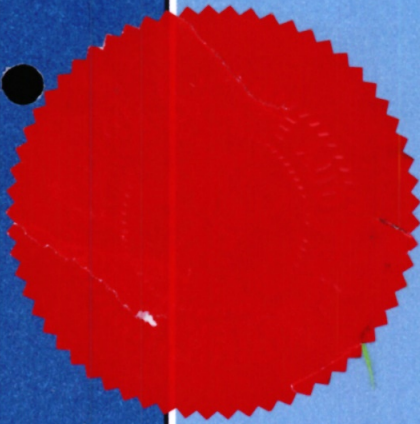


REPUBLIC OF KENYA



Enhancing Accountability



PARLIAMENT
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REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 DEC 2024

DAY.

MONDAY

TABLED
BY
OF

Hon NADIM, WAKO, MP
DEPUTY MAJORITY WHIP

CLERK-AT
THE-TABLE:

ESTHER NG'ENDO

THE AUDITOR-GENERAL

ON

LORETO HIGH SCHOOL MATUNDA

**FOR THE YEAR ENDED
30 JUNE, 2023**

UASIN GISHU COUNTY

RECEIVED
14 AUG 2024
U. DOA
RECEIVED



LORETO HIGH SCHOOL MATUNDA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2023

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

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

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LORETO HIGH SCHOOL MATUNDA
Reports and Financial Statements
For the year ended 30th June 2023

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 **Uasin Gishu County, Soy Sub-County**

The school was registered in **October 2022** under registration number **27S300001208** and is currently categorized as an **Extra County** (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a day/**boarding school** and had **1205** number of students as at *30th June 2023*. It has **6** streams and **57** teachers of which **17** 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.	Dr. Martin Mudambo	Chairman/Sponsor	14/06/2022
2.	Mrs. Phylis Chepkok	Secretary - Principal	14/06/2022
3.	Dr. Mary Kerich	Member – Rep CEB	14/06/2022
4.	Mr. Steve Chumba	Member Rep Teachers	14/06/2022
5.	Fr. Paul Kipkoech	3 Members - Sponsor	14/06/2022
6.	Mrs. Ann Njogu	Members - Sponsor	14/06/2022
7.	Mr. Titus Kiplagat	Member - Community	14/06/2022
8.	RevSamuel Maina	Member – Community	14/06/2022
9.	Mr. Henry Ngetich	Member – Community	14/06/2022
10.	Ms. Judy Cheruiyot	Member – Community	14/06/2022
11.	Ms. Franscesca Chemutai	Member – Community	14/06/2022
12.	Mr. Alphoso Kiprono	Member - Community	14/06/2022
13.	Mr. Derrick Khaemba	Member Special Needs	14/06/2022
14.	Sr. Jane Fransis	Member Special Interest	14/06/2022
15.	Faith Kau Kockeidha	Rep Students	14/06/2022

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

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

Below are the names of the various committees of the Board established by the Board and the names of the committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr. Martin Mudambo Mrs. Phylis Chepkok Mr. John Agesa Fr. Paul Kipkoech Ms. Judith Cheruiyot	Chair Secretary Member Member Member	6 out of 6
2	Audit Committee	Dr. Derrick Kutto Mr. Kenneth Lyambila Mary Kang'ong'a	Chair member	
3	Finance, procurement and general purposes Committee	Dr. Martin Mudambo Mrs. Phylis Chepkok Ms. Judith Cheruiyot Ms. Franceses chemutai Mr. John Agesa	Chair Secretary Member Member Member	6 out of 6
4	Academic Committee	Dr. Mary Kerich Mrs. Phylis Chepkok Mr. John agesa Mr. Alphonse Kiprono	Chair Secretary Member Member Member	6 out of 6
5	Development Committee	Mr. Titus Kiplagat Mrs. Phylis Chepkok Ms. Judith Cheruiyot Mr. Erick Obiri Dr. Martin Mudambo	Chair Secretary Member Member Member {SCDE}	6 out of 6

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

		Mrs. Ann Ngugi	D/Principal/member	
6	Discipline and welfare Committee	Mr. Henry Ng'etich Mrs. Phylis chepkok Mr. John Agesa Fr. Paul Kipkoech Rev Samuel Maina Mrs Ann Njogu Mrs.Mary Kang`ong`a	Chair Secretary Member Member Member Member member	12 out of 6
7	Adhoc Committee (if any during the year)			5 out of 6

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mrs. Phylis Chepkok	336242
2	Deputy Principal	Mrs. Anne Ngugi	306463
3	School Bursar	Ms. Stella Chepkosgei	24796152

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: Private bag Moi' bridge
Telephone: 0728-407-195
E-mail: loretohighmatunda@gmail.com
Website: www.loretoamatunda.ac.ke
Facebook: loreto high school matunda
Twitter:

(f) School Bankers

The following school operated 8 number of bank accounts in the following banks:

1. Name of Bank: Standard Chartered Bank
Branch: Kitale
Account Number: 0102836055501
2. Name of Bank: Standard Chartered Bank
Branch: Kitale
Account Number: 0102036055501
3. Name of Bank: Standard Chartered Bank
Branch: Kitale
Account Number: 0102036055500
Tuition Account
4. Name of Bank: Standard Chartered Bank
Branch: Eldoret
Account Number: 0102017892600
Operation Account
5. Name of Bank: Kenya Commercial Bank
Branch: Moisbridge
Account Number: 1139458779
Farm Account
6. Name of Bank: Kenya Commercial Bank
Branch: Mois Bridge
Account Number: 1197797718
School fee collection
7. Name of Bank: Kenya Commercial Bank
Branch: MTRH
Account Number: 1278977333

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

Infrastructure Account

8. Name of Bank: Co-operative Bank
Branch: Eldoret West
Account Number: 01141598970900
Tuition Account

9. MPESA Pay Bill No. 522123 account No. 24590K attached to 1197797718 bank account (KCB)

10. Name of Bank: Equity Bank
Branch: Kitale
Account Number: 0330283255964
Tuition Account

11. Name of Bank: Equity Bank
Branch: Kitale
Account Number:
Operation Account 0330283255887

(g) Independent Auditors

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

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

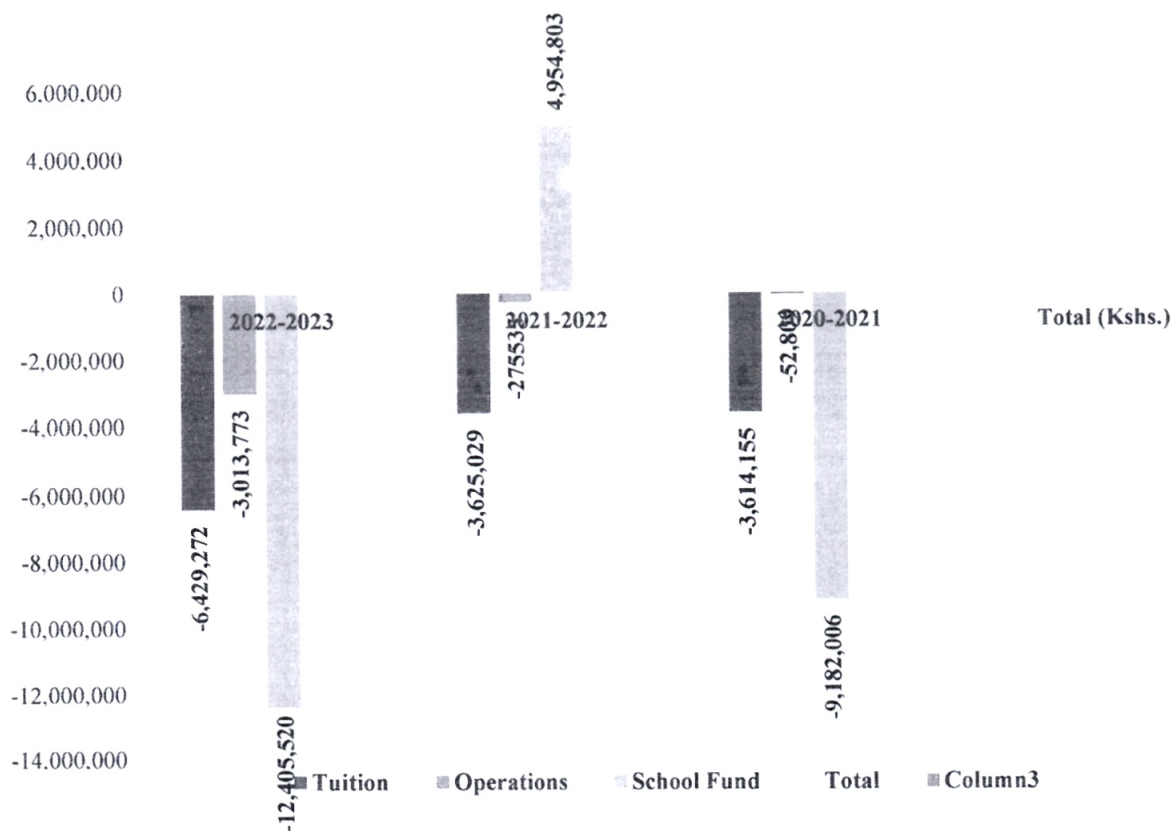
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

Account	Tuition Account	Operation account	School Fund Account	Total
2022-2023	(6,429,272)	(3,013,773)	(10,722,520)	(20,165,565)
2021-2022	(3,625,029)	(275,532)	4,954,803	1,054,242
2020-2021	(3,614,155)	(52,809)	(11,755,097)	(15,422,061)
Total (Kshs.)	(13,668,456)	(3,342,114)	(17,522,814)	(34,533,384)

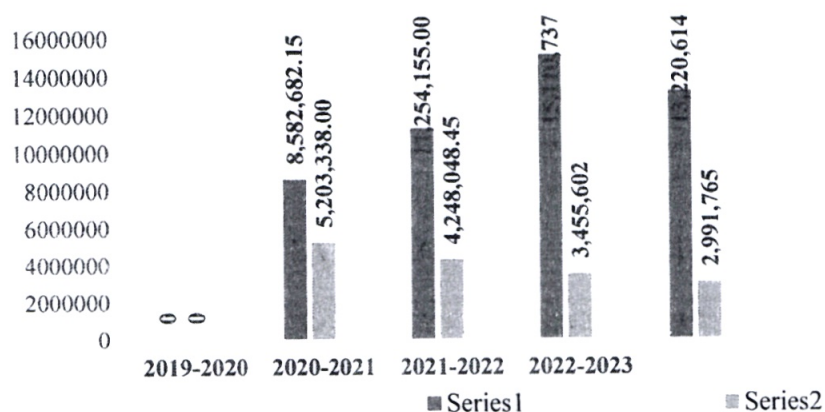


LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

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

The government of Kenya through the Ministry of Education under Free Day Secondary Education funded the school through grants during the three years as follows:

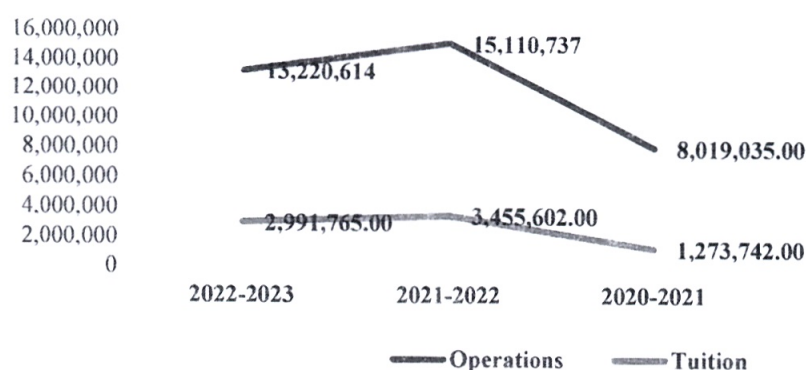
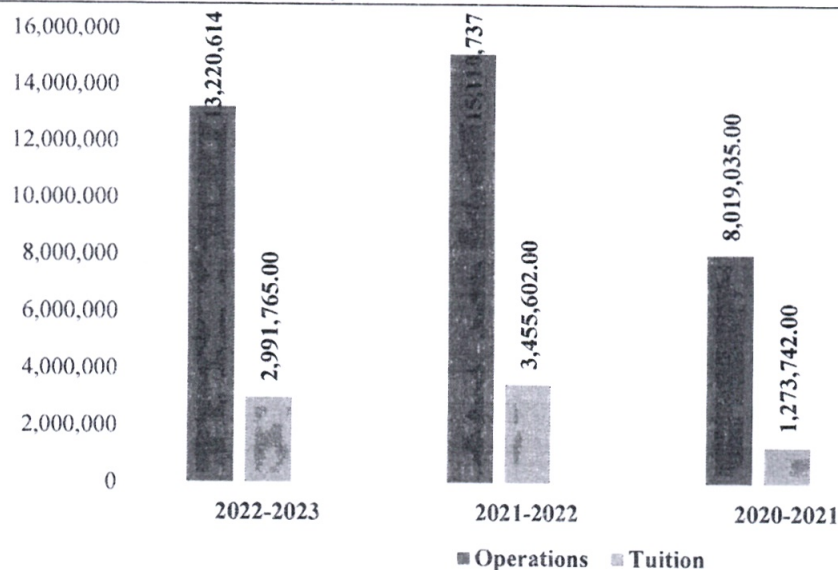
No.	Account	Year 2019-2020	Year 2020-2021	Year 2021-2022	Year 2022-2023
1.	Tuition Account	4,248,048.45	1,273,743	3,455,602	2,991,765
2.	Operation Account	11,254,155	8,019,035	15,110,737	13,220,614
	Total Kshs.	15,502,203.45	9,292,778	18,566,339	16,212,379



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

No.	Account	Year 2019	Year 2020-2021	Year 2021-2022	Year 2022-2023
1.	Tuition Account	4,248,044	1,273,742	3,455,602	2,991,765
2.	Operation Account	11,254,152	8,019,035	15,110,737	13,220,614
	Total Kshs.	15,502,196	9,292,777	18,566,339	16,212,379
	No. of students	910	1,063	1132	1205
	Ratio of capitation Per student	1:17035	1:8742	1:18566	1:13,454

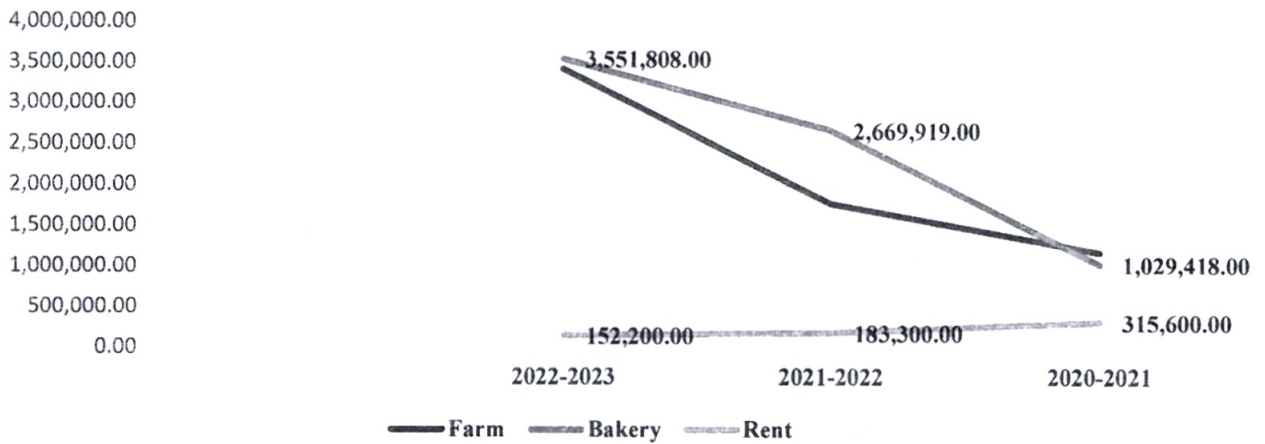
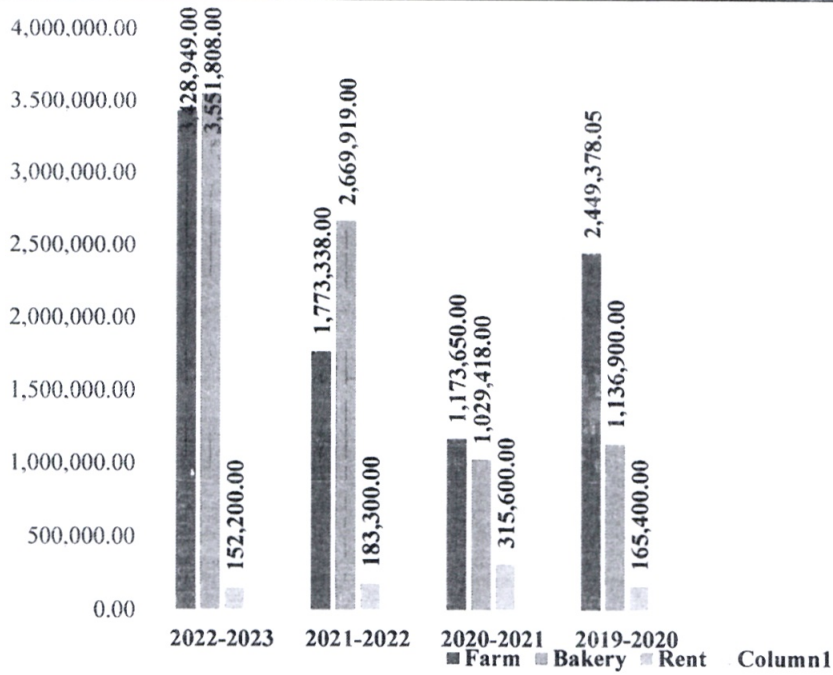
LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023



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

No.	Account	Year 2019-2020	Year 2020-2021	Year 2021-2022	Year 2022-2023
1.	Farming activity	2,449,378.05	1,173,650	1,773,338	3,428,949
2.	Bakery	1,136,900	1,029,418	2,669,919	3,551,808
3.	Rent	165,400	315,600	183,300	152,200
	Total Kshs.	<u>3,751,678.05</u>	<u>2,518,668</u>	<u>4,626,557</u>	<u>7,132,957</u>

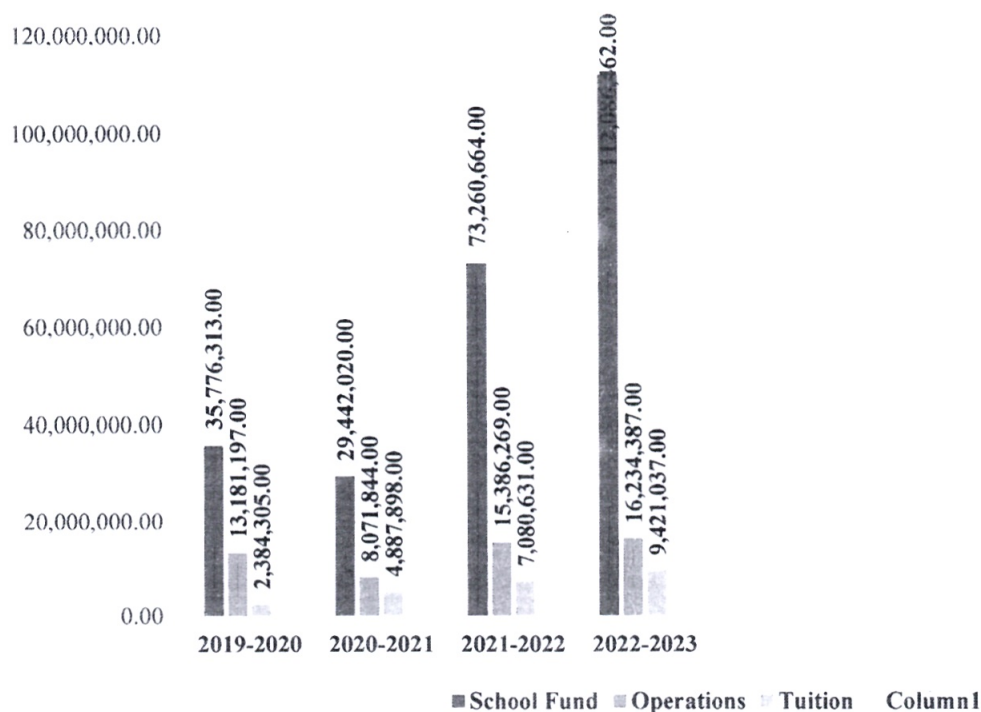
LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023



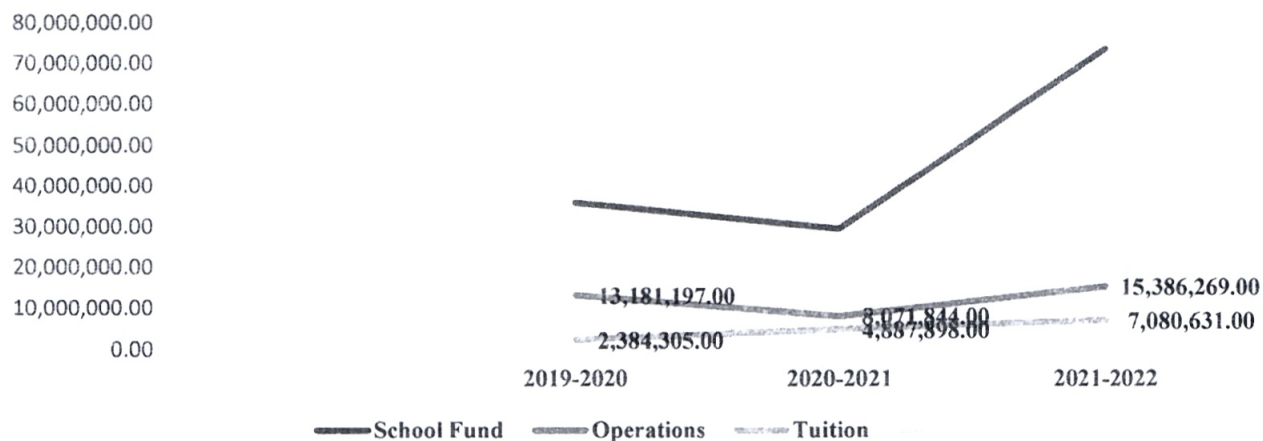
LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

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

No.	Account	Year 2019-2020	Year 2020-2021	Year 2021-2022	Year 2022-2023
1.	Tuition Account	2,384,305	4,887,898	7,080,631	9,421,037
2.	Operation Account	13,181,197	8,071,844	15,386,269	16,234,387
3.	School Fund Account	35,776,313	29,442,020	73,260,664	112,086,462
	Total Kshs.	<u>51,341,815</u>	<u>42,401,761</u>	<u>95,727,564</u>	<u>137,741,886</u>



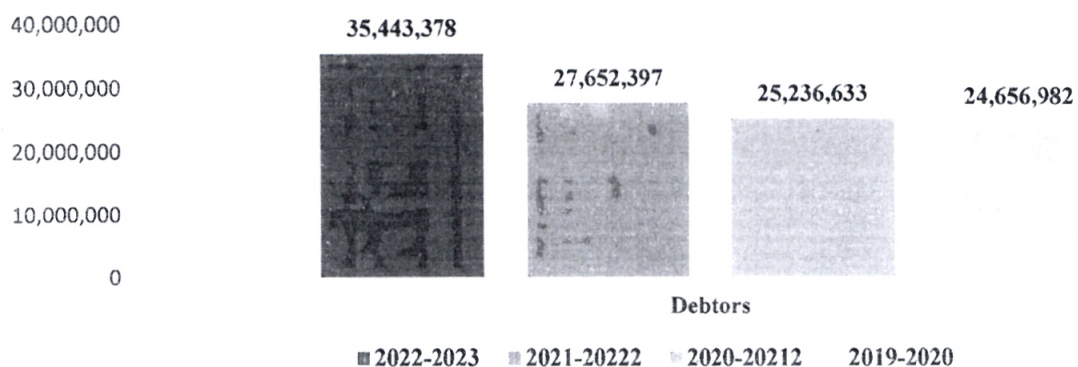
LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023



(vi) *Movement of debtors and creditors of the school over the last three year*

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

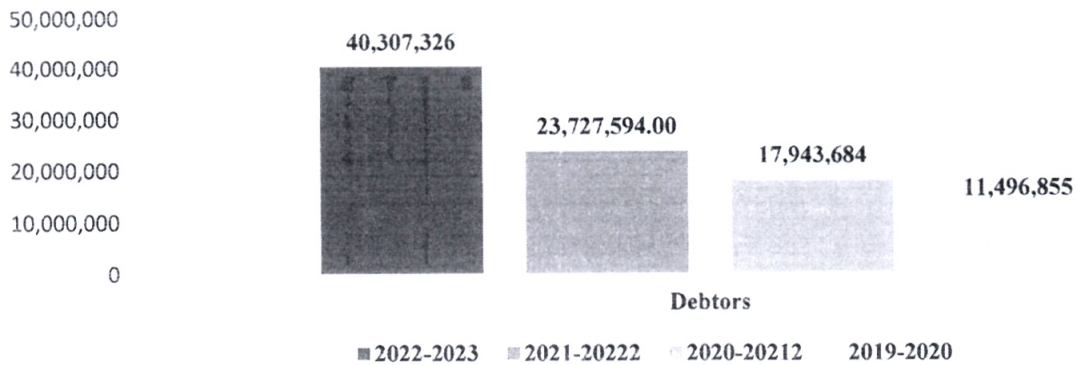
MOVEMENT OF DEBTORS OF THE SCHOOL						
SNO	ACCOUNTS	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
	School Fund ,Operation and Tuition					
1	Account	KSHS	KSHS	KSHS	KSHS	KSHS
a	Debtors	35,443,378	27,652,397	25,236,633	24,656,982	24,626,439
	Total	35,443,378	27,652,397	25,236,633	24,656,982	24,626,439
	Increase/Decrease	7,790,981	2,415,764	579,651	30,543	



LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023
Trend Over the Last Three Years

Total debtors as at 30th June 2023 increased to Kshs 35,443,378 compared to Kshs 27,652,397 as at the end of the financial year 2022.

MOVEMENT OF CREDITORS OF THE SCHOOL						
SNO	ACCOUNTS	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
1	School Fund, operation and Tuition Account	KSHS	KSHS	KSHS	KSHS	KSHS
a	Creditors	40,307,326	23,727,594.00	17,943,684	11,496,855	7,902,349
	Total					
	Increase/Decrease	16,579,732	5,783,910	6,128,678.74	3,594,505.74	

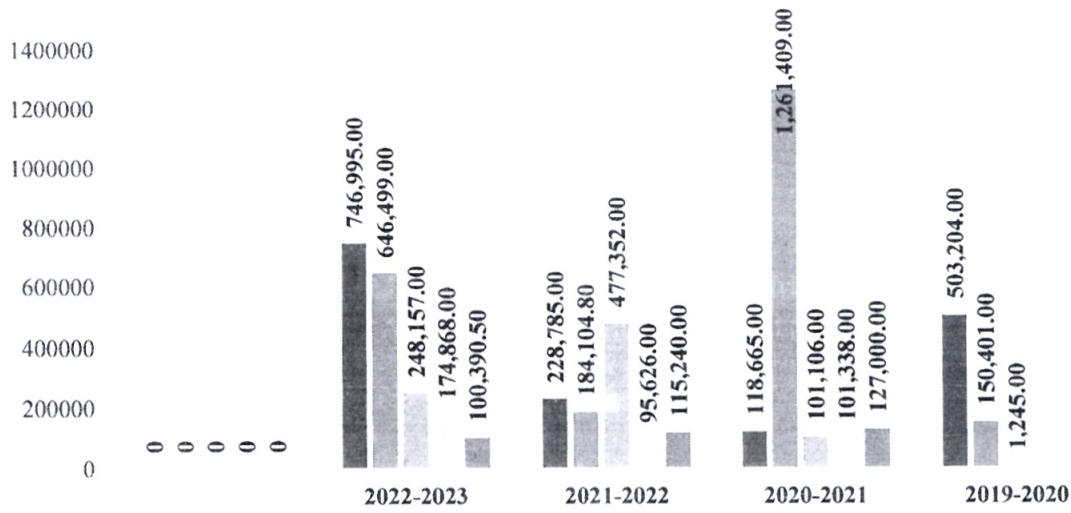


Total creditors as at 30th June 2023 increased by Kshs 16,579,732 compared to Kshs 5,783,910 as at the end of the financial year 2022. This is due to under funding by the ministry of education and price variation of the food and other materials.

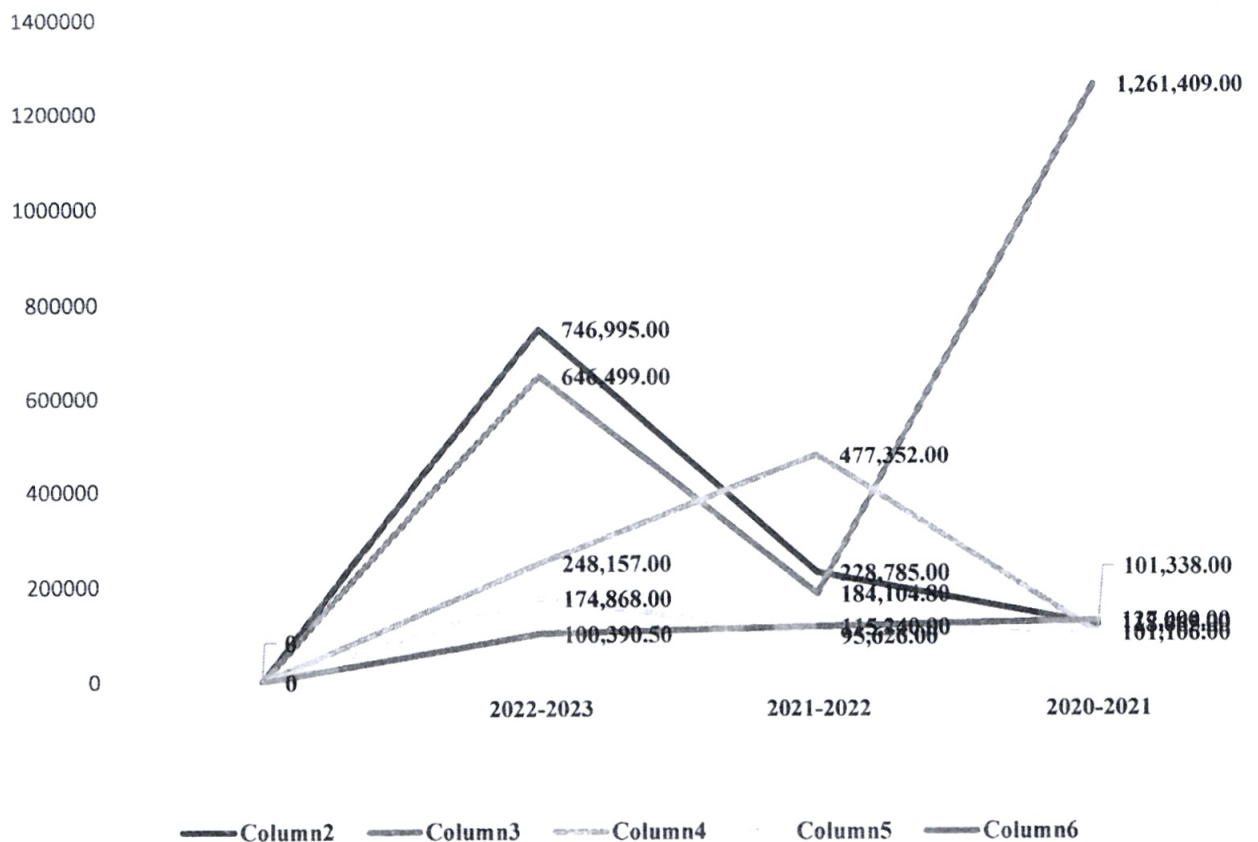
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2022-2023	2021-2022	2020-2021	2019-2020
		KSHS.	KSHS	KSHS	KSHS
1	School Fund Account	746,995	228,785	118,665	503,205
2	Operations Account	646,498.29	184,104	1,261,409	150,401
3	Tuition Account	248,157	477,352	101,106	1,245
4	Infrastructure Account	174,868.00	95,626	101,338	
5	Farm Account	100,390	115,240	127,000	
	Total	1,916,908	1,101,107	1,709,518	654,851
	Increase/Decrease	815,801	-608,411	1,054,667	

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023



Trend Over the Last Three Years



LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

b) Teacher Student ratio:

Between the month of July 2022 and June 2023, the status of the teaching staff is as follows:

There are 28 teachers posted by the Teachers Service Commission and 15 recruited by the Board of Management.. Although the teacher student ratio lies at 1: 36. We have a shortage of 24 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

c) Mean score in the year 2019, 2021 and 2022 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2022	243	7.55	191	78%	9.5	There was a positive deviation of 0.39 in the year 2022 with 191 students joining university
2021	231	7.1645	153	66.2	9.5	Negative deviation of 16.8 in transition rate. The least grade was a D+ (1) out of 231 students 153 qualified to Join university direct.
2020	200	7.8100	166	83	10.00	Positive deviation of 22.8 in transition rate and 0.859 in the mean grade. Among top 5 schools in the country of Uasin Gishu
2019	206	6.951	124	60.2	10.5	The performance of Chemistry, Biology and Agriculture led to negative deviation of 0.53% in transition rate and -0.154 in the mean.

d) KCSE Exam Entry Behavior

The four years examination candidature is tabulated below:

Student	Year 2023	Year 2022	Year 2021	Year 2020
Enrolment	2	243	231	200
Total	243	243	231	200

A 5.2% increase Form 4 enrolment was recorded in the year.

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

e) School Enrolment

A steady increase in student's population is recorded in the last four years. The school enrolment for the last four years is tabulated as below:

Students	Year 2023	Year 2022	Year 2021	Year 2020
Enrolment	1,205	1,132	1,063	959
Total	1,205	1,132	1,063	959

There was an increase of 6.5% in student population

School Capacity

1. Land	- 42 Acres
2. Class rooms	- 19
3. Laboratories	- 3
4. Plant	- 3
5. Staff Houses	- 19
6. Dormitories	-10
7. Dining Hall	-1
8. Kitchen	- 1
9. Stores	- 3
10. Administration block	- 1
11. Livestock	- 11
12. Ablution block(Rooms)	-67

With a 100% transition the school needs more infrastructure

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

f) Development projects carried out by the school:

Sno.	Project	Year	Status	Amount	Fund Source
1	Construction of 2 storeyed dormitory capacity 460 students	2020-2023	Phase 1 Completed	66,103,370	Maintenance & Improvement





Dr. Martin Mudambo Dondo

Philis Jepkosgei Bartoo (Mrs) Stellah Chepkosgei (Mrs)

Chair,

Secretary,

Board of Management

**Board of Management
/ Chief Principal**

Bursar

Loreto High School Matunda

Loreto High School Matunda

Loreto High School Matunda

Date: 26/7/2024

Date: 26/07/2024

Date: 26/07/2024

Sign



School Principal

LORETO HIGH SCHOOL MATUNDA
Annual Report and Financial Statements
For the year ended 30th June 2023

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


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

Name: Dr. Martin Mudambo Dondo
Designation: Chairman, School Board of Management

Sign: 


Date: 26/07/2024

Name: Mrs. Phylis Jepkosgei Bartoo
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 26/07/2024

Name: Stellah Chepkosgei
Designation: Bursar/ Finance Officer

Sign: 

Date: 26/07/2024

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON LORETO HIGH SCHOOL MATUNDA FOR THE YEAR ENDED 30 JUNE, 2023 – UASIN GISHU 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 Loreto High School Matunda – Uasin Gishu County - set out on pages 20 to 35, which comprise of the statement of

Report of the Auditor-General on Loreto High School Matunda for the year ended 30 June, 2023 – Uasin Gishu County

financial assets and financial liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Loreto High School Matunda as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Accounts Receivables- Long Outstanding Fees Arrears

The statement of financial assets and financial liabilities reflects accounts receivables of Kshs.35,443,378 as disclosed in Note 11 to the financial statements. The amount related to students' fee arrears for some students who had completed school. Further, the schedule for the balances were not provided for audit review.

In the circumstances, the completeness and recoverability of the fees arrears could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.109,361,110 and Kshs.120,368,207 respectively, resulting to an over-funding of Kshs.11,007,097 or 110% of the budget. However, the School spent Kshs.137,741,886 against actual receipts of Kshs.120,368,207 resulting to an over-utilization of Kshs.17,373,679 or 14% of actual receipts.

The over-funding and over-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

2. Accounts Payables

The Statement of Financial Assets and Liabilities and as disclosed in Note 12 to the financial statements reflect accounts payables balance of Kshs.48,001,669 as compared to Kshs.19,483,400 reflected in 2023 resulting to an increase of Kshs.28,518,269 or 146%. The increase in liabilities compared to fees income affect the liquidity and ability of the School in discharging its obligation.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

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, 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. Unbalanced Budget

The statement of comparison of budgeted versus actual amounts reflects income of Kshs.100,694,160 and final expenditure budget of Kshs.109,361,110 resulting to a deficit budget of Kshs.8,666,950. The unbalanced budget is contrary to the provisions of Section 33(c) of the Public Finance Management (National Governments) Regulations, 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

2. Delayed Completion of Dormitory.

The School entered into a contract for the construction of a 460 capacity dormitory on 14 October, 2020 at a cost of Kshs.61,875,520 for a period of 3 years. The contract was funded through the Maintenance and Improvement Funds where 1,066 students paid Kshs.7,000 each to the fund. However, due to limited collections for paying the contractor, the contract was mutually terminated on 9 February, 2023, having incurred Kshs.15,292,741 for the ground works.

A new labour base contract was issued for phrase two on 23 March, 2023, at a sum of Kshs.10,898,700. Under this contract, the ground floor with a bed capacity of 180 was completed and handed over to the School on 22 May, 2023. However, as at the time of audit on 31 May, 2024, the construction of first floor and Second floor had not commenced.

In the circumstances, the School risks incurring cost overruns and might not receive value for money for the project.

3. Unconfirmed Student Enrolment Data

Review of student enrolment data indicates that more students were enrolled in the School than the number of students reflected in National Education Management Information System (NEMIS) as shown below resulting to under-funding of capitation.

Month	No. of Students per NEMIS	No. of students as per Register	Variance
July, 2022 Operations	1086	1135	49
July, 2022 Tuition	1086	1135	49
September, 2022	1086	1135	49
September, 2022	1086	1135	49
February, 2023 Operation	1085	1204	119
February, 2023 Tuition	1085	1204	119
April, 2023 Operations	1160	1204	44
April, 2023 Tuition	1160	1204	44

This is contrary to Ministry of Education Circular MOE.HQS/3/13/3 of 16 June, 2021 that requires all learners to be registered in National Education Management Information System and the School Principals to ensure their records are accurate.

In the circumstances, the operations of the School may have been affected by the under-funding.

4. Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects Kshs.112,086,462 in respect of payments for boarding and school fund as disclosed in Note 7 to the financial statements. Out of this, an amount of Kshs.780,000 was transferred to Kenya Secondary School Heads Association (KESSHA) to fund co-curricular activities. 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.780,000 could not be confirmed.

5. Failure to Prepare School Improvement Plan

During the year/period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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. Inventory Management.

Review of the store ledgers maintained by the School revealed stock take as at the end of the year was not carried out. Further the breakdown of the inventories valued at Kshs.2,687,150 were not vailed for audit verification.

In the circumstances, weak controls in the management of inventory could not be confirmed.

2. Lack of Fixed Asset Register

Annex 2 to the financial statements reflects a summary of fixed assets register valued at Kshs.215,064,536. However, the School does not maintain a detailed and comprehensive Fixed Asset Register (FAR) in accordance with the instructions provided at Annex 2 to the financial statements. Further, the assets listing provided for audit review did not indicate the date of acquisition, detailed serial and tagging numbers, cost or valuation amount, depreciation rates and amount, net book values.

In circumstances, lack of a comprehensive Fixed Asset Register could not be confirmed.

3. Lack of Risk Management Policy

The School has a draft risk management policy that is yet to be approved by Board of Management.

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

4. Lack of a Disaster Management Committee

The School does not have a disaster management committee in place. The Committee is mandated to oversee the implementation of disaster management initiatives and ensure that the School has a contingency plan in place.

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

5. 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.

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 International Public Sector Accounting Standards (Modified Cash Basis) and for maintaining effective internal controls 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 intentions 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 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 controls 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 controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


19 September, 2024

LORETO HIGH SCHOOL MATUNDA
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023 Kshs	2021-2022 Kshs
RECEIPTS			
Capitation grants for tuition	1	2,991,765	3,455,602
Capitation grants for operations	2	13,220,614	15,110,737
School Fund Income- Parents' Contributions	3	93,411,784	69,708,669
School Fund Income- Other receipts	4	7,952,067	4,547,983
Proceeds from borrowings			
TOTAL RECEIPTS		117,576,230	92,822,991
PAYMENTS			
Payments for Tuition	5	9,421,037	7,080,631
Payments for operations	6	16,234,387	15,386,269
Boarding and school fund payments	7	112,086,462	69,595,800
TOTAL PAYMENTS		137,741,886	92,062,700
SURPLUS/DEFICIT		(20,165,656)	760,291

The school financial statements were approved on _____ 2023 and signed by:

Sign: 

Sign 

Sign.....

Name: Dr. Martin Mudambo

Name: Phylis Bartoo

Name: Stellah Chepkosgi

Chair BOM

**School Principal/
Secretary to BOM**

**Bursar/
Finance Officer**

Date 26/7/2024

Date 26/07/2024

Date 26/07/2024

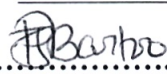
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,222,135	1,640,749
Cash Balances	9	2,369	22,123
Short term Investment	10	-	-
Total Cash and cash equivalent		2,224,504	1,662,872
Account's receivables	11	35,443,378	27,652,397
TOTAL FINANCIAL ASSETS		37,667,882	29,315,269
FINANCIAL LIABILITIES			
Accounts Payables	12	48,001,669	19,483,400
NET FINANCIAL ASSETS		(10,333,787)	9,831,869
REPRESENTED BY			
Accumulated Fund b/fwd	13	9,831,869	8,777,627
Surplus/Deficit for the year		(20,165,656)	1,054,242
NET FINANCIAL POSITION		(10,333,787)	9,831,869

The School's financial statements were approved on _____ 2023 and signed by:

Sign: 

Sign 

Sign.....

Name: Dr. Martin Mudambo

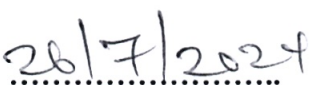
Name: Phylis Bartoo

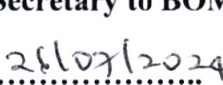
Name: Stellah Chepkosgi

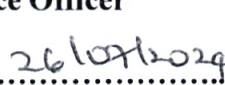
Chair BOM

School Principal/
Secretary to BOM

Bursar/
Finance Officer

Date 

Date 

Date 

LORETO HIGH SCHOOL MATUNDA

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For the year ended 30th June 2023

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

		2021-2022	2020-2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	2,991,765	3,455,602
Capitation grants for operations	2	13,220,614	15,110,737
School fund income- Parents contributions/ fees	3	96,796,671	73,566,910
School fund income- other receipts	4	7,952,067	4,648,557
Total receipts		120,961,117	96,781,806
Payments			
Payments for Tuition		9,421,037	7,080,631
Payments for operations		16,234,387	15,386,269
Boarding and school fund payments		100,509,322	67,021,952
Total payments		126,164,746	89,488,852
Net cash flow from operating activities		(5,203,629)	7,292,954
Adjustments			
Increase in Accounts Receivables		(7,790,981)	(2,415,764)
Increase in Accounts Payables		28,518,269	983,167
		20,727,288	(1,432,597)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets		(14,962,028)	(6,238,712)
Net cash flows from Investing Activities		(14,962,028)	(6,238,712)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		561,631	(378,355)
Cash and cash equivalent at BEGINNING of the year		1,662,873	2,041,228
Cash and cash equivalent at END of the year		2,224,504	1,662,872

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS

LORETO HIGH SCHOOL MATUNDA

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

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						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	576,000	-	576,000	284,171	291,829	49%
Exercise books	1,584,000	-	1,584,000	818,929	765,071	52%
Laboratory equipment	1,440,000	-	1,440,000	642,368	797,632	45%
Internal exams	1,584,000	-	1,584,000	760,612	823,388	48%
Teaching / learning materials	576,000	-	576,000	353,548	222,452	61%
Chalks	207,360	-	207,360	132,138	75,222	64%
Total Income for Tuition	5,967,360	-	5,967,360	2,991,765	2,975,595	50%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	6,580,800	-	6,580,800	4,347,099	2,233,701	66%
Repairs and maintenance	7,200,000	-	7,200,000	4,417,000	2,783,000	61%
Local transport / travelling	1,915,200	-	1,915,200	1,013,633	901,567	53%
Electricity and water	2,880,000	-	2,880,000	1,120,276	1,759,724	39%
Medical & insurance	2,880,000	-	2,880,000	168,305	2,711,695	6%
Administration costs	2,160,000	-	2,160,000	1,423,101	736,899	66%
Activity	2,160,000	-	2,160,000	731,200	1,428,800	34%
SMASSE	288,000	-	288,000		288,000	0%
Total income for Operations	26,064,000	-	26,064,000	13,220,614	12,843,386	51%
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	9,547,200	-	9,547,200	11,378,238	-1,831,038	119%
Repairs and maintenance	2,880,000	-	2,880,000	13,933,768	-11,053,768	484%

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Local transport / travelling	4,622,400	-	4,622,400	4,247,645	374,755	92%
Electricity and water	3,096,000	-	3,096,000	3,464,643	-368,643	112%
Medical	-	-	-	-	-	
Administration costs	5,630,400	-	5,630,400	6,568,316	-937,916	117%
Activity	360,000	-	360,000	302,500	57,500	84%
SMASSE		-	-	-		
Fee on Boarding Equipment and Stores	42,314,400	-	42,314,400	53,516,674	-11,202,274	126%
Total income from parents	68,450,400	-	68,450,400	93,411,784	-24,961,384	136%
<i>OTHER INCOME</i>			-			
Rent income	212,400	-	212,400	152,200	60,200	72%
Income from farming activities	4,142,950	-	4,142,950	3,428,949	714,001	83%
Income from uniforms			0	819,100	-819,100	-100%
Income from Bakery	4,524,000	-	4,524,000	3,551,808	972,192	79%
Total	8,879,350	-	8,879,350	7,952,057	927,293	90%
TOTAL INCOME	109,361,110	-	109,361,110	120,368,207	(11,007,097)	110%
<i>(1) EXPENDITURE FOR TUITION</i>			-			
Textbooks and reference materials	576,000	-	576,000	-		
Exercise books	1,584,000	-	1,584,000	1,155,000	429,000	73%
Laboratory equipment	1,440,000	-	1,440,000	4,092,752	-2,652,752	284%
Internal exams	1,584,000	-	1,584,000	3,660,515	-2,076,515	231%
Teaching / learning materials	576,000	-	576,000	461,650	114,350	80%
Chalks	207,360	-	207,360	46,800	160,560	23%
Bank Charges	-	-	0	4,320	-4,320	-100%
Total Expenditures for Tuition	5,967,360	-	5,967,360	9,421,037	-3,453,677	158%
<i>(2) EXPENDITURE FOR OPERATIONS</i>			-			
Personnel emoluments	6,580,800	-	6,580,800	4,987,133	1,593,667	76%
Repairs, maintenance & improvements	7,200,000	-	7,200,000	4,458,000	2,742,000	62%
Local transport / travelling	1,915,200	-	1,915,200	789,592	1,125,608	41%
Electricity, water and conservancy	2,880,000	-	2,880,000	851,592	2,028,408	30%
Medical & Insurance	2,880,000	-	2,880,000	574,272	2,305,728	20%

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Administration costs	2,160,000	-	2,160,000	3,639,348	-1,479,348	168%
Activity Expenses	2,160,000	-	2,160,000	934,450	1,225,550	43%
SMASSE	288,000		288,000		288,000	0%
Total Expenditures for operations	26,064,000	-	26,064,000	16,234,387	9,829,613	62%
(3) EXPENDITURE FOR SCHOOL FUND			-			
Personnel emoluments	9,547,200	-	9,547,200	10,543,753	-996,553	110%
Repairs, maintenance and improvements	2,880,000	-	2,880,000	12,118,891	-9,238,891	421%
Local transport / travelling	4,622,400	-	4,622,400	4,353,775	268,625	94%
Electricity, water and conservancy	3,096,000	-	3,096,000	3,012,294	83,706	97%
Administration costs	5,630,400	-	5,630,400	10,003,800	-4,373,400	178%
Activity	360,000	-	360,000	1,103,880	-743,880	307%
Boarding Equipment and Stores	42,314,400	-	42,314,400	48,868,871	-6,554,471	115%
Expenditure for Income Generating Activity		-	0	7,119,170.00	-7,119,170	-100%
Rent Expenses	212,400		212,400		212400	0%
Acquisition of Assets			0	14,962,028	-14,962,028	-100%
Total Expenditure for School Fund	68,662,800	-	68,662,800	112,086,462	-43,423,662	163%
TOTALS	100,694,160	-	100,694,160	137,741,886	-37,047,726	137%

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Most of the vote heads were underutilized i.e. Below 90% utilization because of poor fee collection and under funding from the ministry of education.*
- ii. Most of the Tuition account expenditures exceeds projected income from the ministry of education received.*
- iii. School fund expenditures exceeded projected income due to price variation in materials purchased.*

LORETO HIGH SCHOOL MATUNDA
Reports and Financial Statements
For the year ended 30th June 2023

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 imp rest, 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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imp rests 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 imp rest payments are recognized as expenditure when fully accounted for by the imp rest 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 2023

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2023-2022	2021-2022
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	818,928	1,094,412
Laboratory equipment	642,367	581,905
Internal exams	760,611	508,711
Teaching / learning materials	353,548	925,028
Chalks	132,137	131,499
Reference/Library	284,171	214,047
Teachers guides		
Total	2,991,765	3,455,602

2 CAPITATION GRANT FOR OPERATIONS

	2023-2022	2021-2020
	Kshs	Kshs
Personnel emoluments	4,347,099	4,824,004
Repairs and maintenance	4,417,000	4,683,000
Local transport / travelling	1,013,633	1,006,966
Electricity and water	1,120,276	1,442,570
Medical	168,305	
Administration costs	1,423,101	1,367,611
Activity	731,200	712,415
Insurance		1,074,171
NHIF		
Total	13,220,614	15,110,737

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2023-2022	2022-2021
	Kshs	Kshs
Personnel emoluments	11,378,238	6,557,202
Fee on Boarding Equipment and Stores	53,516,674	43,105,478
Maintenance & Improvement	13,933,768	4,423,442
Local transport / travelling	4,247,645	2,874,700
Electricity and water	3,464,643	6,659,096
Medical	-	-
Administration costs	6,568,316	4,985,031
Activity	302,500	1,103,720
Total	93,411,784	69,708,669

OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2023-2022	2022-2021
	Kshs	Kshs
Rent income	152,200	183,300
Income from farming activities	3,428,949	1,773,338
Insurance compensation/ASP		
Income from Bus hire		22,000.00
M.I account ,farm and savings account		
Income from grants and donations*		
Income from uniforms	819,110	
Income from bakery	3,551,808	2,569,345
Total	7,952,067	4,547,983

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4 PAYMENTS FOR TUITION

	2023-2022	2022-2021
	Kshs	Kshs
Textbooks	0	0
Exercise books	1,155,000	590,000
Laboratory equipment	4,092,752	4,048,808
Internal exams	3,660,515	1,871,648
Teaching / learning materials	461,650	250,000
Chalks	46,800	
Exams and assessment		
Teachers guides		
Library/ reference materials		306,247
Smasse		
Administration Costs		
Bank Charges	4,320	13,928
Total	9,421,037	7,080,631

5 PAYMENTS FOR OPERATIONS

	2023-2022	2022-2021
	Kshs	Kshs
Personnel emoluments	4,987,133	5,049,179
Service Gratuity		
Administration Cost	3,639,348.00	1,680,628
Repairs and maintenance & improvements	4,458,000	4,717,000
Local transport / travelling	789,592.00	856,900
Electricity and water	851,592.00	1,549,550
Medical & Insurance	574,272	
Activity Expenses	934,450	831,250
SMASSE		
Insurance Cost	-	701,762
NHIF		
Bank Charges		
Acquisition of Assets		
TOTAL	16,234,387	15,386,269

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6 BOARDING AND SCHOOL FUND PAYMENTS

	2023-2022	2022-2021
	Kshs	Kshs
Personnel emoluments	10,543,753	5,572,466
Repairs and maintenance & Improvements	12,118,891	3,359,181
Local transport / travelling	4,353,775	1,150,754
Electricity and water	3,012,294	4,891,287
Medical Expenses		
Administration costs	10,003,800	4,831,192
Expenditure on uniforms		
Expenses on Income Generating Activities	7,119,170	3,995,337
Fee on Boarding Equipment and Stores	48,868,871	39,906,786
M.I account, Farm & Savings account/asp		
Activity Expenses	1,103,880	45,115
Bursaries		
Acquisition of Assets	14,962,028	6,238,712
TOTAL	112,086,462	69,990,830

8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2023-2022	2022-2021
		Kshs	Kshs
Tuition Account- Standard chartered	0102036055500	12,667	477,352
Tuition account equity	0330283255887	235,490	
Operations Account- Standard chartered	0102017892600	23,329	184,104
Operation equity	0330282255964	623,168	
School Fund Account/Boarding	0102836055501	199,618	228,785
Savings Account	0102036055501	105,608	230,623
School fee collection	1197797718	746,995	309,018
Income generating activities Account	1139458779	100,390	115,240
Infrastructural Account	1278977333	174,868	95,626
Total		2,222,135	1,640,749

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9 CASH IN HAND

Description	2023-2022	2022-2021
	Kshs	Kshs
Tuition Account		
Operation Account	2,009.00	10,712
School Fund account	360.00	11,411
Total	2,369.00	22,123.00

10 SHORT TERM INVESTMENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
Total		

11 ACCOUNTS RECEIVABLE

Description	2023-2022	2022-2021
	Kshs	Kshs
Fees arrears	35,443,378	27,652,397
Other non-fees receivables		
Salary advances		
Suspense account		
Total	35,443,378	27,652,397

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

Description	2023-2022	2022-2021
	Kshs	Kshs
Fees arrears for current year	9,417,478	4,823,584
Fees arrears for the previous year	2,070,143	1,500,789
Fees arrears for prior periods (over two years)	23,955,757	21,328,024
Total	35,443,378	27,652,397

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12 ACCOUNTS PAYABLE

Description	2023-2022	2022-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	40,307,326	14,969,438
Prepaid fees	7,694,343	4,513,962
Retention monies		
Total	48,001,669	19,483,400

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

Description	2023-2022	2022-2021
	Kshs	Kshs
Trade creditors for current year	34,032,429	9,208,593
Trade creditors for the previous year	5,760,845	4,753,845
Trade creditors for prior periods (over two years)	514,052	1,007,000
Total	40,307,326	14,969,438

13. FUND BALANCE BROUGHT FORWARD

Description	2023-2022	2020-2021
	Kshs	Kshs
Bank balances	1,640,749	2,040,807
Cash balances	22,123	420
Short Term Investments		
Receivables	27,652,397	25,236,633
Payables	(19,483,400)	18,500,233
Total	9,831,869	8,777,627

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.

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14. Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	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	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	11	500,000	550,000
Trees	1000	14,000,000	15,000,000
Bananas plantation	50	60,000	50,000
Pigs	28	480,000	
Total		15,040,000	15,600,000

16. Borrowings

Description	2022-2023	2021-2022
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

17. Stock/ Inventory

Description	2022-2023	2021-2022
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	1,090,200	6,124,134
Stock/ inventory purchased during the year	42,584,200	40,132,516
Stock/ inventory issued during the year	40,987,250	39,042,316
Balance at end of the year	2,687,150	1,090,200

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	
Construction of buildings					
Supply of goods					
Tuition account					
1. Mwako Supplies	1,802,120	01/7/2023		1,802,120	
2. Yokhama Enterprises Limited	506,000	01/7/2023		506,000	
3. Kodam Agencies	1,583,200	01/7/2023		1,583,200	
4. Starnobells Enterprises	855,000	01/7/2023		855,000	
5. Sauti Furniture	250,000	01/7/2023		250,000	
6. Leadgrade Enterprises	16,000	01/7/2023		16,000	
7. Trevorite Enterprises	162,400	01/7/2023		162,400	
8. Spearhead Enterprises	1,010,381	01/7/2023		1,010,381	
9. Eldoline Enterprises	517,900	01/7/2023		517,900	
Sub Total	<u>6,561,801</u>			<u>6,561,801</u>	
Operation account					
1. Patracks Sport Enterprises	235,800	01/7/2023		235,800	
2. Spearhead Enterprises	1,704,500	01/7/2023		1,704,500	
3. Pexel Limited	392,000	01/7/2023		392,000	
4. Suntek electronics	22,550	01/7/2023		22,550	
5. Valley auto garage	90,000	01/7/2023		90,000	
6. Lifecare Pharmaceutical	81,000	01/7/2023		81,000	
Sub- Total	<u>2,525,850</u>			<u>2,525,850</u>	
School Fund account					
1. Wa-Mumbi Super market	3,337,318	01/7/2023		3,337,318	
2. Pet mas Cheist	1,256,187	01/7/2023		1,256,187	
3. Oyla East Africa	250,391	01/7/2023		250,391	
4. Jacob general Supplies	250,000	01/7/2023		250,000	
5. Gallant Video production	1,185,000	01/7/2023		1,185,000	
6. Teyana Limited	5,284,431	01/7/2023		5,284,431	
7. Bakery Account	1,200,000	01/7/2023		1,200,000	
8. Judelink	350,000	01/7/2023		350,000	
9. Term Enterprises	1,251,500	01/7/2023		1,251,500	
10. Kaluo Engineerings works	680,000	01/7/2023		680,000	
11. Venician Technical service	3,700,000	01/7/2023		3,700,000	
12. Majida Uniforms	48,000	01/7/2023		48,000	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
13. Fialcon Enterprises	738,000	01/7/2023		738,000	
14. Matunda Modern Hardware	6,243,506	01/7/2023		6,243,506	
15. Catherine Namuki	108,000	01/7/2023		108,000	
16. Ebby Liyala	257,900	01/7/2023		257,900	
17. Matunda Eagles Self Help group	441,780	01/7/2023		441,780	
18. Farm Account	2,651,069	01/7/2023		2,651,069	
19. Prestigious Filling station	227,883	01/7/2023		227,883	
20. Mother of Apostles	600,000	01/7/2023		600,000	
21. Staisalink Technologies	227,800	01/7/2023		227,800	
22. Isaac Ochieng	139,100	01/7/2023		139,100	
23. Adorable Design	131,000	01/7/2023		131,000	
24. Pop Farm care	123,310	01/7/2023		123,310	
25. Paul Wekesa	112,000	01/7/2023		112,000	
26. Wamisiko Engineering	96,000	01/7/2023		96,000	
27. Philip Maiyo	85,000	01/7/2023		85,000	
28. Robu cleaning services	54,000	01/7/2023		54,000	
29. Moisbridge Muungano Farmers	54,000	01/7/2023		54,000	
30. Philip Wamalwa	50,000	01/7/2023		50,000	
31. Kitale wool shop	47,000	01/7/2023		47,000	
32. Better Business Bureau	24,000	01/7/2023		24,000	
33. Starnobells Enterprises	15,000	01/7/2023		15,000	
Sub-Total	<u>31,219,675.99</u>			<u>31,219,675.99</u>	
Grant Total	<u>40,307,326.99</u>			<u>40,307,326.99</u>	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Historical Cost b/f (Kshs) 1 st July 2022	Historical Cost c/f (Kshs) 30 th June 2023
Land 1	Balance B/F 1/1/2022	67,200,000	67,200,000
Buildings and structures	Balance B/F 1/1/2022	104,854,336	107,854,336
Motor vehicles	Balance B/F 1/1/2022	14,500,000	14,500,000
Office equipment, furniture and fittings	Balance B/F 1/1/2022	3,650,300	4,259,300
ICT Equipment, and Other ICT Assets	Balance B/F 1/1/2022	2,347,500	2,347,500
Tools and apparatus	Balance B/F 1/1/2022	538,400	1,038,400
Textbooks	Balance B/F 1/1/2022	5,000,000	5,800,000
Other Machinery and Equipment	Balance B/F 1/1/2022	10,498,000	10,498,000
Heritage and cultural assets	Balance B/F 1/1/2022	1,098,000	1,298,000
Intangible assets- soft ware	Balance B/F 1/1/2022	269,000	269,000
<u>Total</u>		<u>209,855,536</u>	<u>215,064,536</u>