

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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DATE: 30 NOV 2023 DAY: *Tues*

ENABLED BY: *Hon Naomi wago, MP*
Deputy majority whip
A. Sturbonko

CLERK-AT THE TABLE:

THE AUDITOR-GENERAL

ON

NDERI SECONDARY SCHOOL

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

KIAMBU COUNTY



OFFICE OF THE AUDITOR-GENERAL
RECEIVED
19 JUL 2023
P. O. Box 30084 - 00100,
HEADQUARTERS
NAIROBI



**NDERI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

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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 Kiambu County, Kikuyu Sub-County.

The school was registered in 26/11/2013 under registration number PU/S/2/7625/2013 and re-registered on 24th September 2020 under registration number 22S00300621 as double stream and is currently categorized as a Sub- County (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a mixed day school and had 260 number of students as at 30th June 2022. It has 2 streams and 15 teachers of which 3 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	Joseph Mukuria	Chairman B.O.M	17/11/2020- 17/05/2022
2	James Mwando	Chairman B.O.M	18th May 2022
3	Mary Kago	Secretary B.O.M	7th March 2022
4	Perminus Itotia	Parents representative	7th March 2022
5	Mary Gitaka	Parents representative	7th March 2022
6	Nathan Kamande	Parents representative	7th March 2022
7	Mary Gitaka	Parents representative	7th March 2022
8	Esther Njoki	P.A Chair	18th May2022
9	John Njenga Dr Samuel Kahumu	Co-opted Members	18th May 2022
10	Jane Mumbi	Teachers Rep	17th May 2022
11	Peter Gathuka Jacinta Njeri Elmah Getao	Sponsors	7th March 2022
12	Sosper Mbugua	Member – Special Interest	7th May 2022
13	Dr. Millicent Ngonyo	MemberSpecial Needs	7th March 2022
14	Florence Munyiva	Rep Students	7th March 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
1	Executive Committee	James Mwando	Chairman	2
		Mary Kago	Secretary	
		Perminus Itotia	PA chair	
		Jacinta Njeri	Member	
		Esther Njoki	Member	
2	Academic , standards quality and environment	Jacinta Njeri	Chairperson	1
		Mary Kago	Secretary	
		Peter Gathuka	Member	
		Esther Njoki	Member	
3	Finance,procurement and general purposes Committee/Audit	Nathan Kamande	Chairman	2
		Mary Kago	Secretary	
		James Mwando	Member	
		Peter Gathuka	Member	
		Perminus Itotia	Member	
4	Discipline,Academic Committee, Ethics and intergrity	James Mwando	Chairperson	1
		Mary Kago	Secretary	
		Sospeter Mbugua	Member	
		Mary Gitaka	Member	
5	Development Committee	Sospeter Mbugua	Chairman	2

		Sukeiman Onchagwa	Secretary	
		Madam Eunice	SCDE Kikuyu	
		Mary Kago	Principal	
		James Mwando		
		Perminus Itotia		
		Esther Njoki		
		Millicent Ngonyo		

(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	MARY KAGO	372070
2	Deputy Principal	SULEIMAN ONCHAGWA	313693
3	School Bursar	MARY NJUGUNA	-

(e) Schools contacts

Post Office Box: 225-00902 kikuyu
 Telephone: 0712880160
 E-mail: nderisecondary2008@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)

- Name of Bank: EQUITY
 Branch: KIKUYU
 Account Number: 0570295308281 -LUNCH A/C
- Name of Bank: EQUITY
 Branch: KIKUYU
 Account Number: 0570295212778 -OPERATIONS A/C
- Name of Bank: EQUITY
 Branch: KIKUYU
 Account Number: 0570260845664 -INFRASTRUCTURE A/C
- Name of Bank: EQUITY
 Branch: KIKUYU
 Account Number: 0570295212786 -TUITION A/C
- Name of Bank: KCB
 Branch: KIKUYU
 Account Number: 1111202273 -CDF A/C

(g) Independent Auditors

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

II. Summary Report Of Performance Of The School

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

a) **Financial performance:**

YEAR	Surplus/ deficit	capitation	Ratio capitatio n	income	expenditure	debtors	creditors	Cash/Bank bal
2020	643,312.80	3,330,786	15,860.89	4,871,560.80	4,228,248	159600	306220	427,898.02
2021	865849.8	2,074,918.80	9,021.37	4,229,469.80	3363620	384090	757910	1,520,966.82
2022	646,005.20	3,940,619	15,156.23	9,436,404	8,790,398.80	247,400	-	1,589,343.02

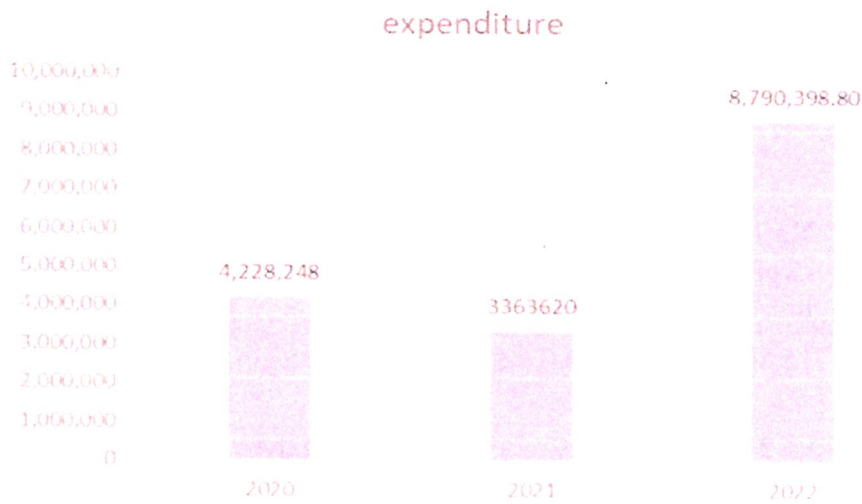
The following graph indicates surplus/deficit for the last 3 years.



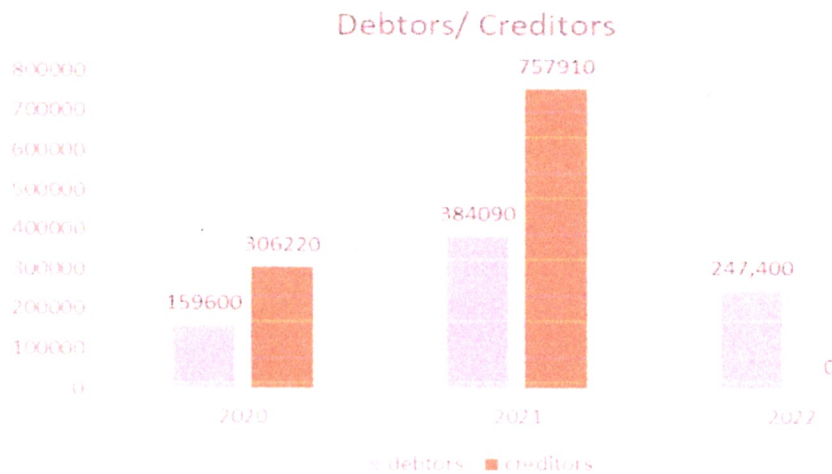
The graph indicates the growth of income for the last 3 years.



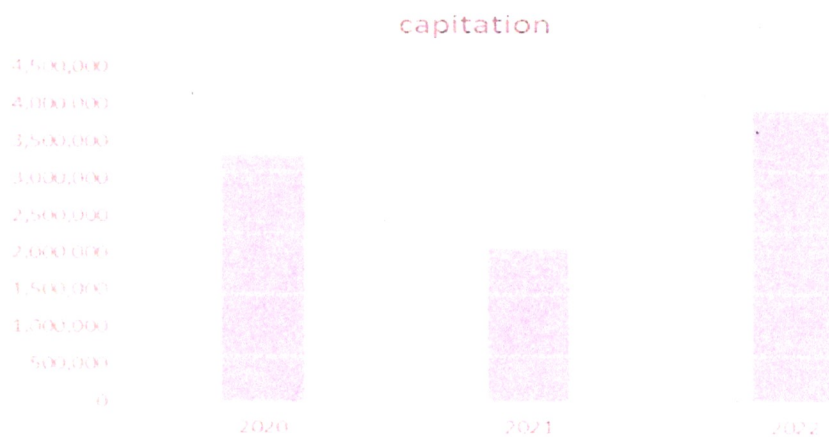
The graph indicates the expenditure of the school for the last 3 years.



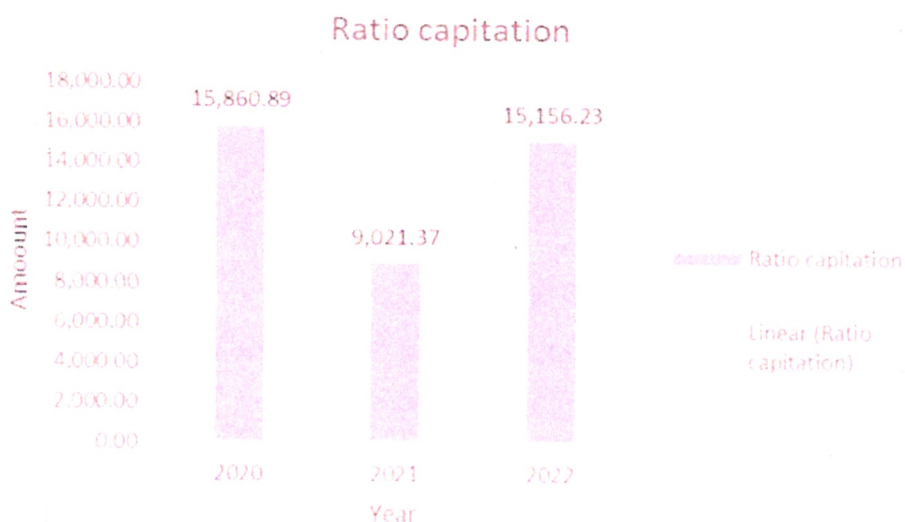
The graph shows the movement of debtors and creditors for the last 3 years.



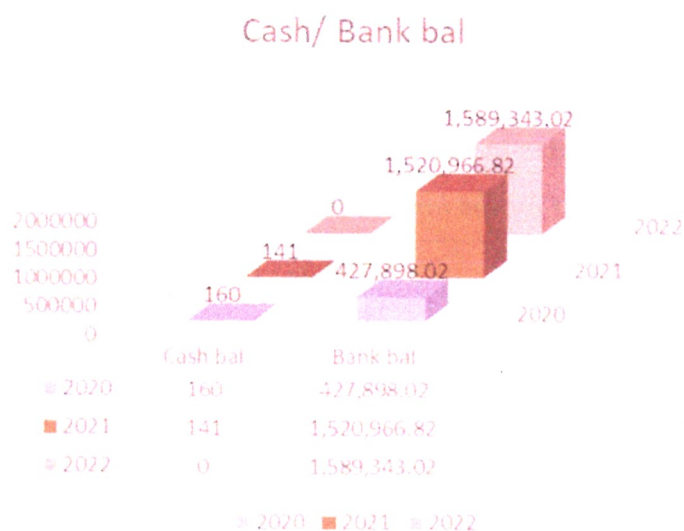
This graph shows government capitation for tuition and operations accounts for the last 3 years.



The graph shows capitation ratio for the last 3 years.



This graph shows the cash and bank balances for the last 3 years



b) **Teacher Student ratio:**

The table indicates the Number of teachers, enrolment of students, Teacher's turnover and recruitment.

No of teachers	students	Ratio	New TSC teachers	New BOM teachers	Transfers	Retired
15	260	1:17	2	2	1	NIL

The table indicates the number of teachers per subject.

subject	Eng	Kisw	Maths	Bio	Pys	Chem	Hist	Geo	CRE	Agri	B/S
Teache	2	2	4	3	2	2	3	1	3	1	2
Shorta ge	1	1	-	-	-	-	-	1	-	1	-

c) Mean score in the 2022 KCSE:

This table indicates the performance of students in the last 3 years and entry to institutions of higher learning.

Kcse Analysis 2022-2020

YEAR	MEAN SCORE	Deviation	University grade (C+ and above)
2022	1.934	-0.59	0
2021	2.36	-0.738	0
2020	3.098	+0.041	0

d) Number of Candidates in the 2022 KCSE-2020:

Grade per gender of candidates for the last 3 years.

YEAR	BOYS	MEAN	GIRLS	MEAN	TOTAL
2022	38	1.816	23	2.130	61
2021	22	2.227	16	2.375	38
2020	32	3.28	29	2.966	61

e) Capacity of the school:

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

Girls Toilets

12 toilets for 115 students

Boys Toilets

4 toilets and 1 urinal for 145 boys

Laboratories

The school has 2 laboratories

Chemistry lab holds a capacity of 50 students

Physics lab holds 30 students.

Classrooms

8 with each having a capacity to hold 40 students

Library 1

Teachers' toilets 3

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.

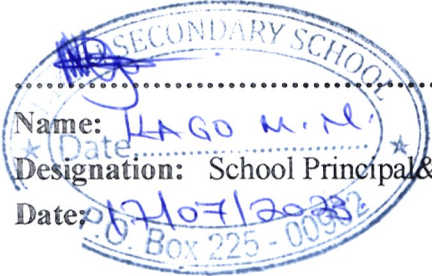
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *NDERI 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, 2022, and of the school's financial position as at that date.



.....
Name: JOSEPH MWAKURIA KIMANI
Designation: Chairman, School Board of Management
Date: 17/07/23



Name: LAGO M.M.
Designation: School Principal & Secretary to Board of Management
Date: 17/07/2023



.....
Name: MARI W. NJUGUNA
Designation: Bursar/ Finance Officer
Date: 17/07/2023

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NDERI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nderi Secondary School - Kiambu County set out on pages 1 to 10, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, statement of receipts and payments,

Report of the Auditor-General on Nderi Secondary School for the year ended 30 June, 2022 - Kiambu County

statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies, notes to the financial statements and other important disclosures 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nderi Secondary School – Kiambu 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 Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Statement of Financial Assets and Financial Liabilities

The statement of financial assets and financial liabilities excludes accounts receivable and accounts payables with balances of Kshs.247,400 and Kshs.43,450 respectively. The amounts relate to student debtors that have been outstanding for a period of more than one year, and trade creditors which have been disclosed in Notes 10 and 11 to the financial statements respectively.

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

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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

Irregularities in Procurement Process

Review of payments for operations for the School revealed that the School engaged various suppliers for supply of goods and services. However, methods used for procuring goods and services were not supported by requisite procurement records. This was contrary to the Second Schedule of the Procurement Regulations, 2020 which prescribes the procurement method to be used for goods, works or services depending on the maximum or minimum level of expenditure for the item being procured.

In addition, Management did not provide evidence of advertisement of tenders for the goods and services procured during the year under review. This was contrary to Section 96(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the accounting officer of a procuring entity shall take such steps as are reasonable to bring the invitation to tender to the attention of those who may wish to submit tenders.

Further, Management did not provide tender and evaluation reports for audit review, contrary to Section 80(4) of the Public Procurement and Asset Disposal Act, 2015 which requires an evaluation committee to prepare an evaluation report containing a summary of the evaluation and comparison of tenders and submit the report to the person responsible for procurement for his or her review and recommendation.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 overall governance were not effective.

Basis for Conclusion

1. Weak Internal Controls

Review of the School's internal controls system over financial and operational aspects revealed that there was no segregation of responsibilities in the accounting section. The cashier was responsible for verification and approval of payments, making payments and maintaining the cashbook.

Further, policies to guide the Management of liabilities, receivables, inventories, and non-current assets had not been prepared; and there was no business continuity plans including adequate storage of data and information backups relating to students and general operations.

In the circumstances, existence of effective internal controls in relation to financial and operational management could not be confirmed.

2. Lack of an Assets Register

During the year under review, the Management did not maintain a fixed asset register for the School's property. Further, the assets were not tagged for ease of identification, and land which the School sits on did not have a title deed.

In the circumstances, effectiveness of internal controls in management of 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease 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 overall

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 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 controls.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 October, 2023

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

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	749,669.40	273,677.75
Capitation grants for operations	2	3,190,949.60	1,810,691.05
School Fund Income- Parents' Contributions	3	5,410,495.00	1,819,761.00
School Fund Income- Other receipt	4	265,430.00	110,300.00
Total Receipts		9,616,544.00	4,014,429.80
Payments			
Payments for Tuition	5	811,060.00	200,420.00
Payments for operations	6	2,752,637.00	1,147,700.00
Boarding and school fund payments	7	5,984,611.80	1,573,260.00
Total Payments		9,548,308.80	2,921,380.00
SURPLUS/DEFICIT		68,235.20	1,093,049.80

The school financial statements were approved on 17th July 2023 and signed by:

.....
 Name: JOSEPH MUKURIA KIMANI
 Chair BOM
 Date: 17/07/23

.....
 Name: ILA GO
 School Principal/ Secretary to BOM
 Date: 17/07/2023

.....
 Name: MART W. NSUGUNA
 Bursar/ Finance Officer
 Date: 17/07/2023

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and cash equivalents			
Bank Balances	8	1,589,343.02	1,520,966.82
Cash Balances	9	160.00	301.00
Short term Investment	10	-	-
Total Cash and Cash Equivalents		1,589,503.02	1,521,267.82
TOTAL FINANCIAL ASSETS			
		1,589,503.02	1,521,267.82
FINANCIAL LIABILITIES			
Accounts Payable	12	-	-
NET FINANCIAL SSETS		1,589,503.02	1,521,267.82
REPRESENTED BY			
Fund balance b/fwd. 1st July...	13	1,521,267.82	281,438.02
Surplus/Deficit for the year		68,235.20	865,849.80
NET FINANCIAL POSITION		1,589,503.02	1,521,267.82

The school's financial statements were approved on 17th July 2023 and signed by:

.....
 Name: JOSEPH MUKURIA KIMANI
 Chair BOM
 Date: 17/07/23

.....
 Name: LAGO M. M. M.
 School Principal/ Secretary to BOM
 Date: 17/07/2023

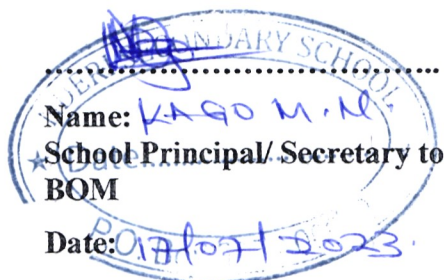
.....
 Name: MART W. NJUGUNA
 Bursar/ Finance Officer
 Date: 17/07/2023

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	749,669.40	273,677.75
Capitation grants for operations	2	3,190,949.60	1,810,691.05
School fund income- Parents contributions/ fees	3	5,410,495.00	1,819,761.00
School fund income- other receipts	4	265,430.00	110,300.00
Total receipts		9,616,544.00	4,014,429.80
Payments			
Payments for Tuition		811,060.00	200,420.00
Payments for operations		2,752,637.00	1,147,700.00
Boarding and school fund payments		5,984,611.80	1,573,260.00
Total payments		9,548,308.80	2,921,380.00
Net cash flow from operating activities		68,235.20	1,093,049.80
Net cash flow from financing activities		68,235.20	1,093,049.80
Net increase in cash and cash equivalents		68,235.20	1,093,049.80
Cash and cash equivalent at BEGINNING of the year		1,521,267.82	428,218.02
Cash and cash equivalent at END of the year		<u>1,589,503.02</u>	<u>1,521,267.82</u>

The school's financial statements were approved on 17th July 2023 and signed by:

.....
 Name: JOSEPH MUKURIA KIMANI
 Chair BOM
 Date: 17/07/23

.....

 Name: KAGO M.N.
 School Principal/ Secretary to BOM
 Date: 17/07/2023

.....
 Name: MART W. NJAUHA
 Bursar/ Finance Officer
 Date: 17/07/2023

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	c=a+b	d	e=c-d	f=d/c %
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Exercise books	339,823.32	339,823	115,785	224,038	34.1%
Laboratory equipment and apparatus	149,881.75	149,882	412,414	(262,533)	275.2%
Teaching/learning materials	115,172.04	115,172	-	115,172	0.0%
Stationeries	122,669.04	122,669	221,470	(98,801)	180.5%
				-	
(2) CAPITATION GRANT ON OPERATIONS					
Personnel emoluments	1528523.67	1,528,524	1,501,089	27,434	98.2%
MIF	916,000.00	916,000	916,000	-	100.0%
Local transport / travelling	77,000.00	77,000	77,000	-	100.0%
Electricity, water and Conservancy	125,000.00	125,000	125,000	-	100.0%
Administration costs	321,860.30	321,860	321,860	-	100.0%
Activity	250,000.00	250,000	250,000	-	100.0%
				-	
(3) FEES CHARGED ON PARENTS					
LUNCH	6,250,000.00	6,250,000	5,410,495	839,505	86.6%
fees Arrears	-		265,430		
TOTAL INCOME	10,195,930	10,195,930	9,616,544	579,386	
(1) EXPENDITURE FOR TUITION					
Exercise books	339,823.32	339,823		339,823	0.0%

			-		
Laboratory equipment and apparatus	149,881.75	149,882	361,295	-211,413	241.1%
Teaching/learning materials	115,172.04	115,172	130,995	(15,823)	113.7%
Stationeries	122,669.04	122,669	290,000	(167,331)	236.4%
Sundry Creditors		0	27,450	(27,450)	
Bank charges			1,320		
PAYMENTS FOR OPERATIONS		0		-	
Personnel emoluments	1,528,524	1,528,524	951,200	577,324	62%
Repairs and maintenance	916,000	916,000	650,555	265,445	71%
Local transport / travelling	77,000	77,000	62,100	14,900	81%
Electricity and water	125,000	125,000	60,687	64,313	49%
Administration costs	321,860	321,860	526,020	(204,160)	163%
Activity	250,000	250,000	314,075	(64,075)	126%
Sundry creditors			188,000	(188,000)	0%
BOARDING AND SCHOOL FUND PAYMENTS		0		-	0%
LUNCH	6,250,000	6,250,000	5,984,612	265,388	96%
TOTAL	10,195,930	10,195,930	9,548,309	647,621.32	

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Exercise books	115,785.00	-
Laboratory equipments and apparatus	412,414.40	198,456.25
Stationeries	221,470.00	75,221.50
Total	749,669.40	273,677.75

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,501,089.30	420,974.00
Repairs and maintenance	916,000.00	809,500.00
Local transport / travelling	77,000.00	118,356.00
Electricity, water and Conservancy	125,000.00	50,000.00
Administration costs	321,860.30	116,883.05
Activity	250,000.00	294,978.00
Total	3,190,949.60	1,810,691.05

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
lunch	5,410,495.00	1,819,761.00
Total	5,410,495.00	1,819,761.00

Notes To The Financial Statements (Continued)

4. Other receipts – school fund account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears 2021	265,430.00	110,300.00
Total	265,430.00	110,300.00

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Laboratory equipments and apparatus	361,295.00	200,000.00
Teaching/learning materials	130,995.00	-
Stationeries	290,000.00	-
Sundry creditors	27,450.00	-
Bank charges	1,320.00	420.00
Total	811,060.00	200,420.00

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personal Emoluments	951,200.00	315,200.00
Local transport / travelling	62,100.00	3,500.00
Electricity, water and Conservancy	60,687.00	-
Administration Costs	526,020.00	17,380.00
Activity Expenses	314,075.00	333,000.00
Sundry creditors	188,000.00	-
Bank Charges	120.00	120.00
Acquisition of Assets	650,435.00	478,500.00
TOTAL	2,752,637.00	1,147,700.00

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
lunch	5,433,741.80	1,452,520.00
Sundry creditors 2021	542,160.00	118,220.00
Charges	8,710.00	2,520.00
TOTAL	5,984,611.80	1,573,260.00

8 Bank accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	0570295212786	15,787.93	77,178.53
Operations Account	0570295212778	126,592.19	312,224.59
School Fund Account/Boarding	0570295308281	87,204.10	395,749.90
Infrastructure Account	0570260845664	1,359,758.80	735,813.80
Total		1,589,343.02	1,520,966.82

9 Cash In hand

Description	2021-2022	2020-2021
	Kshs	Kshs
School Fund account	160.00	301.00
Total	160.00	301.00

10 Accounts receivables

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	247,400.00	384,090.00
Total	247,400.00	384,090.00

Notes To The Financial Statements (Continued)

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	128,740.00	334,790.00
Fees arrears for the previous year	69,360.00	49,300.00
Fees arrears for prior periods (over two years)	49,300.00	-
Total	247,400.00	384,090.00

11 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	-	757,910.00
Total	-	757,910.00

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	-	569,910.00
Trade creditors for the previous year	-	188,000.00
Total	-	757,910.00

12 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	1,589,343.02	1,520,966.82
Cash balances	160	301.00
Total	1,589,503.02	1,521,267.82

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.

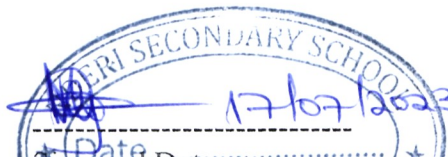
Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	65,245	43,570
Stock/ inventory purchased during the year	1,776,770	1,511,790
Stock/ inventory issued during the year	(1,800,525.)	(1,490,115)
Balance at end of the year	41,490	65,245

Progress On Follow Up Of Auditor Recommendations

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

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


 Sign and Date
 Principal
 P.O. Box 225 - 00902

Annex 1 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1			10,000,000	0	0	10,000,000
Buildings And Structures			15,500,000	700,000	0	16,200,000
Office Equipment, Furniture and Fittings			1,200,000	60,000	0	1,260,000
ICT Equipment, And Other ICT Assets			1,300,000	47,000	0	1,347,000
Tools And Apparatus			700,600	0	0	700,600
Textbooks			1,185,200	40,000	0	1,225,200
Other Machinery and Equipment			385,000	0	0	385,000
Heritage And Cultural Assets			5,000	0	0	5,000
Intangible Assets- Soft Ware			0	75,000	0	75,000
Total			30,275,800	922,000	0	31,197,800

