

REPUBLIC OF KENYA



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REPORT

OF


THE AUDITOR-GENERAL

ON

MASENO SCHOOL

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

KISUMU COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 NOV 2024	DAY: WEDNESDAY
TABLED BY:	MAJORITY WHIP
CLERK AT THE TABLE:	FINLAT

Revised 30th June 2023.



Maseno School

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)

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1. Acronyms and Glossary of Terms

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

2. Key School Information and Management

(a) Background information

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

The school was registered in September 1906 as a three streamed school under registration number 42/S/3000/0876 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 2,957 numbers of students as at 30th June 2023. It has 15 streams and 124 teachers of which 48 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. Olango Onudi	Chairman	March,2020
2	Mr. Peter Owino	Secretary- Principal	January,2022
3	Bishop Charles Onginjo	Member- Sponsor	March,2020
4	Ms Olympia Okal	Vice Chair Person	March,2020
5	Ms Grace Otieno	Member	March,2020
6	Mr. Wilson Sankei	Member	March,2020
7	Dr. Luchetu Likaka	Member	March,2020
8	Ms Dorothy Osir	Member	March,2020
9	Ms Damar Odhiambo	Member Rep Teachers	March,2020
10	Mr. Alfred Opiyo	3 Members - Sponsor	March,2020
11	Mr. Walter Odhiambo	Member - Community	March,2020
12	Mr. Ms Rose Koweru	Member Special Needs	March,2020
13	Mr. Benard Kochieng	Rep Students	March,2020
14	Prof Basil Ongor	Member	March,2020
15	Mr. Patrick Nyagosia	Member	March,2020
16	Mr. Charles Gitau	Member	March,2020
17	Mr. Handy Ogoma	Member	March,2020
18	Mr. Christopher Rusana	P.A Chairman	March,2020
19	Ms Norah Otieno	Member	March,2020

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref No.	Committees of the Board	Name of Members	Designation	No. of Meetings Attended in the F/Y
1	Executive Committee	Dr. Olango Onudi	Chairman	
		Mr. Peter Owino	Principal	
		Ms. Olympia Okal	Member	
		Mr. Alfred Opiyo	Member	
		Mr. Christopher Rusana	P.A Chairman	3 Out of 3
2	Audit Committee	Dr. Olango Onudi	Chairman	
		MR. Peter Owino	Principal	
		Ms. Olympia Okal	Member	
		Mr. Christopher Rusana	Member	
		Mr. Alfred Opiyo	Member	3 Out of 3
3	Finance Procurement & General Purposes Committee	Dr. Olango Onudi	Member	
		MR. Peter Owino	Member	
		Mr. Christopher Rusana	Member	
		Mr. Alfred Opiyo	Chairman	3 Out of 3
4	Academic Committee	Prof Basil Ongor	Chairman	
		Mr. Patrick Nyagosia	Member	6 Times
		Ms. Olympia Okal	Member	
		Ms. Dorothy Osir	Member	
		Ms. Norah Otieno	Chair Person	5 Times
5	Development Committee	MR. Peter Owino	Member	
		Mr. Christopher Rusana	Member	
		Mr. Benard Kochungo	Member	
		Ms. Grace Otieno	Chair Person	8 Times
		Ms. Damar Odhiambo	Member	
6	Discipline & Welfare Committee	Mr. John Ombija	Member	
		Ms. Dorothy Osir	Member	
		Ad hoc		Once
		Ad hoc		Once
7	Tender Opening	Ad hoc		Once
		Ad hoc		Once
	Tender Acceptance & Inspection	Ad hoc		Once

(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	Identification
1	Principal	Mr Peter Otieno Owino	TSC No. 387271
2	Deputy Principal	Mr Peter Ochieng Nyawach	TSC No. 442529
3	Deputy Principal	Mr John Okoth	TSC No. 427442
4	School Bursar	Mr Joshua Aringo	I.D no. 1123414

(a) Schools contacts

Post Office Box: 120, Maseno
Telephone: 0722626745
E-mail: Maseno_school@yahoo.com
Website: www.masenoschool.sc.ke

(b) School Bankers

Provide details of the school bankers.

Name of Bank:

Cooperative Bank A/C No. 01129012485601, 01129012485600 –Boarding Account

Cooperative Bank A/C No.01139012485600 –Tuition Account

Cooperative Bank A/C No.01139012485601 –Operations Account

Branch Kisumu

Equity Bank A/C No. 1260262295839 – Boarding Account

Branch Kisumu

Kenya Commercial Bank A/C No. 1265957878 Infrastructure Account

Luanda Branch

(c) Independent Auditors

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

3. 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:

FINANCIAL PERFORMANCE	FY	FY
YEAR	2022/23	2021/22
SURPLUS/DEFICIT	7,488,725.00	20,802,537.00
MoE CAPITATION GRANT	48,612,672.00	42,818,814.00
FEES COLLECTION FROM PARENTS	258,787,920.00	218,539,979.00
TOTAL EXPENDITURE	299,911,867.00	240,555,656.00
ACCOUNTS RECEIVABLES	89,239,205.00	94,540,201.00
ACCOUNTS PAYABLES	24,496,405.00	33,517,125.00
TOTAL CASH & CASH EQUIVALENT	31,886,429.00	28,117,428.00

b) Teacher Student ratio:

TEACHERS STUDENTS' RATIO	124:2957	102:2669
YEAR	2023	2022
NO. OF TEACHERS TSC	76	65
NO. OF BoM REACHERS	48	37
TOTAL	124	102
NO. OF TEACHERS RECRUITED TSC	3	0
NO. OF TEACHERS TRANFERRED	2	0
NO. OF TEACHERS RETIRED	0	0

c) Mean score in the 2023KCSE:

MEAN SCORE IN KCSE		
YEAR	2023	2022
NO. OF STUDENTS CANDIDATES	529	546
MEAN SCORE	9.5382	8.863
TRANSITION TO UNIVERSITY	512	496

d) Number of Candidates in the 2023 KCSE:

d	NO. OF CANDIDATES IN TERMS OF PERFORMANCE		
	YEAR	2023	2022/21
	ENTRY	529	546
	A	35	20
	A-	127	74
	B+	115	116
	B	119	121
	B-	17	91
	C+	37	74
	C	9	41
	C-	3	8
	D+	0	1
	D	0	0
	D-	0	0
	E	0	0
	X	0	0
	Y	5	0
	MEAN GRADE	9.5382	8.8626

e) Capacity of the school:

e	CAPACITY OF THE SCHOOL		
	YEAR	2022/23	2021/22
	No. OF STUDENTS	2957	2669
	DINING HALL	1	1
	LABORATORIES	9	9
	TOILETS	187	122
	CLASSROOMS	45	41
	DORMITORIS	19	18

D) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
3 No. Class Rooms	MiF	Complete	3,308,865.00	3,308,865.00	Complete
HoD 230 Offices	MiF	Complete	1,513,481.00	1,513,481.00	Complete
Staff Lounge	MoE Grant	Complete	11,248,150.00	11,248,150.	Complete
Staff Houses	MiF	Complete	4,497,615.00	4,497,615	Complete
10 No. Doors Toilet	MiF	Complete	800,000.00	800,000.00	Complete
12 No. Doors Toilet	MiF	Complete	2,000,000.00	2,000,000.00	Complete
450 Capacity Dormitory	PA Development Fund	Phase 1 Complete	18,295,725.00	18,295,725.00	Phase 1 Complete

.....
 School Principal

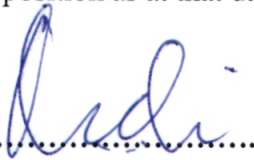
4. Statement of School Management Responsibility

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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Maseno 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, 2023, and of the school's financial position as at that date.



.....
Name: Dr. Olango Onudi

Designation: Chairman, School Board of Management

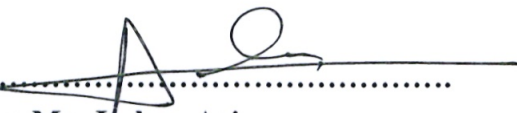
Date: 30th September, 2023



.....
Name: Mr. Peter Owino

Designation: School Principal & Secretary to Board of Management

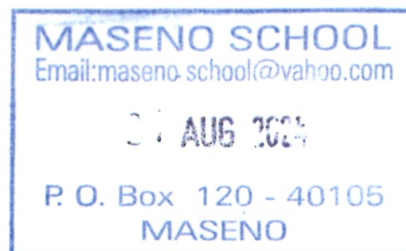
Date: 30th September, 2023



.....
Name: Mr. Joshua Aringo

Designation: Bursar/ Finance Officer

Date: 30th September, 2023



REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON MASENO SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KISUMU 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 overall 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 Maseno School – Kisumu County set out on pages 1 to 13, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023 and the statement of receipts and payments,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Maseno School – Kisumu County 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

1. Accounts Receivables

1.1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects balance of Kshs.89,239,205 in respect of accounts receivables and as disclosed in Note 12 to the financial statements. However, Management did not prepare an ageing analysis to assess the status of outstanding fees owed to the School by students and the length of time they had remained outstanding.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.89,239,205 could not be confirmed.

1.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.89,239,205 in respect of fees arrears as disclosed in Note 12 to the financial statements. However, included in the balance are receivables amounting to Kshs.36,781,466 which had been outstanding for more two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balances of Kshs.36,781,466 could not be confirmed.

2. Authenticity of Accounts Payables

2.1. Unsupported Accounts Payable

The statements of financial assets and liabilities reflects accounts payable balance of Kshs.24,496,405 in respect of trade creditors and as disclosed in Note 13 to the financial statements. However, Management did not prepare an ageing analysis to assess the status of outstanding balances due to the creditors and the length of time they had remained outstanding.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.24,496,405 could not be confirmed.

3. Cash and Cash Equivalents

3.1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.31,886,429 which includes balances of Kshs.31,885,814 and Kshs.615 in respect of bank balance and cash in hand respectively and as disclosed in Notes 10 and 11 to the financial statements. However, the bank balance of Kshs.31,885,814 were in respect of six (6) bank accounts which were not supported with certificate of bank balance and bank reconciliation statements.

In the circumstances, the accuracy and completeness of bank balance of Kshs.31,886,429 could not be confirmed.

3.2. Unsupported Cash in Hand Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.31,886,429 which includes balances of Kshs.31,885,814 and Kshs.615 in respect of bank balance and cash in hand respectively and as disclosed in Notes 10 and 11 to the financial statements. However, review of the statement revealed cash in hand balance of Kshs.615 was not supported with board of cash survey report. Further, it was not clear why the School was keeping such large sums of money in the School.

In the circumstances, the accuracy and completeness of cash balance of Kshs.615 could not be confirmed.

4. Unsupported Bank Loan

Review of other important disclosure notes on non-current liabilities summary revealed balance of Kshs.6,493,057 in respect of bank loan school bus with a local bank and as disclosed in Note 15 to the financial statements. However, supporting documents including approval authorities from Ministry of Education, Board of Management approval minutes, loan contract agreement, bank statement and loan repayment schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of the bank loan school bus balance of Kshs.6,493,057 could not be confirmed.

5. Inaccuracies in the Financial Statements

Review of the financial statements submitted for audit revealed the following inaccuracies in the amounts and balances.

5.1. Comparative Balance

The statement of receipts and payments reflects comparative amount of Kshs.35,570,800 in respect of government grants for operations. However, the comparative amount was at variance with previous year amount of Kshs.34,570,000 in the audited financial statements resulting to unreconciled and unexplained variance of Kshs.1,000,000.

In the circumstances, the accuracy and completeness of the comparative amounts of Kshs.35,570,800 in respect of government grants for operations could not be confirmed.

5.2. Accumulated Fund Brought Forward

The statement of financial assets and financial liabilities reflects accumulated fund brought forward balance of Kshs.89,140,504. However, review of Notes to the financial statements reflects balance of Kshs.68,337,967 and as disclosed in Note 14 to the financial statement resulting to unexplained and unreconciled variance of Kshs.20,802,537.

In the circumstances, the accuracy and completeness of accumulated fund brought forward balance of Kshs.89,140,504 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.292,096,700 and Kshs.258,787,920 respectively, resulting to re-calculated under-funding of Kshs.33,308,780 or 11 % of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.240,073,330 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,683,630 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.1,683,630 could not be confirmed.

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.7,096,856 and Kshs.20,987,813 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of two thousand eight hundred and sixty-one (2,861) students while the enrolment records provided by the School indicated a total number of two thousand nine hundred and fifty seven (2,957) students, resulting to an unexplained variance of ninety six (96) students. As a result of the variances, the School was under-funded by an amount of Kshs.384,960.

In the circumstances, the under-funding of the School may have affected service delivery to the schools and value for money could not be confirmed.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.38,037,403 and as disclosed in Note 1 and 2 to the financial statements. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year/period 2022/2023, NEMIS reflected two thousand eight hundred and sixty-one (2,861) students while records from the County

Director of Education had two thousand nine hundred and fifty-seven (2,957) students, resulting to an under-funding of the School by an amount of Kshs.384,960. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

4. Excess Supply of Books

During the year/period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed eight thousand six hundred and sixteen (8,616) books to the School while only four thousand and seventy-two (4,072) books were issued to the students, resulting to an unexplained excess text books of four thousand five hundred and forty-four (4,544) books in the School store.

In the circumstances, value for money on the excess text books of four thousand five hundred and forty-four (4,544) books 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. Further, physical verification of the dormitories within the School revealed that they were overcrowded and therefore do not meet the requirements of Regulation 83(k) which requires the space between beds to be at least 1.2 meters for institutions with boarding facilities

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

6. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects school fund income - parents' contributions amount of Kshs.258,787,920 as disclosed in Note 4 to the financial statements which includes Parents Association(PA) Support Programme amount of Kshs.45,912,635. However, review of the supporting documents including approved fees structure by Ministry of Education did not include the collection of in respect to PA development fees. Review of Board minutes dated 10 November, 2022 revealed that each student was required to pay additional Kshs.18,000 for the construction of 450 capacity dormitory project. Student enrolment number through Zeraki of 2,938 student revealed total amount of Kshs.52,884,000 which is at variance with reported resulting to unexplained and unreconciled variance of Kshs.6,971,365. Further, examination of the records revealed that the School charged amount of Kshs.18,000 per student to support

the programme had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fees structure and lunch for the day scholars.

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

7. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.307,400,592 and Kshs.299,911,867 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

8. Irregular Procurement on Cash Payment

The statement of receipts and payments reflects boarding and school fund payments of an amount of Kshs.240,073,330 which includes amounts of Kshs.138,194,648 and Kshs.15,498,751 in respect of fees on boarding equipment stores and administration cost respectively and as disclosed in Note 9 to the financial statements. However, review of the supporting documents including payment vouchers revealed that amounts of Kshs.26,159,205 and Kshs.5,343,100 in respect of boarding equipment stores and the administration cost respectively totalling to amount of Kshs.17,560,588 were purchased through cash payments. This was contrary to Regulations 92 (a) which requires that a procuring entity may use low value procurement method under Section 107(b) of the Act, where the estimated cost of the goods, works or services being procured per item per financial is as per the threshold matrix in the Second Schedule which allows a maximum level of expenditure of Kshs.50,000 per item per financial year.

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

9. Failure to Maintain Fixed Asset Register

The financial statements presented for audit did not include a summary of the fixed assets register as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board and fixed assets register was not maintained. Further, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the existence of an effective assets management mechanism and the ownership of the School land could not be confirmed.

10. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. Key school information and Management did not include Parents Association bank account.
- ii. The statement of receipts and payments and cash flows are presented for the period ended 2022 instead of the year ended 2023.
- iii. The statement of receipts and payments is presented for the period ended 2021 instead of the year ended 2023.
- iv. Note 4 and 5 in respect of payment for tuition and boarding and school payments for the year are presented as 2020-2021.
- v. The financial statements presented for audit review did not have significant accounting policies.
- vi. Summary of fixed assets register is not included as part of the annexure to the financial statements.
- vii. Inconsistency in Note numbering to the financial statements and respective Notes.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

11. Unapproved Budget

The budget amounts presented in the statement of budgeted versus actual amounts were not supported by approved budget. This was contrary to Regulation 31(1)(2) of the Public Finance Management (National Government) Regulations, 2015 which states that 'an Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations. Further, the Accounting Officer is responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his national government entity during the financial year and the estimates are submitted to The National Treasury in the manner and format to be issued by the Cabinet Secretary'.

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

12. Late Submission of Financial Statements to the Auditor-General

The financial statements for School for the period ended 30 June, 2023 were submitted to the Auditor-General for audit on 22 May, 2024, a delay of eight (8) months after the

end of the fiscal year to which the accounts relate. This is contrary to Section 47 of the Public Audit Act, 2015 which states that 'the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate'.

In the circumstances, Management was therefore 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. Lack of Internal Audit Function and Audit Committee (Internal Controls, Risk Management and Governance)

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) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. School's Board of Management

Review of the governance structure of the School revealed existence of Board of Management. However, the personal files of Board Members did not contain appointment letters, acceptance of appointments, Curriculum Vitae, testimonials and passport photos of Board Members and calendar of Board meetings for the period were not provided for audit review. The Board did not maintain individual minute files for full board and sub-committee meetings held. The Board minutes provided for audit review were not signed

by the Chairman and the Secretary to the Board. Further, payments of Board Members' allowances could not be confirmed as payment vouchers and members' attendance registers were not provided for audit review.

In the circumstances, the effectiveness of governance could not be confirmed.

3. Lack of Risk Management Policy and IT Policy

Review of the documents provided for audit revealed that the School Management had not established a Risk Management Policy to guide on the development of risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations'. In addition, the School did not approve Information Technology Policy for governance and management of its ICT resources.

In the circumstances, the effectiveness of risk management could not be confirmed.

4. Lack of Insurance Cover for Assets

Review of the financial statements and assets records revealed that the School Management did not have insurance cover for its assets and equipment.

In the circumstances, the School is exposed to losses without compensation in case of fire, theft or any other unforeseen calamities.

5. Weak Human Resource Management Practices

Review of personnel records revealed that the School did not have in place a human resource policy, an approved salary structure, an approved scheme of service for its staff, defined job categories by profession, qualifications and experience, career progression and conditions of progression. In the absence of the scheme of service, it was not possible to ascertain how recruitments, promotion and rewards of staff were determined. This has the effect of creating unfair human resource practices affecting employee's morale negatively. In addition, the payrolls were maintained in excel format which can be altered without a trail. The payrolls do not include personal numbers, date of employment, date of retirement and job grade of the employees.

In the circumstances, the regularity of personnel emoluments could not be confirmed.

6. Management of Scholarship and Bursaries

During the year under review, the School Management did not maintain a complete list of students issued with bursaries/scholarships indicating the admission numbers and financiers/donors. Further, School's manual enrolment register for the period under review revealed inconsistencies between the number of students captured in the two registers with the number of students captured in NEMIS being less than the number in the School's manual register. The variances resulted in under-funding of the School by Kshs.165,242.

In the circumstances, effectiveness of controls over management of student enrolment could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 (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 and 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 October, 2024

6. Statement Of Receipts and Payments for the Year Ended 30th June 2023

Description Of Vote Head	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	7,096,859.00	7,247,414.00
Government grants for operations	2	20,987,813.00	35,570,800.00
Government Grants for infrastructure	3	20,528,000.00	0
School fund income- parents' contributions	4	258,787,920.00	218,539,979.00
Total Receipts		307,400,592.00	261,358,193.00
Payments			
Tuition	6	5,946,572.00	7,780,150.00
Operations	7	19,453,736.00	30,257,253.00
Infrastructure	8	34,438,229.00	0
Boarding and school fund	9	240,073,330.00	202,518,253.00
Total Payments		299,911,867.00	240,555,656.00
Surplus/Deficit		7,488,725.00	20,802,537.00

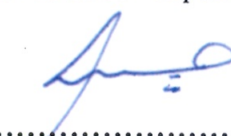
The school financial statements were approved on 30th September 2023 and signed by:



Name: **Dr. Olango Onudi**

Chair BOM

Date: 30/09/2023



Name: **Mr. Peter Owino**
School Principal/ Secretary to
BOM

Date: 30/09/2023



Name: **Mr. Joshua Aringo**

Bursar/ Finance Officer

Date: 30/09/2023



7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	31,885,814	27,428,829.00
Cash balances	11	615.00	688,599.00
Total cash and cash equivalent		<u>31,886,429.00</u>	<u>28,117,428.00</u>
Accounts receivables	13	89,239,205	94,540,201.00
Total financial assets		121,125,634.00	122,657,629.00
Financial liabilities			
Accounts payables	14	24,496,405.00	33,517,125.00
Net financial assets		96,629,229.00	89,140,504.00
Represented by			
Accumulated fund b/fwd.	15	89,140,504.00	68,337,967.00
Surplus/deficit for the year		7,488,725.00	20,802,537.00
Net financial position		96,626,229.00	89,140,504.00

The school's financial statements were approved on 30th September 2023 and signed by:

.....
Name: Dr. Olango Onudi

Chair BOM

Date: 30/09/2023

.....
Name: Mr. Peter Owino
School Principal/ Secretary to
BOM

Date: 30/09/2023

.....
Name: Mr. Joshua Aringo

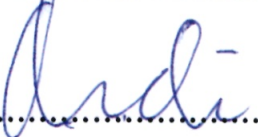
Bursar/ Finance Officer

Date: 30/09/2023

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022/2023 Kshs	2021/2022 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		7,096,859.00	7,247,414.00
Government grants for operations		20,987,813.00	35,570,800.00
Government grants for infrastructure		20,528,000.00	0
School fund income- parents contributions/ fees		258,787,920.00	218,539,979.00
Total receipts		307,400,592.00	261,358,193.00
Payments			
Cash outflows for tuition		5,946,572.00	7,780,150.00
Cash outflows for operations		19,453,736.00	30,257,253.00
Cash outflows for Infrastructure		34,438,229.00	0
Cash outflows Boarding/lunch and school fund payments		240,073,330.00	202,518,253.00
Total payments		299,911,867.00	240,555,656.00
Net cash inflow/outflow from operating activities		7,488,725.00	20,802,537.00
Cash flow from investing activities			
Cashflow from financing activities	18		
Repayment of principal borrowings Bus Loan (Equity)		(3,719,724.00)	(4,959,631.00)
Net increase/decrease in cash and cash equivalents		3,769,001.00	15,842,906.00
Cash and cash equivalent at beginning of the FY		28,117,428.00	12,274,522.00
Cash and cash equivalent at end of the FY		31,886,429.00	28,117,427.00

The school's financial statements were approved on 30th September, 2023 and signed by:

.....


Name: Dr. Olango Onudi

Chair BOM

Date: 30/09/2023

.....

Name: Mr. Peter Owino
 School Principal/ Secretary to
 BOM

Date: 30/09/2023

.....

Name: Joshua Aringo
 Bursar/ Finance Officer

Date: 30/09/2023

9. 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	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Teaching / Learning Materials	12,017,600.00	0	12,017,600.00	7,096,859.00	59%
<i>(2) Capitation Grant on Operations</i>		0			
Other Vote Heads (Ewc,Ltt,Admin Cost,P/Emol)	27,260,000.00	0	27,260,000.00	18,980,000.00	70%
Activity	4,350,000.00	0	4,350,000.00	1,493,513.00	34%
Insurance Medical & property	1,450,000.00	0	1,450,000.00	514,300.00	36%
Sub Total	33,060,000.00	0	33,060,000.00	20,987,813.00	64%
<i>3) FDSE for infrastructure</i>		0			
Maintenance &Improvement MoE	14,500,000.00	0	14,500,000.00	10,528,000.00	73%
Transition Infrastructure Grants	10,000,000.00	0	10,000,000.00	10,000,000.00	100%
Sub Total	24,500,000.00	0	24,500,000.00	20,528,000.00	84%
<i>4) Fees Charged on Parents</i>		0			
Repairs And Maintenance	5,800,000.00	0	5,800,000.00	5,148,309.00	89%
School Bus Loan	8,700,000.00	0	8,700,000.00	7,624,835.00	88%
Development	52,200,000.00	0	52,200,000.00	45,906,635.00	87%
Other Vote Heads (Ewc,Ltt,Admin Cost,P/Emol)	59,075,900.00	0	59,075,900.00	47,424,157.00	80%
Activity	2,314,200.00	0	2,314,200.00	2,071,807.00	90%
BoM Teachers P/Emol	8,700,000.00	0	8,700,000.00	7,598,062.00	87%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Fee On Boarding Equipment and Stores	155,306,600.00	0	155,306,600.00	143,014,115.00	92%
Total Income	292,096,700.00	0	292,096,700.00	258,787,920.00	
(6) Expenditure For Tuition					
Textbooks	0	0	0	360,000.00	0
Exercise Books	0	0	0	1,002,240.00	0
Laboratory Equipment	0	0	0	1,927,884.00	0
Internal Exams	0	0	0	10,000.00	0
Teaching / Learning Materials	0	0	0	2,646,448.00	0
Sub Total	12,017,600.00	12,017,600.00	12,017,600.00	5,946,572.00	49%
(7) Expenditure For Operations					
Administration cost	0	0	0	358,362.00	0
Other Vote Heads (Ewc,Ltt,Admin Cost,P/Emol)	27,260,000.00	27,260,000.00	27,260,000.00	18,246,364.00	0
Sub Total	27,260,000.00	27,260,000.00	27,260,000.00	19,453,736.00	71%
(8) Expenditure For infrastructure					
Construction of HoD offices'	1,513,481.00	1,513,481.00	1,513,481.00	1,513,481.00	0
Construction of classrooms	3,308,865.00	3,308,865.00	3,308,865.00	3,308,865.00	0
Construction of Staff lounge	11,248,150.00	11,248,150.00	11,248,150.00	11,248,150.00	0
Construction of DORMS	18,295,725.00	18,295,725.00	18,295,725.00	18,295,725.00	0
Construction of Toilets	2,800,000.00	2,800,000.00	2,800,000.00	2,800,000.00	0
Sub Total	37,166,221.00	37,166,221.00	37,166,221.00	37,166,221.00	56%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparative Basis	% of Utilization
	a	b	c=a+b	d	e=d/a %
	Kshs	Kshs	Kshs	Kshs	Kshs
(9) Expenditure For school fund/lunch/boarding					
Development & RmI	58,000,000.00	0	58,000,000.00	14,347,459.00	25%
Local Transport / Travelling	Other votes	0	Other votes	16,347,459.00	0
Electricity, Water and Conservancy	Other votes	0	Other votes	10,469,381.00	0
Medical Expenses	1,450,000.00	0	1,450,000.00	358,745.00	25%
Administration Costs	Other votes	0	Other votes	15,498,751.00	0
Activity	2,314,200.00	0	2,314,200.00	6,879,505.00	297%
Other Vote Heads (Ewc,Ltt,Admin Cost,P/Emol Other	59,075,900.00	0	59,075,900.00	17,491,619.00	30%
Bom Teachers P/Emol	8,700,000.00	0	8,700,000.00	9,586,600.00	110%
Boarding Equipment and Stores	155,306,600.00	0	155,306,600.00	138,194,648.00	65%
School Bus loan	8,700,000.00	0	8,700,000.00	3,719,724.00	43%
Insurance Costs	0	0	0	714,712.00	0
Totals	292,096,700.00	0	292,096,700.00	240,073,330.00	82%

10. Notes To The Financial Statements

1 Government Grantsfor Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Teaching / Learning Materials	7,096,859.00	7,247,414.00
Total	7,096,859.00	7,247,414.00

2 Government Grantsfor Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	0	2,905,044.00
Repairs And Maintenance	0	14,544,000
Medical & Insurance	514,300	449,400.00
Activity	1,493,513.00	0
Other Vote Heads (Ewc,Ltt,Admin Cost,P/Emol)	18,980,000.00	17,672,355.00
Total	20,987,813.00	35,570,800.00

3 Government Grants for infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance &Improvement	10,528,000.00	0
Transition infrastructure grants	10,000,000.00	0
Total	20,528,000.00	0

4 School Fund Income -Parents Contribution/Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	0	319,104.00
Repairs and maintenance	5,148,309.00	7,578,959.00
Local transport / travelling	0	80,447.00
Electricity and water	0	253,961.00
Medical	0	114,425.00

Description	2022/2023	2021/2022
	Kshs	Kshs
Administration costs	0	630,227.00
Activity	2,071,807.00	2,472,320.00
Fee on Boarding Equipment and stores	143,014,115.00	137,282,681.00
BoM Teachers P/Emol	7,598,062.00	9,089,327.00
Development	45,906,635.00	6,756,548.00
Other Voteheads	47,424,157.00	44,866,443.00
School Bus Loan	7,624,835.00	9,095,537.00
Total	258,787,920.00	218,539,979.00

5 Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Exercise Books	1,002,240.00	4,417,984.00
Textbooks	360,000.00	80,000.00
Internal Exam	10,000.00	60,000.00
Laboratory Equipment	1,927,884.00	199,500.00
Teaching / Learning Materials	2,646,448.00	2,832,428.00
Total	5,946,572.00	7,780,150.00

6 Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	18,246,364.00	8,201,926.00
Administration Cost	358,362.00	345,000.00
Repairs And Maintenance & Improvements	0	8,978,650.00
Electricity And Water	849,010.00	1,451,890.00
Others (Ewc,Ltt,Admin,P/Emol)	0	11,279,787.00
Total	19,453,736.00	30,257,253.00

7 Infrastructure

Description	2022/2023 Kshs	2021/2022 Kshs
Construction of classrooms	3,308,865.00	0
Construction of Staff Lounge	11,248,150.00	0
Construction of dormitory	15,567,733.00	0
Construction of Toilets 24 Doors	2,800,000.00	0
Construction of HoD offices	1,513,481.00	0
Total	34,438,229.00	0

8 Boarding And School Fund

Description	2022/2023 Kshs	2021/2022 Kshs
Personnel Emoluments	6,640,293.00	9,526,217.00
Activity	6,879,505.00	1,820,921.00
Repairs And Maintenance & Improvements	14,171,893.00	15,336,152.00
Local Transport / Travelling	16,347,459.00	5,004,029.00
Electricity And Water	10,469,381.00	6,813,749.00
Medical Expenses	358,745.00	190,546.00
Administration Costs	15,498,751.00	12,088,226.00
Bom Teachers P/Emol	9,586,600.00	2,433,800.00
Fee On Boarding Equipment and Stores	138,194,648.00	129,807,281.00
Insurance Cost (<i>Life Property</i>)	714,712.00	20,884.00
Loan Repayment sch. Bus Loan	3,719,724.00	3,719,724.00
Development	0	4,000,000.00
Others (Ewc, Ltt, Admin, P/Emol)	17,491,619.00	11,756,724.00
Total	240,073,330.00	202,518,253.00

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022/2023	2021/2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01139012485600	1,057,405.00	19,289.00
Operations Account	Active	01139012485601	8,660,292.00	1,714,485.00
School Fund Account Boarding	Active	01129012485600	1,223,882.00	499,105.00
School Fund Account Boarding	Active	01129012485601	10,143,070.00	12,061,194.00
School Fund Account Boarding	Active	1260262295839	4,393,644.00	11,039,654.00
Infrastructural Account	Active	1265957878	6,407,521.00	2,095,102.00
Total			31,885,814.00	27,428,829.00

11 Cash In Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Notes and Coins	615.00	688,599.00
Total	615.00	688,599.00

Notes to the Financial Statements (continued)

12 Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Fees Arrears	89,239,205.00	94,540,201.00
Other Non-Fees Receivables		0
Total	89,239,205.00	94,540,201.00

13 b Ageing Analysis of Accounts Receivable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	52,407,397.00	59%	27,573,163.00	29%
Between 1- 2 years	36,781,466.00	41%	13,273,005.00	14%
Between 2-3 years		%	53,694,033.00	56%
Total (should tie to note 13 a)	89,239,205.00	%	94,540,201.00	100%

13 Accounts Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	24,496,405.00	33,517,125.00
Total	24,496,405.00	33,517,125.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	Comparative 2021/2022	% of the total
Less than 1 year	24,496,405.00	%	33,517,125.00	%
Total (should tie to note 14)	24,496,405.00	%	33,517,125.00	%

14 Fund Balance Brought Forward

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Bank Balances:				
Tuition Account	362,427.00		120,278.00	
Operations Account	4,552,446.00		1,044,447.00	
School Fund Account/Boarding(01129012485600)	274,759.00		1,432,496.00	
School Fund Account/Boarding(01129012485601)	916,099.00		6,025,300.00	
School Fund Account/Boarding(1260262295839)	1,144,935.00		5,538,279.00	
Receivables	61,575,537.00		70,038,945.00	
Payables	(5,512,092.00)		(13,975,500.00)	
Total	68,337,967.00		70,224,245.00	

15 Non-current Liabilities Summary

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Bank Loans(School Bus Loan0	6,493,057.00		9,025,349.00	
Total	6,493,057.00		9,025,349.00	

16 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

MASENO SCHOOL
Email:maseno school@yahoo.com
21 AUG 2023
P. O. Box 120 - 40105
MASENO

11. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.KISUMU MODERN ELECTRICALS	1,043,905.00	2,666,000.00	2,480,000.00	1,229,905.00	1,043,905.00	
2.ALARA MOTORS	2,543,260.00	1,126,500.00	2,543,260.00	1,126,500.00	2,543,260.00	
3.GILANISS SUPERMARKET	3,800,000	17,633,855.00	19,152,027.00	2,281,828.00	3,800,000	
4.ROSAI COMPANY LTD	0	13,524,272.00	10,340,000.00	3,184,272.00	0	
5. ELLYCAH CO. LTD	0	18,500,000.00	10,000,000.00	8,500,000.00	0	
6.SAMUEL OKELLO	0	3,960,000.00	0	3,960,000.00	0	
7.LINDUM SYSTEMS	4,015,000.00	0	1,500,000.00	2,515,000.00	4,015,000.00	
8.DALU ENERGY SYSTEMS	4,200,000.00	0	1,700,000.00	2,500,000.00	4,200,000.00	
9.SEMEKWANYI SUPPLIES	2,198,900.00	0	500,000.00	1,698,900.00	2,198,900.00	
Grand Total				24,496,403.00		