglas karanja mwangi	Chairman	June 2019
2	Elizabeth machuma ouma	Secretary - Principal	June 2019
3	Ignitius odhiambo okore	Member	June 2019
4	Catherine mumbi githinji	Member	June 2019
5	Anne kwama	Member	June 2019
6	Margaret kamanda	Member	June 2019
7	Samuel simpanoi ole matura	Member	June 2019
8	Pauline mitau tante	Member – Rep CEB	June 2019
9	Betha wakera mwai	Member Rep Teachers	June 2019
10	Jasper mutengi nkanya	3 Members - Sponsor	June 2019
11	Grace njambi bulali	Member - Community	June 2019
12	Moses waruinga gakure	MemberSpecial Needs	June 2019
13	Benard kinaiya	Member	June 2019

Key School Information and Management (Continued)**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School

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

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	a) Douglas karanja b) Pauline tante c) Benard mereu d) Elizabeth machuma	-chairman -member -deputy chair -PTA chair -principal	5 out of 5
2	Audit Committee	a) Samuel ole matura b) Catherine Githinji c) Margaret kamanda	-chair	3out of3
3	Finance,procurement and general purposes Committee	a) Betha mwai b) Pauline tante c) Benard mereu	-chair	3 out of 3
4	Academic Committee	a) Bernard kinayia b) Mbaabu mwari mburungu c) Rahab Njeri	-chair	2out of 3
5	Development Committee	a) Catherine Githinji b) Douglas karanja c) Charles kamunya d) Benard mereu e) Elizabeth machuma	-chairperson -member -member -PTA chair -principal	3 out of 3

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		f) Rahab njeri	-deputy principal	
6	Discipline and welfare Committee	a) Bernard kinayia b) June njoki c) Rev mary maribei		3out of 3
7	Adhoc Committee (if any during the year)	NONE		

(d) 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	Elizabeth Machuma Ouma	313077
2	Deputy Principal	Rahab Njeri Kiarie	354053
3	School Bursar	Esther kaikai	22979363

(e) Schools contacts

Post Office Box: 492-00208
 Telephone: 0702192199
 E-mail: kibikosschool@gmail.com

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name Of Bank: Absa
 Branch: Karen
 Address: Box 30120-00100 Nairobi
2. Name Of Bank: Absa Bank
 Branch: Ngong
 Address: Box 30120-00100 Nairobi
3. Name Of Bank: Absa Bank
 Branch: Karen
 Address: Box 30120-00100 Nairobi
4. Name OF Bank: Equity Bank
 Branch: Ngong
 Address: Box 75104-00200

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

5. Name Of Bank: Equity Bank
Branch: Ngong

(g) Independent Auditors

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

Annual Report and Financial Statements For the year ended 30th June 2021**II. Summary Report of Performance of the School**

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

a) Financial performance:

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

<i>Period</i>	<i>30TH June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>SURPLUS/DEFICIT</i>	<i>3,367,661</i>	<i>3,184,097</i>	<i>-225,246</i>

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

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>Capitation grants</i>	<i>3,968,314</i>	<i>4,101,576</i>	<i>6,451,235</i>

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

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>Capitation ratio @ student</i>	<i>9,585</i>	<i>9,494</i>	<i>18,485</i>

A three year overview of growth of other incomes earned by the school

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>fees from parents</i>	<i>7,597,201</i>	<i>6,712,304</i>	<i>6,712,304</i>

Annual Report and Financial Statements For the year ended 30th June 2021*- a three-year of growth in expenditure of the school*

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>expenditure</i>	8,258,409	7,524,277	17,051,916

A three-year overview of account receivables

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>Account receivables</i>	6,791,581	3,297,098	3,405,665

A three year overview of account payables

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>Account payable</i>	557,376	1,474,909	6,425,933

Movement of cash and bank balances over the last three years

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>Cash and bank balances</i>	246,297	-111,720	91,531

Teacher Student ratio:

<i>period</i>	<i>30th June 2021</i>	<i>31st December 2020</i>	<i>31st December 2019</i>
<i>Student Enrollment</i>	414	432	349
<i>No. Of teachers</i>	20	20	20
<i>Student Teacher Ratio</i>	1:21	22.1	47:1

KIBIKO SECONDARY SCHOOL

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

b) Mean score in the 2021 KCSE:

YEAR	ENT	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	Z	W	MEAN	M.G	DEV
2021	78							2	3	18	40	6	8	1	0	0	0	3.103	D	+0.243
2020	70							3	8	6	16	31	5	1	0	0	0	2.8551	D-	+0.1361
2019	59					1	0	0	4	11	16	26	1	0	0	0	0	2.9322	D-	0.1697
2018	80						1	1	3	9	26	39	1	0	0	0	0	2.7625	D-	-0.3315
2017	55							2	7	7	15	22	0	2	0	0	0	3.094	D	+0.467

c) Number of Candidates in the 2021 KCSE:

Candidates sitting for KCSE over the last three years

Period	30 TH June 2021	31 ST December 2020	31 ST December 2019
KCSE Candidate	78	70	59

d) Capacity of the school:

Facilities	classrooms	toilets	kitchen	dormitories	Dining hall	laboratory
No.of facilities	14	22	1	2	1	1
No.of students	414	414	414	125	414	414
capacity	1:30	1:19	1:414	1:63	1:414	1:414

Summary Report of the Performance of the School (Continued)

e) Development projects carried out by the school:

<i>PROJECT</i>	<i>YEAR</i>	<i>STATUS</i>	<i>SOURCES OF FUNDS</i>
<i>2 Classes with suspended slab</i>	<i>21/2021-2022</i>	<i>Incomplete</i>	<i>FDSE/Parents</i>

.....
School Principal

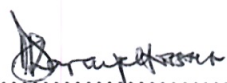
III. Statement Of School Management Responsibility

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

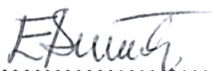
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.



.....
Name: Douglas K. Mwangi

Designation: Chairman, School Board of Management

Date:.....6/9/2024.....



.....
Name: Elizabeth Wambulwa

Designation: School Principal & Secretary to Board of Management

Date:.....6/9/2024.....



.....
Name: Esther Naibini Kaikai

Designation: Accounts clerk/Bursar

Date:.....6/9/2024.....

REPUBLIC OF KENYA



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KIBIKO SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - KAJIADO 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 the Kibiko Secondary School - Kajiado County set out on pages 12 to 27, which comprise of the statement of financial

Report of the Auditor-General on Kibiko Secondary School for the Six (6) Months' Period ended 30 June, 2021 - Kajiado County

assets and financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flows and statement of comparison of budgeted versus actual amounts for the six (6) months' period then ended and 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 Kibiko Secondary School - Kajiado County as at 30 June, 2021 and of its financial performance and its cash flows for the period 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. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.6,791,581 in respect of fees arrears as disclosed in Note 12 to the financial statements. However, included in the balance are receivables amounting to Kshs.2,179,424 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.6,791,581 as at 30 June, 2021 could not be confirmed.

2. Variances in Net Increase in Cash and Cash Equivalents

The statement of cashflows reflects net increase in cash and cash equivalents of Kshs.(203,251) for year 2019/2020. However, statement of financial assets and financial liabilities reflects accounts receivables of Kshs.4,699,469 and accounts payables of Kshs.1,474,909 respectively for 2019/2020. This represents increase/decrease in accounts receivables and payables of Kshs.4,699,469 and Kshs.1,474,909 which was not applied to adjusted for net increase in cash and cash equivalents amounts of Kshs.(203,251) for year 2019/2020.

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

3. Inaccuracies of Statement of Budgeted Versus Actual

The statement of budgeted versus actual reflects total income final budget and actual on a comparable basis of Kshs.11,393,815 and Kshs.7,854,952 respectively. However,

recomputed final budget amount is Kshs.11,392,815 resulting in unexplained variance of Kshs.3,538,863.

Further, the statement reflects budget utilization of total income of Kshs.3,538,862. However, recomputed amounts is Kshs.10,416,891.45 resulting in unexplained variance of Kshs.6,878,029.45.

In the circumstances, the accuracy and completeness of statement of budgeted versus actual reflects as at 30 June, 2021 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.11,393,815 and Kshs.7,854,952 respectively, resulting to an under-funding of Kshs.3,538,863 or 31% of the budget. However, the School spent a balance of Kshs.6,167,895 against actual receipts of Kshs.7,854,953 resulting to an under-utilization of Kshs.1,687,058 or 22 % of actual receipts.

The under-funding and under-utilization 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 and 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.4,590,079 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.50,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.50,000 could not be confirmed.

2. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 9 May, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.No. 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. Failure to Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,489,517 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.1,656,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no amounts were transferred to infrastructure account, leaving a balance of Kshs.1,656,000 as at 30 June, 2021. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.4,028,869. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2020/2021, NEMIS reflected two thousands four hundred and thirty four (2,434) students while records from the School had two thousands four hundred and eighty (2,480) students, resulting to an underfunding of the School by Kshs.3,019. This was contrary to the Ministry of Education Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE 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. Failure to Maintain Updated Fixed Assets Register

Annex 2 to the financial statements on summary of fixed asset register reflects a list of assets owned by the School. However, the register does not indicate; historical cost of assets brought forward as at 1 July, 2020, additions, disposals during the period,

depreciation or write offs and the current net book value of the total assets owned by the School as at 30 June, 2021.

In the circumstances, the summary of the fixed asset does not reflect true position of the assets of the School as at 30 June, 2021.

2. Lack of Internal Audit Function

During the period under review, the School had not constituted an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity 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.

3. Lack of Information Technology Operational Policies

Review of documents revealed that the School did not put in place key information technology operational policies including; anti-virus, information technology strategic committee and steering committee, disaster recovery plan, documented emergency procedure, fire extinguishers and fire suppression systems and an Information technology policy to ensure data confidentiality, integrity and availability to enable it improve on its service delivery.

In the circumstances, existence of effective management of resources could not be confirmed.

4. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with nil balances in respect of fixed assets which includes land, buildings and structure, office furniture and fittings, ICT Equipment, tools and apparatus, textbooks and other machinery and intangible assets which have no estimated values. In addition, land ownership documents were not provided for audit.

In the circumstances, the accuracy, completeness, ownership and safe custody of 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 effective processes and systems of internal controls, risk management and overall governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as Management determines is necessary to enable the preparation of the 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's or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional 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 controls.
- 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 controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

24 October, 2024

KIBIKO SECONDARY SCHOOL

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

V. Statement Of Receipts And Payments Period To 30th June 2021

Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	539,352	647,901
Capitation grants for operations	2	3,489,517	4,303,675
Capitation Grant For Infrastructure	3		850,000
School fund income- parents' contributions	4	7,102,201	6,710,480
Other Receipts-School Fund Account	5	0	1,480,634
Total Receipts		11,131,070	13,992,690
Payments			
Payments for tuition	6	506,548	228,048
Payments for operations	7	2,666,782	4,862,253
Infrastructure A/C	8	0	847,364
Boarding and school fund payments	9	4,590,079	4,870,928
Total Payments		7,763,409	10,808,593
Surplus/Deficit		3,367,661	3,184,097

The school financial statements were approved on 6/9/2024 2024 and signed by:



Name: Douglas K. Mwangi

Chair BOM

Date: 6/9/2024



Name: Elizabeth Wambulwa
School Principal/ Secretary to
BOM

Date: 6/9/2024



Name: Esther Naibini
Kaikai


Bursar/ Finance Officer

Date: 6/9/2024

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	242,506	-111,917
Cash balances	11	3,790	197
Total cash and cash equivalent		246,296	-111,720
Account's receivables	12	6,791,581	4,699,469
Total financial assets		7,037,877	4,587,749
Financial liabilities			
Accounts payables	13	557,376	1,474,909
Net financial assets		6,480,501	3,112,840
Represented by			
Accumulated fund b/fwd	14	3,112,840	-71,247
Surplus/deficit for the year		3,367,661	3,184,087
Net financial position		6,480,501	3,112,840

The school's financial statements were approved on 6/9/2024 2024 and signed by:


.....

Name: Douglas K. Mwangi

Chair BOM

Date: 6/9/2024


.....

Name: Elizabeth Wambulwa
School Principal/ Secretary to
BOM

Date: 6/9/2024


.....

Name: Esther Naibini
Kaikai

Bursar/ Accounts Clerk

Date: 6/9/2024

KIBIKO SECONDARY SCHOOL

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

VII. Statement of Cash Flows for The Period Ended 30th June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	539,352	647,901
Capitation grants for operations	2	3,489,517	4,303,675
Capitation grants for Infrastructure	3	0	850,000
School fund income- parents contributions/ fees	4	7,102,201	6,710,480
School fund income- other receipts	5	0	1,480,634
Total receipts		11,131,070	13,992,690
Payments			
Payments for tuition	6	506,548	228,048
Payments for operations	7	2,666,782	4,862,253
Payments for Infrastructure	8	0	847,364
Boarding and school fund payments	9	4,590,079	4,870,928
Total payments		7,763,409	10,808,593
Net cash flow from operating activities		3,367,661	3,184,087
Increase/ (Decrease) in account receivables		(2,092,112)	0
Increase/ (Decrease) in account payables		(917,533)	0
Net cash flow from financing activities		0	0
Net increase in cash and cash equivalents		358,016	-203,251
Cash and cash equivalent at beginning of the year		-111,720	91,531
Cash and cash equivalent at end of the year		246,296	-111,720

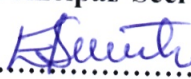
The school's financial statements were approved on 6/9/2024 2024 and signed by:

Name: Douglas K. Mwangi
Chair BOM

Sign: 

Date: 6/9/2024

Name: Elizabeth Wambulwa
School Principal/ Secretary to
BOM

Sign: 

Date: 6/9/2024

Name: Esther Naibini
Kaikai
Bursar/Accounts Clerk

Sign: 

Date: 6/9/2024

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	310,010.00		310,010.00	147,591.00	162,419	47
Teaching / Learning Materials	326,250.00		326,250.00	142,843.00	183,407	43
(2) Capitation Grant on Operations						
Personnel Emoluments	1,653,580		1,653,580.00	823,353	830,227	49
Repairs And Maintenance	1,740,000		1,740,000.00	1,578,772	161,228	90.7
Local Transport / Travelling	531,570		531,570.00	406,585	124,985	76.5
Electricity And Water	311,895		311,895.00	100,826	211,068.45	32
Administration Costs	911,760		911,760	519,425	392,335.	56
Personnel Emoluments	522,000		522,000.00	384,231	137,769	73
Repairs And Maintenance	300,000		300,000	122,905	177,095	41
Local Transport / Travelling	217,500		217,500	136,808	80,720	63
Electricity And Water	275,250		275,250	133,780.00	141,470	49
Administration Costs	243,000		243,000.00	132,192.00	110,808	55
Activity	75,000		75,000.00	14,956.00	60,044	20
Fee On Boarding Equipment and Stores	3,975,000		3,975,000.00	3,210,684.00	7643,316	80
Total Income	11,393,815		11,393,815.00	7,854,952.65	3,538,862.35	69
(1) Expenditure For Tuition						

KIBIKO SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Textbooks And Reference Materials	0	0	0	0	0	0
Exercise Books	310,010	0	310,010	125,000	185,010	40
Laboratory Equipment	261,000	0	261,000	134,000	127,000	51
Teaching / Learning Materials	326,250	0	326,250	70,000	256,250	21
Exams And Assessment	362,500	0	362,500	130,000	232,500	36
Bank Charges	8,547	0	8,547	8,547	0	100
(2) Expenditure For Operations						
Personnel Emoluments	1,599,396	0	1,599,396	934,154	665,242	58
Repairs, Maintenance & Improvements	275,000	0	275,000	155,169	119,831	56
Local Transport / Travelling	420,000	0	420,000	118,742	301,258	28
Electricity, Water and Conservancy	1,156,000	0	1,156,000	664,730	491,270	58
Administration Costs	577,750	0	577,750	480,607	97,143	83
(3) Expenditure For School Fund						
Personnel Emoluments	80,000	0	80,000	42,824	37,176	54
Repairs, Maintenance and Improvements	915,000	0	915,000	849,879	65,121	93
Local Transport / Travelling	84,000	0	84,000	39,550	44,450	47
Electricity, Water and Conservancy	100,000	0	100,000	60,000	40,000	60
Medical Expenses	5,000	0	5,000	1,260	4,874	25
Administration Costs	177,750	0	177,750	112,600	65,150	63
Activity	92,500	0	92,500	50,000	42,500	54
Boarding Equipment and Stores	5,281,585	0	5,281,585	2,207,493	3,074,092	51

KIBIKO SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Bank Charges	20,000	0	20,000	13,740	6,260	69
Totals	12,052,295	0	12,052,295	6,197,895	5,854,399	51

- i. Underutilization is due to ½ year period.i.e six months 1st January 2021- 30th June 2021
- ii. The other ½ was utilized 2021-2022 after the change of school financial year.

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

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

KIBIKO SECONDARY SCHOOL

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

X. Notes To the Financial Statements

1 Capitation Grant for Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
TUITION(S.E.S)	248,918	401
Exercise Books	147,591	0
Teaching / Learning Materials	142,843	647,500
Total	539,352	647,901

2 Capitation Grant for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	823,353	1,487,657
Repairs And Maintenance	1,578,772	750,000
Local Transport / Travelling	406,586	193,900
Electricity And Water	100,827	387,959
Administration Costs	519,425	403,959
Activity	0	160,000
medical	0	70,000
Bank charges	0	200
Infrastructure	0	850,000
Salary advance	16,554	0
NSSF	40,000	0
Welfare	4,000	
Total	3,489,517	4,303,675

3 Capitation Grant for Infrastructure

Description	2020-2021	2019-2020
	Kshs	Kshs
Labour Charges	0	100,000
Building Materials	0	750,000
TOTALS	0	850,000

4. Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	384,231	674,458
Repairs and maintenance	122,905	209,244
Local transport / travelling	136,808	223,832
Electricity and water	133,780	226,520
Fees on BES	3,133,476	5,119,338
Administration costs	132,192	230,132
Activity	14,956	26,956
Accounts Receivable	2,179,424	0
Prepaid fees b/f	215,397	0
Caution money	1,800	0
Salary Advance	3,000	0
NSSF	30,824	0
Bursary	530,000	0
Welfare	8,000	0
Uniform	75,408	0
Total	7,102,201	6,710,480

5. OTHER RECEIPTS - SCHOOL FUND ACCOUNT

Description	2020-2021	2019-2020
	Kshs	Kshs
Caution Money	0	13,800
Uniform	0	650,156
Salary Advance	0	7,000
NSSF	0	28,812
NHIF	0	4,150
SACCO	0	55,800
Bursary	0	695,092
Bank charges	0	1,824
Welfare	0	24,000
Total	0	1,480,634

KIBIKO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021**Notes to the Financial Statements (Continued)****6. Payments For Tuition**

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition S.E.S	39,000	
Laboratory Equipment	134,000	00
Teaching / Learning Materials	70,000	154,800
Stationeries	125,000	00
Equipment & Stores	130,000	00
Bank Charges	8,548	13,248
Operation A/C	0	60,000
Total	506,548	228,048

Notes to the Financial Statements (Continued)**7 Payments For Operations**

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	934,363	831,988
Administration Cost	480,607	577,334
Repairs And Maintenance & Improvements	155,169	1,845,000
Local Transport / Travelling activity	118,742	12,100
	0	131,300
Electricity And Water	664,730	185,322
Infrastructure	125,300	850,000
Tuition a/c	14,600	0
Boarding a/c	100,000	412,098
Bank Charges	12,717	17,111
Salary advance	16,554	0
Nssf	40,000	0
Welfare	4,000	0
Total	2,666,782	4,862,253

8. PAYMENTS FOR INFRASTRUCTURE

Description	2020-2021	2019-2020
	Kshs	Kshs
Labour Charges	0	45,000
Building Materials	0	801,944
Bank Charges	0	420
TOTALS	0	847,364

Notes To the Financial Statements (Continued)**9. Boarding And School Fund Payments**

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	42,824	793,018
Repairs And Maintenance & Improvements	849,879	657,144
Local Transport / Travelling	39,550	87,555
Electricity And Water	60,000	130,937
Medical Expenses	1,260	0
Administration Costs	112,600	212,260
activity	0	176,900
motivation	10,787	0
Bank Charges	13,740	2,642
uniforms	537,730	300,000
Fee On Boarding Equipment and Stores	2,207,285	1,695,619
TLM	22,100	0
KSSHA FEE	50,000	0
Tuition A/C	70,500	0
Bursary	530,000	695,092
Salary advance	3,000	7,000
NSSF	30,824	28,811
NHIF	0	4,150
SACCO	0	55,800
Welfare	8,000	24,000
Total	4,590,079	4,870,928

KIBIKO SECONDARY SCHOOL

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

Notes to the Financial Statements (Continued)

10 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	ABSA BANK 0651018307	39,578	6,774
Operations Account	ABSA BANK 0651106672	133,854	15,685
School Fund Account/Boarding	ABSA BANK 2021687106	68,848	-137,012
Infrastructural Account	EQUITY BANK 0730279602485	226	2,636
Total		242,506	-111,917

11 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Operation Account	2,833	0
School Fund account	957	197
Total	3,790	197

Notes to the Financial Statements (Continued)

12 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	6,791,581	4,699,469
Debtors	0	0
Total	6,791,581	4,699,469

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	2,977,682	1,721,787
Fees Arrears For The Previous Year	1,721,787	3,297,098
Add:arrears over two years	2,179,424	0
Less:recoveries during the year	-87,312	-319,416
Total	6,791,581	4,699,469

13 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors	60,160	1,474,909
Prepaid Fees	497,216	0
Total	557,376	1,474,909

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year	0	1,087,200
Trade Creditors for The Previous Year	1,259,512	3,437,279
Trade Creditors for Prior Periods (Over Two Years)	0	215,399
Less: creditors paid during the year	-1,199,352	-2,883,478
Less: prepayments paid during the year		-381,491
Total	60,160	1,474,909

Notes To the Financial Statements (Continued)**14 Fund Balance Brought Forward**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	-111,917	89,877
Cash Balances	197	1,654
Receivables	4,699,469	-3,297,098
Payables	-1,474,909	3,134,320
Total	3,112,840	-71,247

Other important disclosure notes

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

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Trees	500	500,000	500,000
Total	500	500,000	500,000

KIBIKO SECONDARY SCHOOL

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

Other important disclosure notes

The financial statements were prepared as per Government fiscal year after it was changed from calendar year as IPSAS

16 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	10,000	0
Stock/ inventory purchased during the year	3,859,390	1,850,419
Stock/ inventory issued during the year	3,860,000	1,850,419
Balance at end of the year	9,390	0

KIBIKO SECONDARY SCHOOL

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

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.	0					
2.	0					
3.	0					
Sub-Total	0					
Supply Of Goods						
4.	0					
5.	0					
6.	0					
Sub-Total	0					
Supply Of Services						
7.	0					
8.	0					
9.	0					
Sub-Total	0					
Grand Total						

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 2022
Land	1987					
Buildings And Structures		Ngong hills				
Office Equipment, Furniture And Fittings		NGONG HILLS				
ICT Equipment		Ngong hills				
Tools And Apparatus		NGONG HILLS				
Textpbooks		NGONG HILLS				
Intangible Assets- Soft Ware	2010	Ngong hills				
Total						