

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

TABLED
BY:

HON. WADMI WAGO, MP

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OF
CLERK-AT
THE TABLE:

ESTHER NGENYO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

KAMBI MAWE HIGH SCHOOL

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

MAKUENI COUNTY

Revised 30th June 2022

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

10 AUG 2024

RECEIVED



KAMBI MAWE HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022



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KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

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KAMBI MAWE HIGH SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 2/2013 under registration number pul/1/160078/13 and is currently categorized as a sub county public school established, owned or operated by the Government.

The school is a day/boarding school and had 261 number of students as at 30th June 2022. It has 2 streams and 15 teachers of which 2 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	Nashon Thanbu	Chairman	19.07.2019
2	Jackson Mutuku	Secretary- Principal	19.07.2019
3	Benson Katiku	Sponsor	19.07.2019
4	Stephen Muli	Member	19.07.2019
5	Benard Masyula	Member	19.07.2019
6	Festus Ngwili	Sponsor	19.07.2019
7	Julius Wambua	Member	19.07.2019
8	Ramadhan Masila	Member – Rep CEB	19.07.2019
9	Cecilia Muthini	Member Rep Teachers	19.07.2019
10	Festus Solo	3 Members - Sponsor	19.07.2019
11	Stella Nzioka	Member - Community	19.07.2019
12	Justina Katiku	Member Special Needs	19.07.2019
13	Samuel Maundu Makumi	Rep Students	19.07.2019

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref	Name Of Committee	Names Of Members	Designation	Number Of Meetings Attended During The Year
2	Executive Committee	1. Nashon Thambu	Chairman	2 out of 2
		2. Zachariah Mwanza	Member	2 out of 2
		3. Jackson Mutuku	Secretary	2 out of 2
		4. Ruth Mbithi	Member	2 out of 2
		5. Stephen Muli	Vice Chairman	2 out of 2
		6. Wambua Julius	Member	2 out of 2
4	Audit Committee	1. Nashon Thambu	Chairman	1out of 1
		2. Zachariah Mwanza	Member	1out of 1
		3. Jackson Mutuku	Secretary	1out of 1
		4. Ruth Mbithi	Member	1out of 1
		5. Stephen Muli	Vice Chairman	1out of 1
3	Finance,Procurement And General Purposes Committee	1. Nashon Thambu	Chairman	2 out of 2
		2. Zachariah Mwanza	Member	2 out of 2
		3. Jackson Mutuku	Secretary	2 out of 2
		4. Ruth Mbithi	Member	2 out of 2
		5. Stephen Muli	Member	2 out of 2
3	Academic Committee	1. Noah Ngumu	Chairman	2 out of 2
		2. Jackson Mutuku	Secretary	2 out of 2
		3. Cecilia Muthini	Member	2 out of 2
		4. Stephen Muli	Member	2 out of 2
		5. Ramadhan Masila	Member	2 out of 2

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

1	Development Committee	1. Robert Kalanzo	Chairman	2 out of 2
		2. Mr Mutuku	Secretary	2 out of 2
		3. Stephen Muli	Vice Chairman	2 out of 2
		4. Purity Mutuku	Member	2 out of 2
		5. Mrs Mwinzi	Deputy Principal	2 out of 2
		6. Mrs. Muthini	Senior Teacher	2 out of 2
6	Discipline And Welfare Committee	1. Robert Kalanzo	Chairman	2 out of 2
		2. Mr Mutuku	Secretary	2 out of 2
		3. Stephen Muli	Member	2 out of 2
		4. Purity Mutuku	Member	2 out of 2
		5. Mrs Mwinzi	Deputy principal	2 out of 2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Jackson Mutuku	322227
2	Deputy Principal	Eunice Mwinzi	407320
3	School Bursar	Alphonse Musau	ID NO 28883575

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: PO box 28-90300
Telephone: 0715534422
E-mail: kambimaweboyssecondary@gmail.com

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

1. **Account Name:** **Kambi mawe Boys –Operation Account**
Name of Bank: KCB
Branch: WOTE
Account Number: 1141300842

2. **Account Name:** **Kambi mawe boys –Boarding Account**
Name of Bank: Equity
Branch: WOTE
Account Number: 0670277089361

3. **Account Name:** **Kambi mawe boys –Tuition Account**
Name of bank: KCB
Branch: WOTE
Account Number: 1141300761

4. **Account Name:** **Kambi mawe boys -infrastructure**
Name of bank: EQUITY
Branch: WOTE
Account Number: 0670279650194

5. **Account Name:** **Kambi mawe boys -CDF account**
Name of bank: KCB
Branch: WOTE
Account Number: 1137158751

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended *30th June 2022*

(g) Independent Auditors

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

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

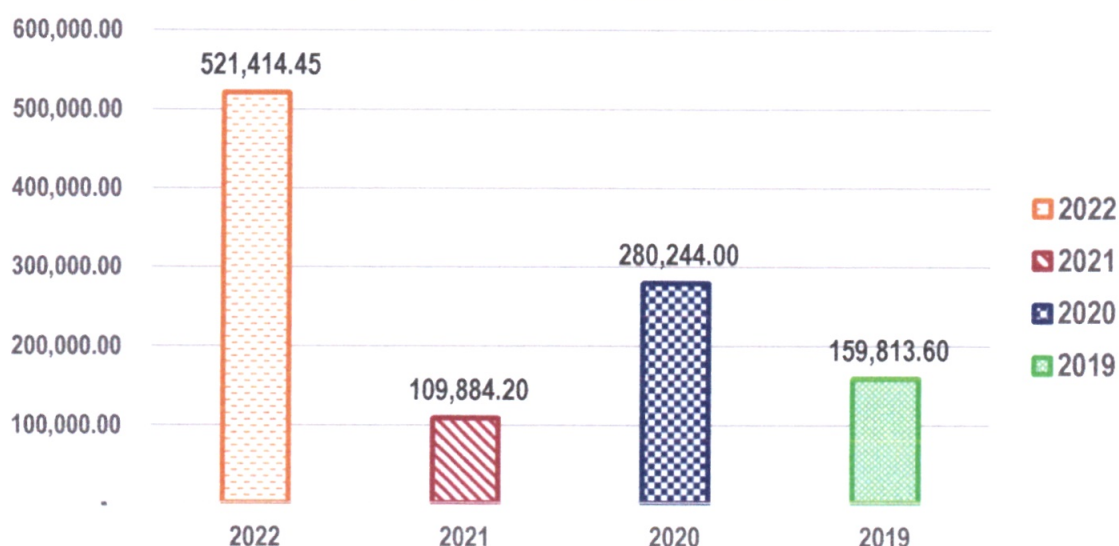
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(i) Surplus/ deficit for the year and a comparison of the same for the last three years

Particulars	2022	2021	2020	2019
Tuition	(88,212.00)	247,710.25	149,709	(159,793)
Operation	533,543.00	248,807.05	39,387	305,112.40
Boarding & Lunch	357,429.15	109994	90,698	(305,133)
Infrastructure	336,410.00	0	0	0
Total Growth	521,414.45	109,884.20	(280,244)	159,813.60

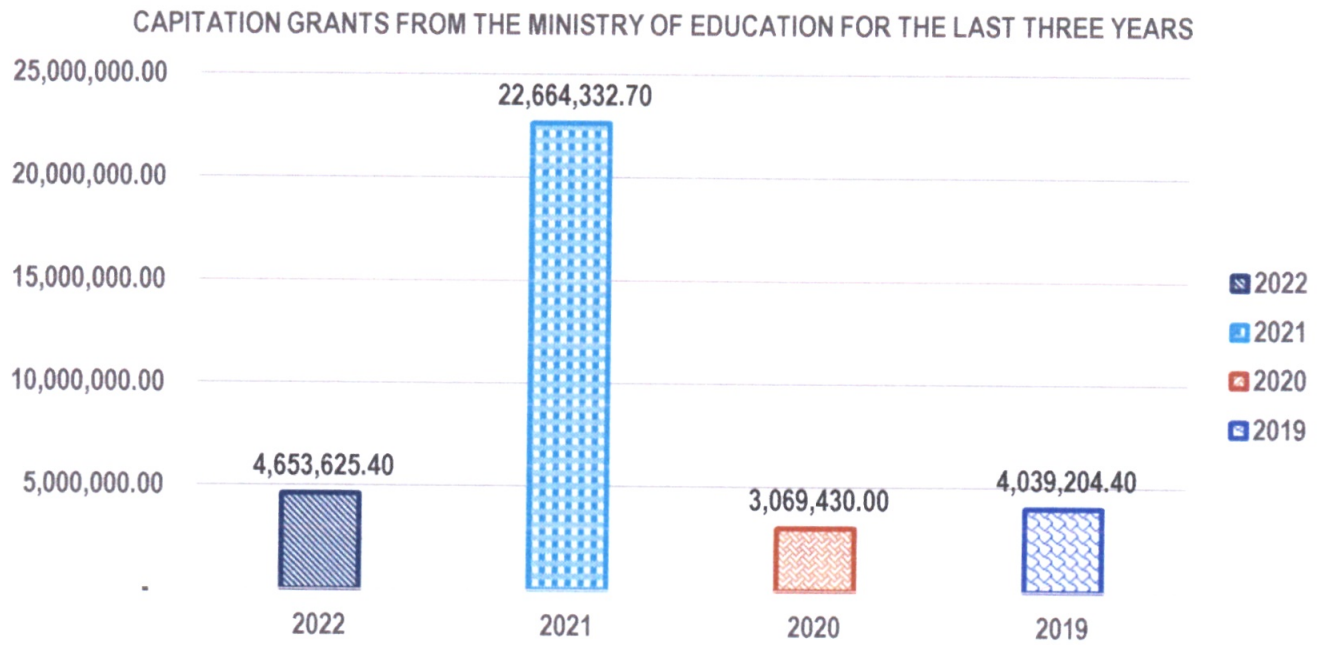
SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS



(ii) Capitation grants from the Ministry of Education for the last three years

Particulars	2022	2021	2020	2019
Tuition	883,955.80	312,070.25	401,344.00	705,032.00
Operation	3,769,669.60	1,954,362.45	2,668,086.00	3,334,172.40
Total	4,653,625.40	22,664,332.70	3,069,430.00	4,039,204.40
Growth		1.6,475	1.11,805.00	1.17,410.00

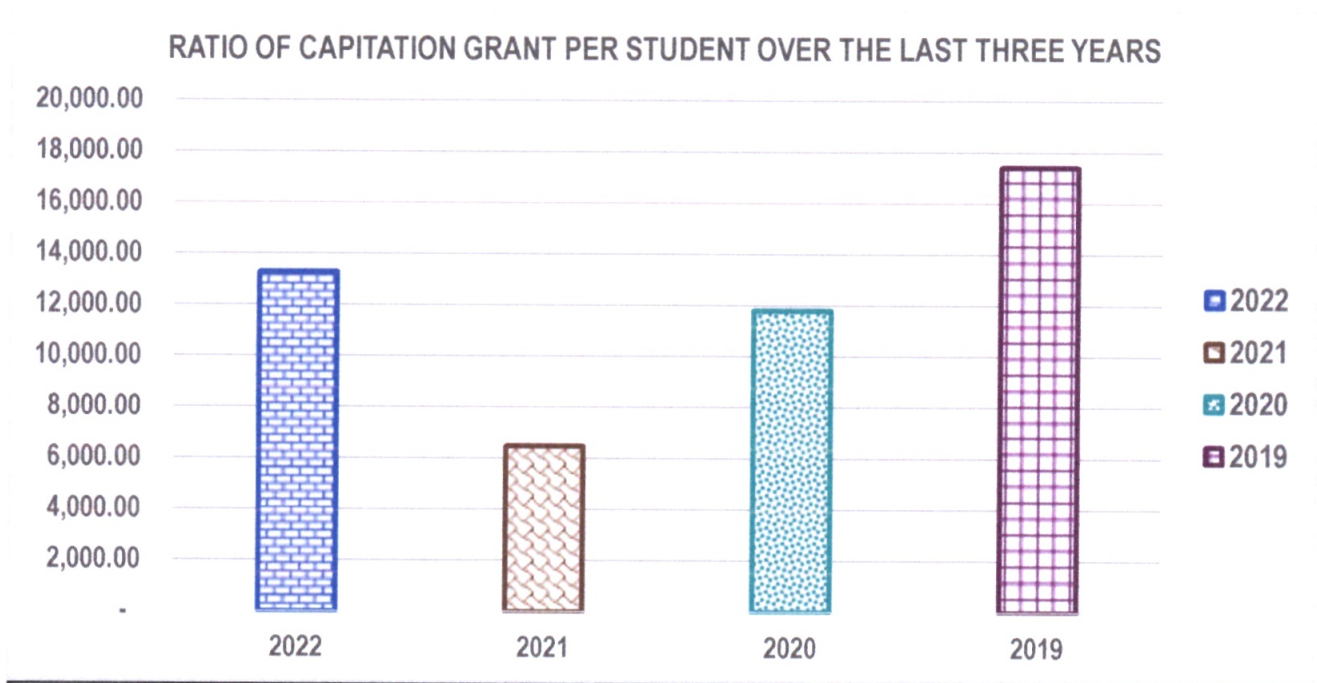
KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022



(iii) *Ratio of capitation grant per student over the last three years*

Particulars	2022	2021	2020	2019
Number of students	350	350	260	232
Ration	1:13296	1:6,475.52	1:11,805	1:17,410

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

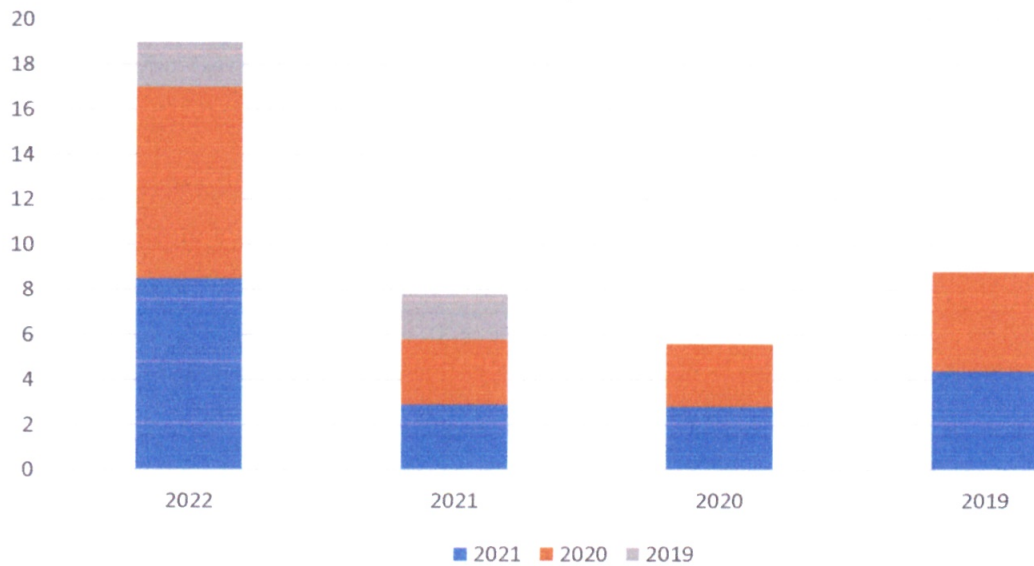


(iv) A three-year overview of growth of other income(s) earned by the school.

PARTICULARS	2022	2021	2020	2019
School fund	8,574,426.00	2,982,144.90	2,831,169.00	4,421,416.00
total	8,574,426.00	2,982,144.90	2,831,169.00	4,421,416.00

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

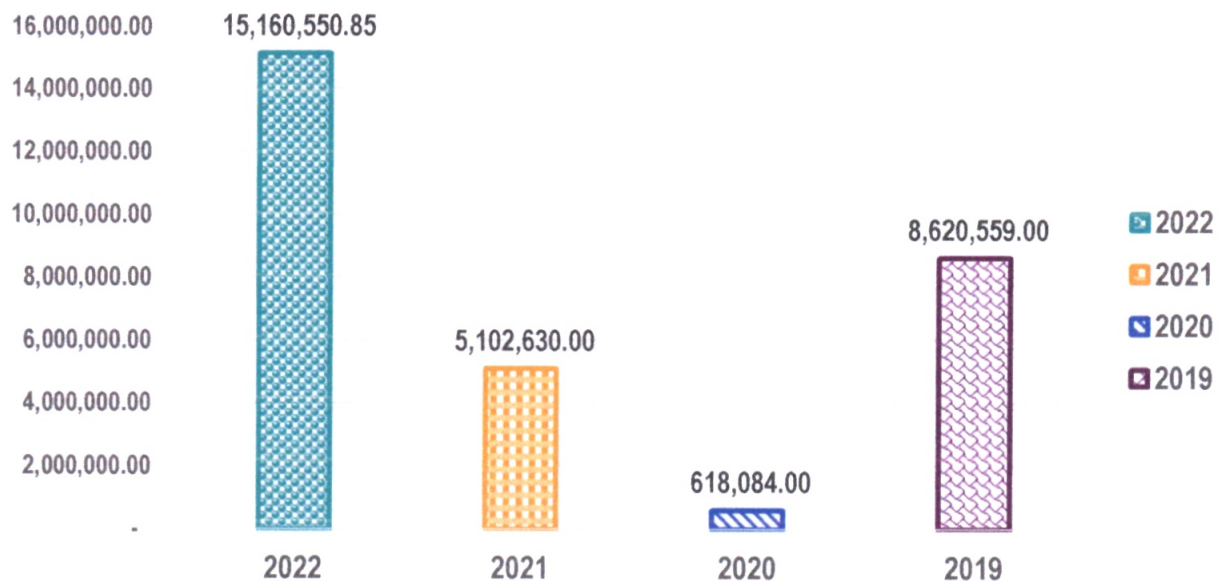
growth of other incomes



(v) A three-year overview of growth in expenditure of the school

Particulars	2022	2021	2020	2019
Tuition	89,277.00	64,360.00	551,053.00	864,825.00
Operation	4,358,812.00	2,239,170.00	2,7079,233.00	3,029,060.00
Boarding & lunch	82,336,996.85	2,799,100.00	2,921,867.00	4,726,674.00
Infrastructure	1,671,965.00	0	0	0
Total	15,160,550.85	5,102,630.00	618,084.00	8,620,559.00

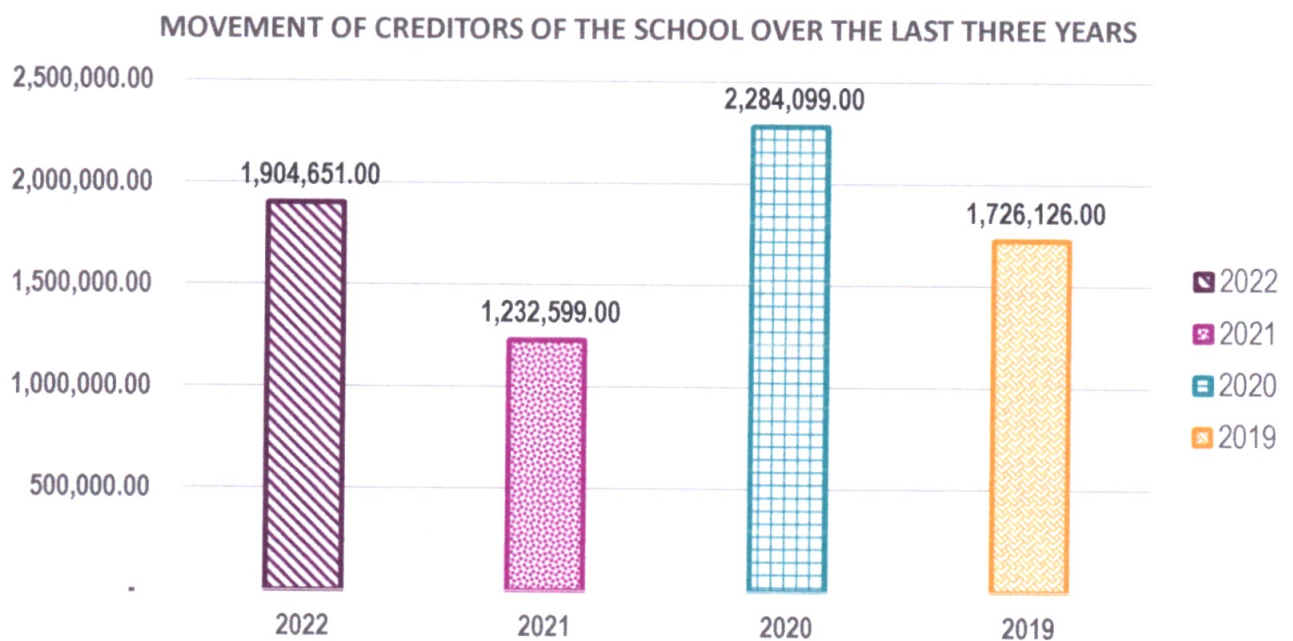
A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL



KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

(vi) Movement of creditors of the school over the last three years

Particulars	2022	2021	2020	2019
Tuition	894,841.00	522,139.00	804,214.00	800,101.00
Operation	23,500.00	562,960.00	562,960.00	161,100.00
Boarding & lunch	813,310.00	147,500.00	916,925.00	764,925.00
Infrastructure	173,000.00	00	0	0
Total	1,904,651.00	1,232,599.00	2,284,099.00	1,726,126.00

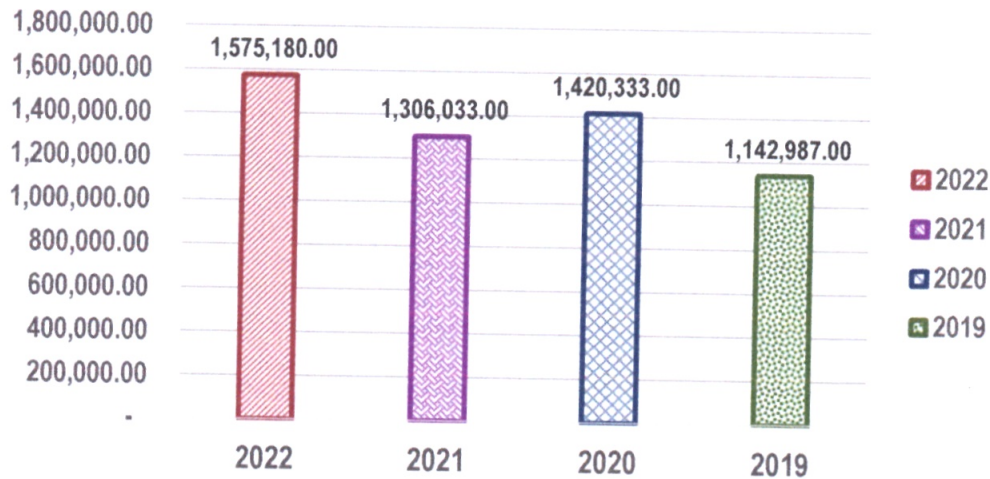


(vii) Movement of debtors of the school over the last three years

Particulars	2022	2021	2020	2019
Boarding & Lunch A/C	1,575,180.00	1,306,033.00	1,420,333.00	1,142,987.00
Total	1,575,180.00	1,306,033.00	1,420,333.00	1,142,987.00

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

MOVEMENTS OF DEBTORS FOR THREE YEARS

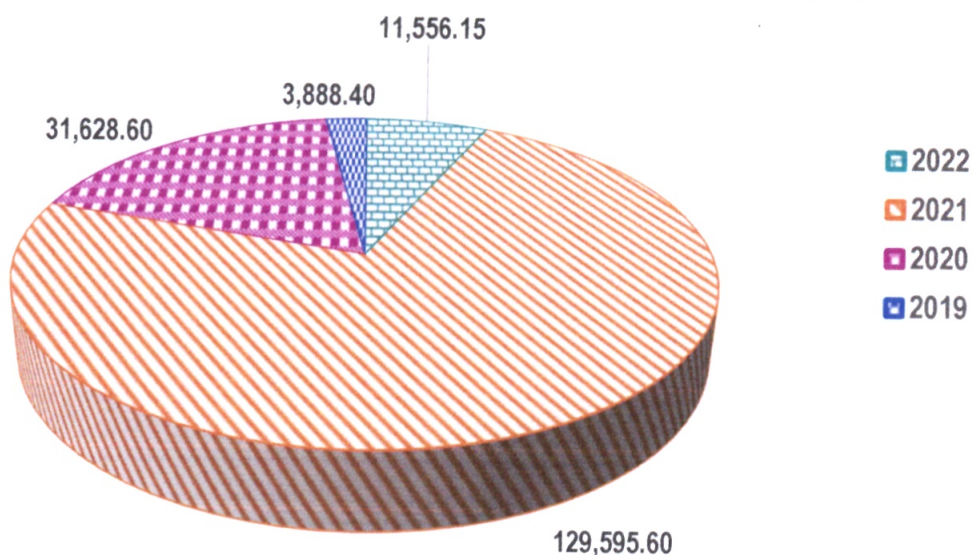


(viii) Movement of cash and bank balances over the last three years

Particulars	2022	2021	2020	2019
Tuition	3,621.75	6,093.95	383.20	979.20
Operation	2,318.85	97,493.75	(34,801.70)	2,175.30
Boarding & lunch	5,576.05	6,807.90	2,789.90	733.90
Infrastructure	40.00	19,200.00	0	0
Total	11,556.15	129,595.60	31,628.60	3,888.40

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS



b) Teacher student ratio for

year	recruited	Posted	transferred	retired	No. Of TSC teachers	No of BOM teachers
2018	2	0	0	0	7	6
2019	2	0	1	0	10	6
2020	0	0	0	1	9	6
2021	2	1	0	0	13	6
2022	0	0	0	0	13	2

C) mean score in the KCSE:

YEAR	NO of students	No of students transitioned to high learning	Mean score	improvement	grade
2018	48	10	2.7	0	D
2019	46	7	2.54	0.16	D
2020	56	28	3.714	1.174	D+
2021	45	24	2.866	(0.174)	D
2022	76	20	3.040	(0.826)	D

D) Number of candidates in

2018	2019	2020	2021
48	46	56	44

e) Capacity of the school facilities

Assets	Number	Capacity Ratio

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

classroom	9	1:40
Dormitories	3	1:2697
Dining hall	0	0
Oblation block/toilets teachers, students, visitors	32	1:11.406
Kitchen	1	1:365
Store	2	1:182.5
Science lab	1	1:365
Computer lab	1	1:365
Mabati store	0	1:352

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

a) Development projects carried out by the school: (on going projects)

<i>PROJECT</i>	<i>source</i>	<i>Estimated cost</i>	<i>Actual costs</i>	<i>Remarks</i>
Fencing of teachers quarters	MOEST	80,000.00	80,000.00	complete
Deputy house finishing	MOEST	85,000.00	50,000.00	Complete
Construction of science lab	MOEST	600,000.00	600,000.00	2024
Extension of kitchen	MOEST	170,000.00	170,000.00	2024
Finishing of two classrooms	MOEST	150,000.00	150,000.00	complete
Construction of new boys dormitory	MOEST	850,000.00	850,000.00	2024
		1,935,000.00	<u>1797465.00</u>	

Sign

School Principal



KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of (*Kambi Mawe 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: Daniel Munywovoo
Designation: Chairman, School Board of Management
Sign: 
Date:

Name: Jackson Mutuku
Designation: School Principal & Secretary to Board of Management
Sign: 
Date:

Name: Alphonse Musau
Designation: Bursar/ Finance Officer
Sign: 
Date:



REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KAMBI MAWE HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MAKUENI 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 intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Kambi Mawe High School – Makueni County set out on pages 1 to 18, which comprise of the statement of receipts

Report of the Auditor-General on Kambi Mawe High School for the year ended 30 June, 2022 – Makueni County

and payments for the year ended 30 June, 2022, the statement of assets and liabilities as at 30 June, 2022, statements of cash flows for the year ended 30 June, 2022, 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 Kambi Mawe High School – Makueni County as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Opinion

1. Inaccuracies of the Financial Statements

Review of the financial statements revealed errors and omissions as detailed below;

- i. The statement of receipts and payments reflects payments for operations of Kshs.4,696,446 which varies with Note 6 to the financial statements Kshs.4,695,222 resulting to an unexplained variance of Kshs.1,224.
- ii. The statement of cash flows reflects payments for operations of Kshs.4,625,919 while Note 6 to the financial statements reflects Kshs.4,695,222 resulting to an unexplained variance of Kshs.69,303.
- iii. The statement of cash flows reflects a Nil amount for school fund income-other receipts while Note 4 to the financial statements reflects Kshs.7,246,174 resulting to an unexplained variance of Kshs.7,246,174.
- iv. The statement of cash flows reflects payment for operations in respect of the previous year (2020/2021) of Kshs.1,626,320 while Note 6 to the financial statements reflects Kshs.2,402,970 resulting to an unexplained variance of Kshs.776,650.
- v. The statement of cash flows reflects boarding and school fund payments in respect of the previous year (2020/2021) Kshs.3,154,274 while Note 7 to the financial statements reflects Kshs.1,682,424 resulting to an unexplained variance of Kshs.1,471,850.

- vi. The statement of cash flows reflects boarding and school fund of Kshs.7,664,738 while Note 7 to the financial statements reflects Kshs.8,236,997 resulting to an unexplained variance of Kshs.572,259.
- vii. Note 6 to the financial statements reflects payments for operations of Kshs.4,695,222 while the recomputed amount is Kshs.4,696,446 resulting to an unexplained variance of Kshs.1,224.
- viii. Note 5 to the financial statements reflects payments for tuition of Kshs.886,428 while the computed amount is Kshs.664,428 resulting to an unexplained variance of Kshs.222,000.
- ix. The statement of cash flows reflects a cash and cash equivalents balance of Kshs.(4,369). However, the balance varied with Kshs.12,496 in the statement of financial assets and financial liabilities resulting to an unexplained variance of Kshs.16,865.
- x. The statement of financial assets and financial liabilities as at 30 June, 2022 reflects a surplus/deficit balance amounting to Kshs.(521,344) which differed from Kshs.(516,219) in the statement of receipts and payments resulting to an unexplained variance of Kshs.1,037,563.
- xi. The statement of financial assets and financial liabilities reflects previous year (2020/2021) surplus balance of Kshs.1,098,824 which varies from Kshs.856,824 reflected in the statement of receipts and payments resulting to an unexplained variance of Kshs.242,000.
- xii. Note 3 to the financial statements reflects previous year (2020/2021) parents contribution/fees-school fund amounting to Kshs.448,224 which differs from the computed amount of Kshs.176,399 resulting to an unexplained variance of Kshs.176,399.
- xiii. Disclosure Notes 11 and 12 to the financial statement in respect of accounts receivables and accounts payables respectively are erroneously reflected as notes 10 and 11 in the statements of financial assets and liabilities.
- xiv. The statement of budgeted versus actual amounts reflects actual capitation grants on tuition, capitation for operations, and other incomes of Kshs.312,070, Kshs.1,990,362 and Kshs.2,957,836 respectively while the statement of receipts and payments reflects Kshs.883,955 Kshs.3,825,270 and Kshs.1,348,252 respectively resulting to an unexplained variances of Kshs.571,885, Kshs.1,834,908 and Kshs.1,609,584 respectively.
- xv. The statement of budgeted versus actual amounts reflects similar receipt and expense items amounts and similar budgeted versus actual totals income and

expenditure balances to those of the statement of budgeted versus actual amounts for the previous year (2020/2021) casting doubt on the preparation of the current years statement.

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

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects receivables balance of Kshs.1,575,180 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.744,534 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 receivable balance.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.744,534 could not be confirmed.

3. Unsupported Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.1,904,651. However, the school did not provide any support documents for the accounts payable including invoices, delivery notes, LPOs/LSOs, interim or completion certificates etc.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.1,904,651 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kambi Mawe High 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 opinion.

Key Audit Matters

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

Other Matters

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements for the on 6 June, 2022 instead of the statutory deadline of 30 September, 2022. 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 which 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.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects capitation grants for operations amount of Kshs.3,825,270. Included in the amount is Kshs.1,384,250 which was to be transferred to the infrastructure account. However, the School only transferred Kshs.782,500 to its infrastructure account leaving a balance of Kshs.601,750 as at 30 June, 2022. This is contrary to 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.

3. Irregular Virement of Funds

The statement of receipts and payments and as disclosed in Note 1 to the financial statements had capitation grants for tuition amount of Kshs.883,956. However, it was noted that the School transferred an amount of Kshs.174,000 from the tuition account to the operations account on diverse dates. This is contrary to the stipulations of the Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 9 January, 2008 and MOE.HQ/3/13/3 dated 16 June, 2021.

In the circumstances, value for money for capitation grants for tuition may not have been achieved.

4. Non-Banking of School Fee Receipts

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflected school fund income-other receipts amount of Kshs.7,246,174. Included in this was school fees is Kshs.4,836,025 received from parents in form of cash that was not promptly banked in the School fund bank account. It was also noted that the cash received was used at source.

In the circumstances, the authenticity and completeness of school fees income could not be confirmed.

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

The statement of receipts and payment and as disclosed in Note 6 to the financial statements reflects payments for operations amount of Kshs.4,696,446. Include in the amount is Kshs.244,559 which was transferred from its operations account to Kenya Secondary Schools Heads Association (KESSHA), a private entity that is not subject to PFM Act, 2012 or any other public finance regulations. 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.244,559 could not be confirmed.

6. Accuracy of Student Enrollment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.4,709,226. Comparison of data from National Education Management and information System (NEMIS) with records from the

school revealed that during the financial year/period 2022, the NEMIS system reported a total number of between 174 to 278 students while the enrolment record provided by Kambi Mawe High School indicated a total of between 215 to 345 students, which resulted in an under funding of the School by Kshs.760,639 during the period ended 30 June, 2022.

In the circumstances, under-funding of the School may have affected service delivery to the students.

7. Failure to Prepare Improvement Plan

During the year/period under review, the School did not have an approved School Improvement Plan, was 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.

8. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.13,303,651 and Kshs.13,819,871 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

9. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.1,904,657. However, the balance includes an amount of Kshs.1,232,599 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

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. Lack of Internal Audit Function and Audit Committee

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

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

2. Failure to Prepare Bank Account Reconciliations

The School management did not submit the bank reconciliation statements of the of the CDF account held and did not submit returns to the National Treasury for year under review. This is contrary to Regulation 90(1) of the PFM (National Government) Regulations, 2015. Additionally, the school did not prepare Board of cash survey report to confirm reported balances.

In the circumstances, the adequacy of internal controls in cash management could not be confirmed.

3. Incomplete Assets Register

Annex 2 to the financial statements reflects a summary of fixed assets register with nil values. Additionally, the assets register provided for audit review lacked mandatory information for both existing and acquired assets including dates of acquisition, persons

responsible, assets' location, assets' values net of depreciation and amortization and current market values.

In the circumstances, the safe custody and ownership of the school's 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 these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue 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 in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

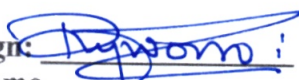
13 November, 2024


KAMBI MAWE HIGH SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022


DESCRIPTION OF VOTE HEAD	Note	2021-2022	june-2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	883,955.80	312,070.25
Capitation grants for operations	2	3,825,269.60	1,954,362.45
School Fund Income- Parents' Contributions	3	1,348,252.00	448,224.00
School Fund Income- Other receipts	4	7,246,174.00	2,533,920.90
TOTAL RECEIPTS		13,303,651.40	5,248,578.60
PAYMENTS			
Payments for Tuition	5	886,428.00	306,360.00
Payments for operations	6	4,696,446.00	2,402,970.00
Boarding and school fund payments	7	8,236,996.85	1,682,424.40
TOTAL PAYMENTS		13,819,870.85	4,391,754.40
SURPLUS/DEFICIT		(516,219.45)	856,824.20

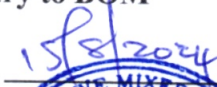
The school financial statements were approved on _____ 2022 and signed by:

Sign: 
 Name _____
 Chair BOM
 Daniel Munywovoo

Sign: 
 Name _____
 Jackson Mutuku
 School Principal/
 Secretary to BOM

Sign: 
 Name _____
 Bursar/ Alphonse Musau
 Finance Office

Date: 

Date: 

Date: _____





KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended *30th June 2022*

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

	Note	2021-2022 Kshs	June -2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	12,495.65	105,185.10
Cash Balances	9	0	25,750.00
Short term Investment	10	0	0
Total Cash and cash equivalent		12,495.65	<u>130,935.10</u>
Account's receivables	10	1,575,180.00	1,306,033.00
TOTAL FINANCIAL ASSETS		1,587,675.65	1,436,968.10
FINANCIAL LIABILITIES			
Accounts Payables	11	1,904,651.00	1,232,599.00
NET FINANCIAL ASSETS		(316,975.35)	204,369.10
REPRESENTED BY			
Accumulated Fund b/fwd	12	204,369.10	(895,394.10)
Surplus/Deficit for the year		(521,344.45)	1,098,824.20
NET FINANCIAL POSITION		(316,975.35)	204,369.10

The School's financial statements were approved on _____ 2022 and signed by:

Sign: 
Name _____
Chair BOM
Daniel Munywovoo

Sign: 
Name _____
School Principal/
Secretary to BOM

Sign: 
Name _____
Bursar/ Alphonse Musau
Finance Office

Date: 15/8/2022

Date: 15/8/2024

Date: _____



KAMBI MAWE HIGH SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

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

		2021-2022	june-2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	883,955.80	312,070.25
Capitation grants for operations	2	3,825,269.60	1,954,362.45
School fund income- Parents contributions/ fees	3	1,348,252.00	448,225.00
School fund income- other receipts	4		2,533,920.90
Total receipts		13,303,651.40	5,248,578.60
Payments			
Payments for Tuition		886,428.00	306,360.00
Payments for operations		4,625,919.00	1,626,320.00
Boarding and school fund payments		7,664,738.35	3,154,273.50
Total payments		13,177,085.35	5,086,953.50
Net cash flow from operating activities		126,566.05	161,625.10
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			0
Acquisition of Assets			0
Proceeds from investments			0
Purchase of investments			0
Net cash flows from Investing Activities			0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			0
Repayment of principal borrowings			0
Net cash flow from financing activities			0
NET INCREASE IN CASH AND CASH EQUIVALENTS		(126,566.05)	161,625.10
Cash and cash equivalent at BEGINNING of the year		130,935.10	(30,689.10)
Cash and cash equivalent at END of the year		(4369.05)	130,935.10

KAMBI MAWE HIGH SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

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

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	0	0	0	0	0	0
Exercise books t/learning	1,450,400	725,200	725,200	312,070	413,129.75	43%
Laboratory equipment	0	0	0	0	0	0
Internal exams	0	0	0	0	0	0
Teaching / learning materials	L	0	0	0	0	0
Chalks	0	0	0	0	0	0
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0
Sub total	1,450,400	725,200	725,200	312,070.25	413,129.75	43%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	175,000	875,000	875,000	953,185	(78,185)	108%
Local transport / travelling	0	0	0	0	0	
Electricity and water & other votehead	3,290,000	1,645,000	1,645,000	103177.45	607,822.55	63%
Administration costs & other votehead						
Activity	525,000	262,500	262,500		262,500	
SMASSE	70,000	3,500	35,000	0	350,000	
Sub total	6,335,000	3,167,500	3,167,500	1,990,362.45	117,7137.55	62%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	840,000	420,000	420,000	117,660	302,340	28%

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

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
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Activity	0	0	0	0	0	0
activity	52,500	26,250	26,250	28,537	2,287	108%
lunch	6,820,500	3,412,500	3,492,500	25,096,12	982,888	33%
OTHER INCOME						
Rent income & Bes	8,032,500	4,016,250	4,016,250	2,509,612	4,919,138	33%
Income from farming activities	0	0	0	0	0	0
Insurance compensation	0	0	0	0	0	0
Income from Posho mill	0	0	0	0	0	0
Income from Bus Hire	0	0	0	0	0	0
Fee for hire of ground and other votehead	3,325,000	1,662,500	1,662,500	302,027	1,360,473	18%
Sub-total	19,075,000	9,537,500	9,537,500	2,957,836	6,579,664	31%
Income from any other investment	0	0	0	0	0	0
TOTAL INCOME	26,860,400	13,430,200	13,430,200	5,260,268.70	12,904,131.30	39%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	145,400	725,200	725,200	64,000	661,200	8%
Laboratory equipment						
Internal exams	0	0	0	0	0	0
Teaching / learning materials	0	0	0	0	0	0
Chalks	1,450,400	725,200	725,200	64,000	661,200	8%
Exams and assessment	0	0	0	0	0	0
Teachers guides	0	0	0	0	0	0

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

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
Administration costs	0	0	0	0		
Bank Charges	1,450,400	725,200	725,200	64,000	661,200	8%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	0	0	0	0	0	0
Repairs, maintenance & improvements	1,750,000	875,000	875,000	917,185	42,185	104%
Local transport / travelling	0	0	0	0	0	0
Electricity, water and conservancy	329,000	1,645,000	1,645,000	1,260,005	384,995	76%
Medical	700,000	350,000	350,000	0	350,000	0
Administration costs						
Activity Expenses	525,000	262,500	261,500	61,500	201,000	23%
Gratuity	0	0	0	0	0	0
SMASSE	70,000	35,000	35,000	0	35,000	0
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	0	0	0	0	0	0
Repairs, maintenance and improvements	840,000	420,000	420,000	154,700	265,300	36%
Local transport / travelling	0	0	0	0	0	0
Electricity, water and conservancy	0	0	0	0	0	0
Medical Expenses & other vote head	3,325,000	1,662,500	1,662,500	346,932	1,315,568	20%
Administration costs						
Activity	52,500	26,250	26,250	33,500	7,250	127%
Gratuity	0	0	0	0	0	0
Lunch programme	6,825,000	3,412,500	3,412,500	1,122,983	2,289,517	15%
Boarding Equipment and Stores	0	0	0	0	0	0

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

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
Expenditure for Income Generating Activity	0	0	0	0	0	0
Insurance costs	0	0	0	0	0	0
Other expenses on investments	0	0	0	0	0	0
Rent Expenses	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
Loan Interest Repayment	0	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0	0
Acquisition of Assets	0	0	0	0	0	0
TOTALS	19,075,000	9,537,500	9,537,500	1,658,115	7,879,385	29%
Total Expenditure	26,860,400	13,430,200	13,430,200	3,960,825	94,69,395	29%

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.

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	june-2021
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	0
Laboratory equipment	0	0
Internal exams	0	0
Teaching / learning materials	883,955.80	312,070.25
Chalks	0	0
Exams and assessment	0	0
Teachers guides	0	0
Total	883,955.80	312,070.25

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	june-2021
	Kshs	Kshs
Personnel emoluments	0	0
Repairs and maintenance	1,335,555	0
Local transport / travelling	0	0
Electricity and water other vote heads	2,434,114.60	1,954,362.45
Medical	55600	0
Administration costs	0	0
Activity	0	0
Total	3,825,269.60	1,954,362.45

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	june-2021
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	333,184.00	117,660.00
Other vote head	914434.00	302,02.00
Electricity and water	0	0
Medical	0	0
Administration costs	0	0
Activity	100,634.00	28,537.00
Total	1,348,252.00	448,224.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	1 st july june 2022	june-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	7,246,174.00	2,509,920.90
Rent income	0	0
Income from farming activities	0	0
Insurance compensation	0	0
Income from Posho mill	0	0
Income from Bus Hire		24,000.00
Fee for hire of ground and equipment	0	0
Income from grants and donations*	0	0
Interest income		0
Dividends income	0	0
Total	7,246,174.00	2533920.90

5 PAYMENTS FOR TUITION

	2021-2022	june-2021
	Kshs	Kshs
Textbooks and reference materials	0	30,000.00
Exercise books	50,000.00	50,000.00
Laboratory equipment	375,000.00	80,000.00
Internal exams	0	15,000.00
Teaching / learning materials	63,000.00	20,000.00
Chalks		0
Exams and assessment	0	0
Operations a/c	174,000.00	111,000.00
Administration Costs		0
Bank Charges	2,428.00	360.00
Total	886,428.00	306,360

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021-2021	june-2021
	Kshs	Kshs
Personnel emoluments	922,300.00	0
OTHER VOTE HEAD	0	1,224,005.00
Administration Cost	1,417,298.00	0
Repairs and maintenance & improvements	0	0
Local transport / travelling	235,750.00	0
Electricity and water & other vote head	288,259	0
Medical	84,800.00	0
Activity Expenses	74,850.00	61,500.00
SMASSE	0	0
Infrastructure	1,671,965.00	1,116,985
Bank Charges	1,224	480
Sub total	4,695,222.00	2,402,970

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	june-2021
	Kshs	Kshs
Personnel emoluments		0
Service Gratuity		0
Repairs and maintenance & Improvements	257,380.00	154,700.00
Local transport / travelling		0
Medical Expenses		0
Activities		33,500.00
Lunch Programme		0
other vote head	1,088,692.00	346,932.00
Expenses on Income Generating Activities		0
Fee on Boarding Equipment and Stores	6,882,821.00	1,122,983.00
Rent Expenses bursary		24,000.00
b/ charges	8,103.85	308.40
Loan Principal repayment		
Sub total	8,236,996.85	1,682,424.40

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Annual Report and Financial Statements For the year ended *30th June 2022*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	june-2021
		Kshs	Kshs
Tuition Account	1141300761	3,621.75	6,093.95
Operations Account	1141300842	2,318.35	97,493.75
School Fund Account/Boarding	0670277089361	5,576.05	447.70
Savings Account			0
Parent Association Development Account			0
Income generating activities Account			0
Infrastructural Account	06702799650194	40.00	210.00
CDF		939.50	939.50
Total		12,495.65	105,185.10

9 CASH IN HAND

Description	2021-2022	june-2021
	Kshs	Kshs
Tuition Account	0	0
Operation Account	0	0
School Fund account	0	6,760.00
infrastructure	0	18,990.00
Total	0	25,750.00

10 SHORT TERM INVESTMENTS

Description	2021-2022	june-2021
	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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021-2022	june-2021
	Kshs	Kshs
Fees arrears	1,575,180	1,306,033.00
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	1,575,180	1,306,033.00

Description	2021-2022	june-2021
	Kshs	Kshs
Fees arrears for current year	394,875.00	435,771.00
Fees arrears for the previous year	435,771.00	427,878.00
Fees arrears for prior periods (over two years)	744,534.00	442,384.00
Total	1,575,180.00	1,306,033.00

12 ACCOUNTS PAYABLE

Description	2021-2022	june-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,904,657.00	1,232,599.00
Prepaid fees	0	0
Retention monies	0	0
Total	1,904,657.00	1,232,599.00

Description	2021-2022	june-2022
	Kshs	Kshs
Trade creditors for current year		0
Trade creditors for the previous year	672,052.00	0
Trade creditors for prior periods (over two years)	1,232,599.00	1,232,599.00
Total	1,904,651.00	1,232,599.00

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	june-2021
	Kshs	Kshs
Bank balances	104,245.60	(34,296.60)
Cash balances	25,750.00	2,668.00
Short Term Investments	0	0
Receivables	1,306,033.00	1,420,333.00
Payables	1,232,599.00	2,284,099.00
Total	203,429.60	895,394.60

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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.

14 Non-current Liabilities Summary

Description	2021/2022	june-2021
		Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	0	0

15 Biological assets

Description		2021-2022	june-2021
			Kshs
Cattle	2	140,000.00	60,000.00
Goats	0	0	0
Trees	0	0	0
Coffee or tea plantation	0	0	0
Poultry	0	0	14,000.00
Total	2	140,000.00	74,000.00

16 Borrowings

Description	2021-2022	june-2021
		KShs
a) Borrowings	0	
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
Balance at end of the year	0	Nil

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Other important disclosure notes

17 Stock/ Inventory

Description		2021-2022	june-2021
		KShs	KShs
b) Borrowings			
Stock/ inventory at beginning of the year		0	0
Stock/ inventory purchased during the year		184,500	165,300
Stock/ inventory issued during the year		0	0
Balance at end of the year		184,500	165,300

KAMBI MAWE HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

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)

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Reports and Financial Statements For the year ended 30th June 2022

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c		
	Kshs	Kshs	Kshs	Kshs	
Construction of buildings	0				
1. Sarbet enterprises	0	2021/2022	0	100,000.00	
2. Mestro hardware	0	2021/2022	0	73,000.00	
3. Mwokozi publishers	191,460.00	2019	191,460.00	11,400.00	
4. Smakueni steel fabricators	171,500.00	2019	171,500.00		
5. Kisasi woodworks	200,000.00	2019	200,000.00	173,000.00	
6. Archteken enlances	147,500.00	2019	147,500.00	232,500.00	
7. Jaresda supplies	165,147.00	2019	165,147.00	368287.00	
8. Economy stores	11,070.00	2019	11,070.00	11,070.00	
9. Muthebwa investments	12,000.00	2019	12,000.00	6,000.00	
10. Aspet school supplies	117,587.00	2019	117,587.00	346,112.00	
11. Kalelab supplies	216,335.00	2021/2022	216,335.00	74,972.00	
12. Bonsiv ennterprises		2021/2022	0	56,600.00	
13. Crystal lucky		2021/2022	0	51,140.00	
14. Luminous printers		2021/2022	0	16,000.00	
15. Matheka printers		2021/2022	0	43,500.00	
16. Solex dynamic		2021/2022		15,300.00	
17. veronicah vegetables		2021/2022		35,960.00	
18. Steplenline Business		2021/2022	0	16,000.00	
19. Benson Mulwa		2021/2022	0	44,249.00	
20. Robert Kalanzo		2021/2022	0	15,961.00	
21. Joemax top		2021/2022	0	61,000.00	
22. Stephen muli				14,199	
23. Charika supplies				167,350	
TOTAL	1,232,599.00		1,232,599.00	1,904,651.00	

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Reports and Financial Statements For the year ended 30th June 2022

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Opening stock b/f 1 st July 2021	Additions during the year	Disposals during the year	Closing stock c/f 30 th June 2022
Land 1						
Land 2 kambi mawe boys	Makueni	Kikumini 1183	01	0	0	1
Buildings and structures	2012-2023		100	0	0	100
Motor vehicles			00	0	0	00
Office equipment, furniture and fittings	2012-2023		979	0	0	979
ICT Equipment, and Other ICT Assets	2021-2023		10	0	0	10
Tools and apparatus	2012-2023		2,491	0	0	2,491
Textbooks	2016-2023		9,024	0	0	9,024
Other Machinery and Equipment	2015-2023		193	0	0	193
Heritage and cultural assets			01	0	0	01
Intangible assets- soft ware			01	0	0	01
Total			12,801	0	0	12,801