

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 NOV 2024	DAY: TUESDAY
TABLED BY:	HOSP - KIMANI ICHUMGWA MAJORITY LEADER
CLERK AT THE TABLE:	IRAZU MWALE

**OF**

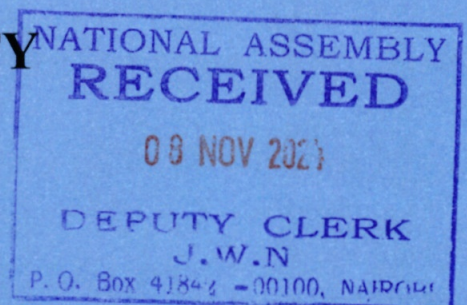
**THE AUDITOR-GENERAL**

**ON**

**HILLCREST SECONDARY SCHOOL**

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

**NAKURU COUNTY**







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**Hillcrest Secondary School**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR**  
**ENDED**  
**30<sup>TH</sup> JUNE 2023**

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



*Hillcrest secondary School*  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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*Hillcrest secondary School*  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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**1. Acronyms and Glossary of Terms**

*Provide a list of all applicable acronyms and glossary of terms e.g.*

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	Free Day Secondary Education



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 located in Nakuru County, Nakuru East Sub-County

The school was registered in 02/2006 under registration number GP/A/3776/2006 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 646 students as at 30<sup>th</sup> June 2023. It has 13 streams and 25 teachers of which 6 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	Edward Kiragu	Chairman	23/05/2022
2	Cecilia Kimani	Vice Chair	23/05/2022
3	Pilister Tonui	Secretary - Principal	23/05/2022
4	David Waruiru	P.A Chair Member	23/05/2022
5	Rose Akeno	Member	23/05/2022
6	Boaz Kalos	Member	23/05/2022
7	Dorcas Karanja	Member	23/05/2022
8	John Muturi	Member	23/05/2022
9	Benard Maina	Member	23/05/2022
10	Benard Langat	Member	23/05/2022
11	Mary Nyambuti	Member	23/05/2022
12	Rhoda Njeri	Member	23/05/2022
13	Scola Wanjiru	Member	23/05/2022
14	Janerose Waithera	Member	23/05/2022
15	Peter Macharia	Member	23/05/2022
16	John Wanyoike	Member	23/05/2022
17	Topista Simiyu	Member	23/05/2022
18	Rhoda Njeri	Member -REP CEB	23/05/2022
19	Peter Macharia	Member Rep Teachers	23/05/2022
	Benard Maina Edward Muriithi		
20	Benard Langat	3 Members - Sponsor	23/05/2022
21	Cecilia Kimani	Member Special Needs	23/05/2022
22	Lorian Johnson	Rep Students	23/05/2022

**The function of the School Board of Management include:**

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

**(c) Committees of the Board**

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>1</b>	<b>Executive Committee</b>			
		Edward Mureithi	Chairperson	6/6
		Cecilia Kimani	Vice Chairperson	6/6
		Pilister Tonui	Secretary	6/6
		Janerose Waithera	Member	6/6
		David Kimani	Member	6/6
<b>2</b>	<b>Finance, Procurement and general Purposes committee</b>			
		Pilister Tonui	Secretary	4/4
		Edward Muriithi	Bom Chair	4/4
		John Kamau	Member	3/4
		Benard Maina	member	4/4
<b>3</b>	<b>Academic Committee</b>			
		Pilister Tonui	Academic Coordinator	6/6
		Benard Maina	Representative	6/6
		Peter Macharia	Academic Coordinator	6/6
		Mary Nyambuti	Representative	6/6
<b>4</b>	<b>Development Committee</b>			
		Benard Kitur	Chairperson	4/4
		Robert Kagwaini	Secretary	4/4
		Edward Kiragu	Member	4/4
		Pilister Tonui	Member	4/4



<b>5</b>	<b>Discipline and Welfare Committee</b>	Pilister Tonui	Principal	8/8
		John Muturi	Parent	8/8
			Parent	8/8
			Parent	8/8
<b>6</b>	<b>Adhoc Committee</b>			
		David Njoroge	Chairperson	1/1
		Adams Kikwai	Secretary	1/1
		Christine Nyamu	member	1/1
		JaneMacharia	member	1/1
		Kimutai Benson	member	1/1
		Peter Macharia	member	1/1

**d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Pilister Tonui	TSC No.390482
2	Deputy Principal	Robert Kagwaini	TSC No.307006
3	School Bursar	Jane Macharia	ID No.8949149
4	Accounts Clerk	Kimutai Benson	ID No.32123584

**(e)Schools contacts**

Post Office Box: 9668-20112  
 Telephone: 0112498539  
 E-mail: hillcrestsecschl@yahoo.com

**(f)School Bankers**

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

1. Name of Bank: Co-operative  
 Branch: Nakuru  
 Account Number: 01141087537300
2. Name of Bank: Co-operative  
 Branch: Nakuru  
 Account Number: 01141087537301



3. Name of Bank: Co-operative  
Branch: Nakuru  
Account Number: 0113908753300
4. Name of Bank: Co-operative  
Branch: Nakuru  
Account Number: 0113908753701
5. Name of Bank: Family  
Branch: Nakuru  
Account Number: 018000073724
6. MPESA Pay Bill No.400222 attached to 01141087537300 bank account

**(g)Independent Auditors**

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

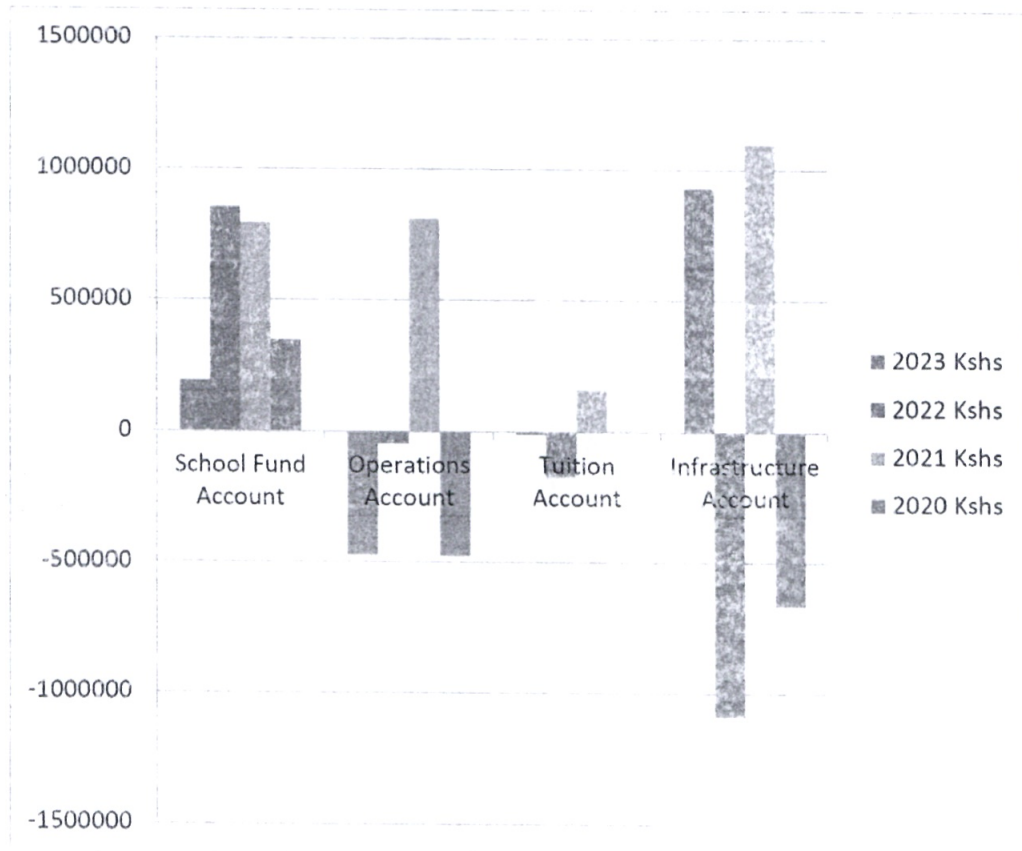
3. Summary Report of Performance of The School

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

a) Financial performance:

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

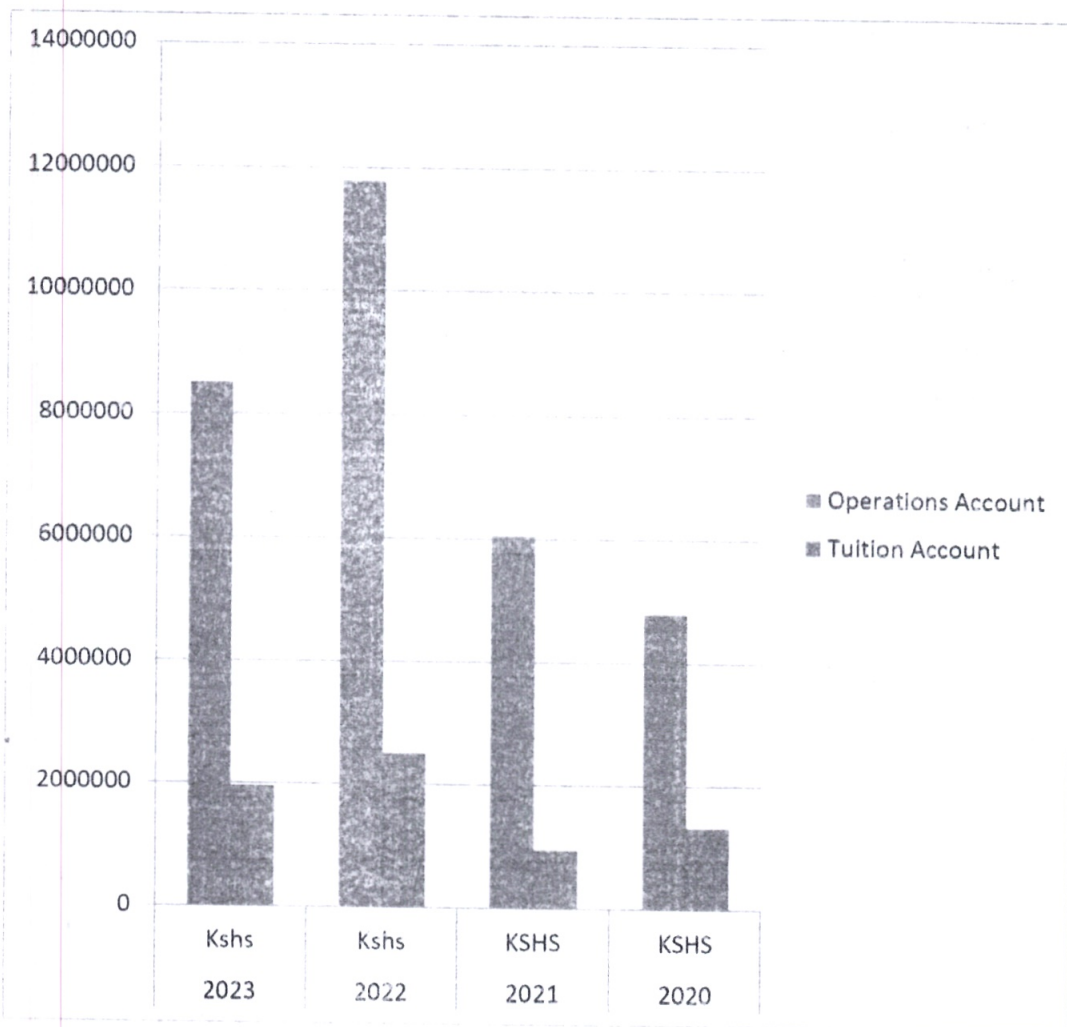
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2023	2022	2021	2020
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	193809	854257	794,627.00	348,544.00
2	Operations Account	(470972.23)	(46816.70)	812,465.15	(474,588.90)
3	Tuition Account	(9926.50)	(170625.60)	163,004.00	3,458.95
4	Infrastructure Account	932465	(1088703)	1,100,663.00	(665,431.00)
	<b>TOTAL</b>	<b>645375.27</b>	<b>(454,888.30)</b>	<b>2,878,759.15</b>	<b>(788,016.95)</b>



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

**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS**

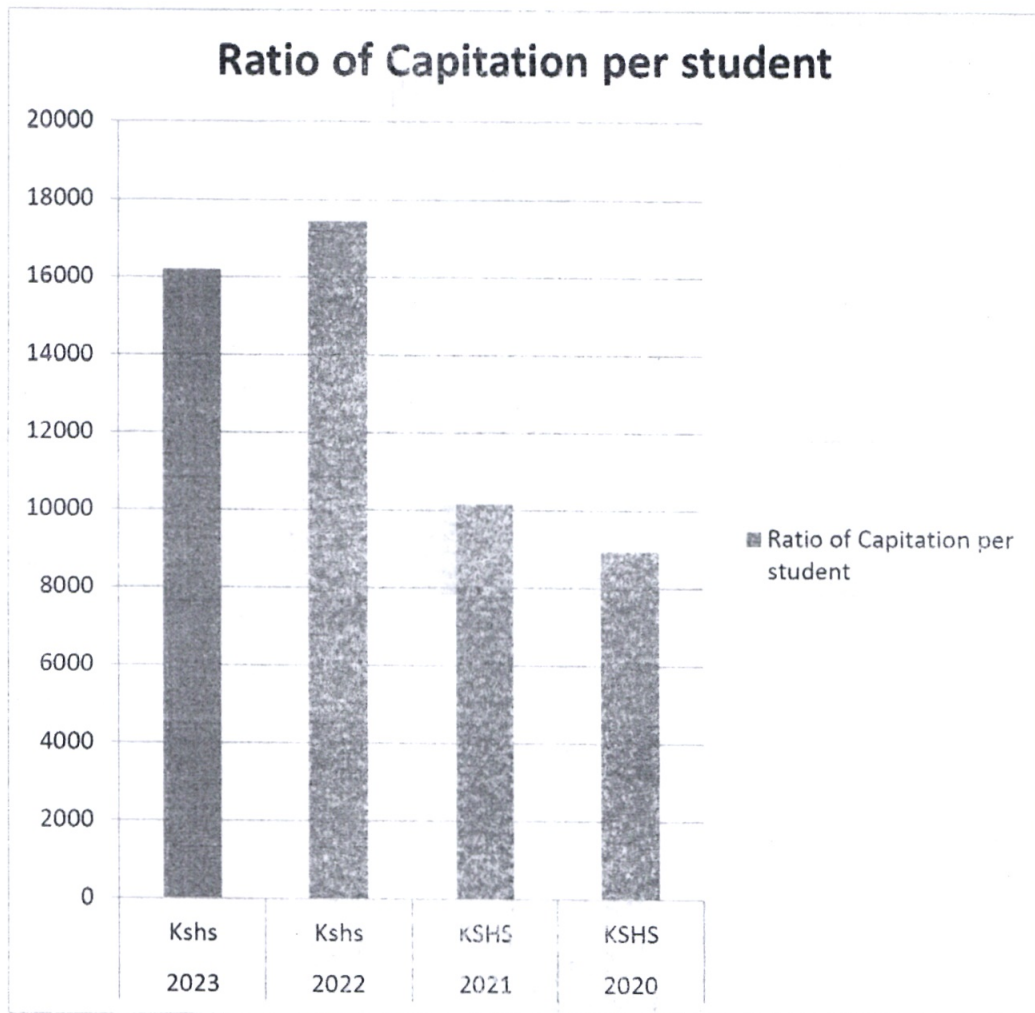
SNO	ACCOUNTS	2023	2022	2021	2020
		Kshs	Kshs	KSHS	KSHS
1	Operations Account	8509867.77	11787726.30	6,050,272.15	4,801,904.00
2	Tuition Account	1959232.50	2506163.40	949,995.00	1,318,350.00
	<b>Total</b>	<b>10469100.27</b>	<b>16172241</b>	<b>7,000,267.15</b>	<b>6,120,254.00</b>





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

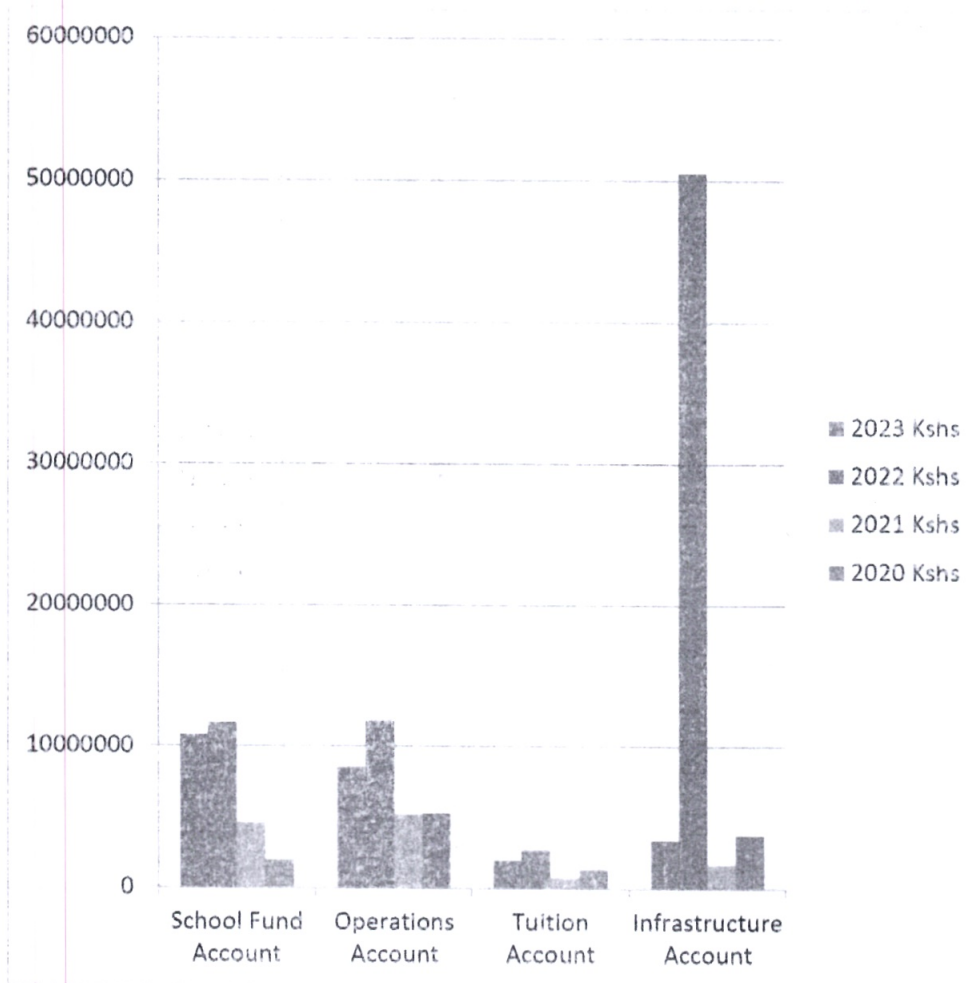
RATIO OF CAPITATION GRANTS PER STUDENT FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2023	2022	2021	2020
		Kshs	Kshs	KSHS	KSHS
	<b>Total</b>	<b>10469100.27</b>	<b>14293889.70</b>	<b>7,000,267.15</b>	<b>6,120,254.00</b>
	No of Students	646	794	689	683
	<b>Ratio of Capitation per student</b>	<b>1:16206</b>	<b>1:17453</b>	<b>1:10160</b>	<b>1:8960</b>



- A three-year overview of growth in expenditure of the school

**OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

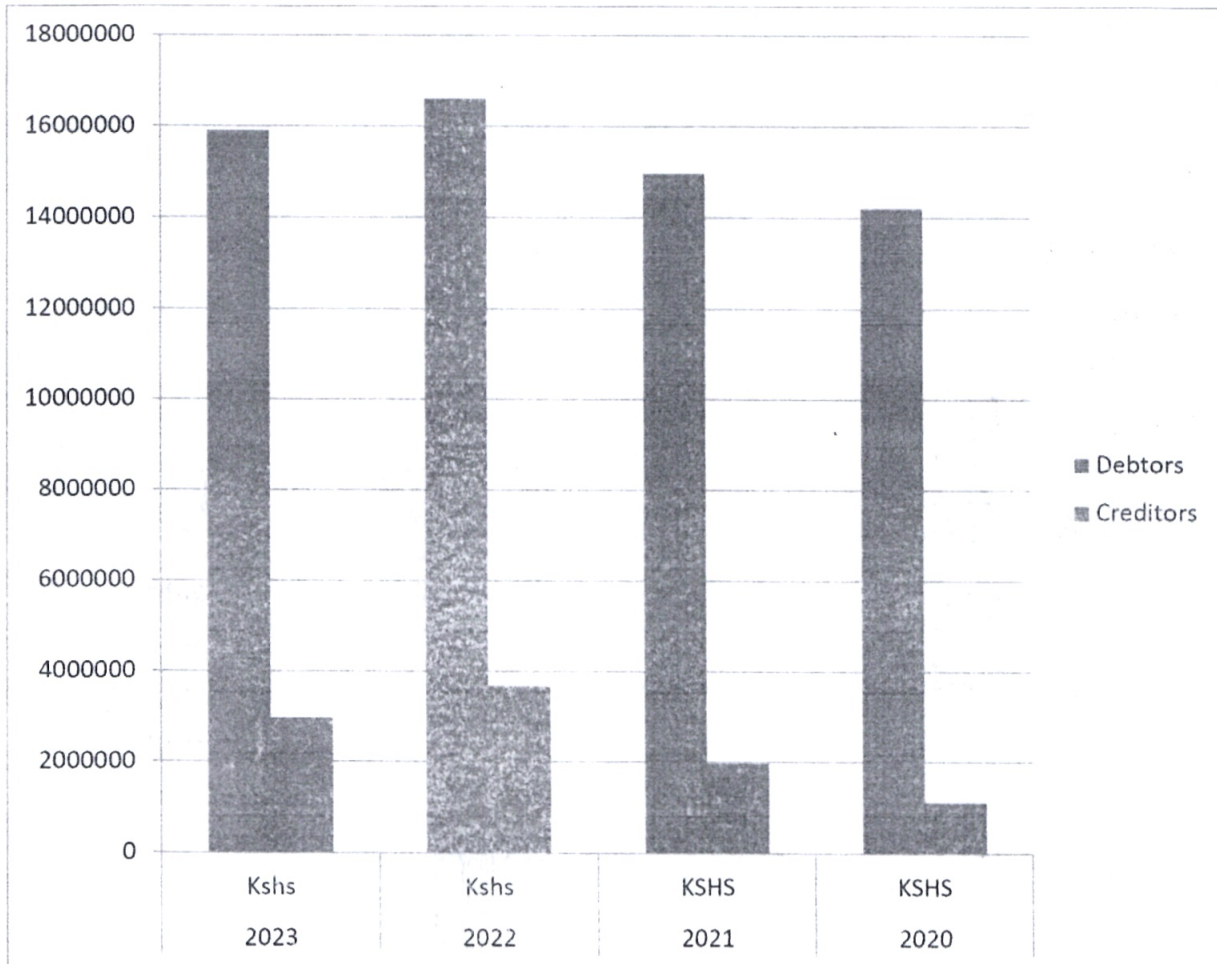
SNO	ACCOUNTS	2023 Kshs	2022 Kshs	2021 Kshs	2020 Kshs
1	School Fund Account	10821984	11668046	4,645,359.00	1,961,866.00
2	Operations Account	8545060	11834543	5,237,807.00	5,276,492.90
3	Tuition Account	1969159	2676789	786,991.00	1,314,891.05
4	Infrastructure Account	3386535	50545893	1,687,337.00	3,763,431.00
	<b>Total</b>	<b>24722738</b>	<b>31225271</b>	<b>12,357,494.00</b>	<b>12,316,680.95</b>



**Hillcrest secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

- *Movement of debtors and creditors of the school over the last three years*

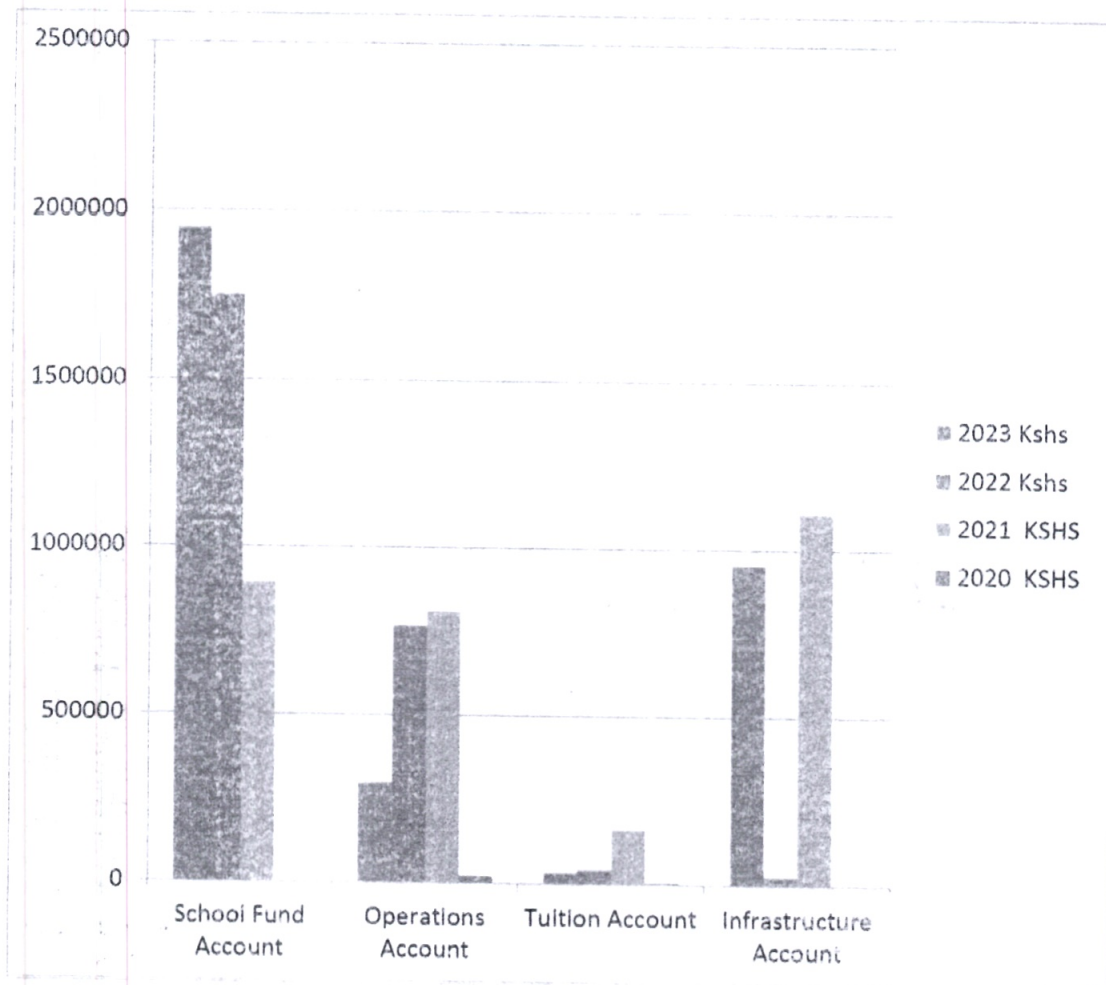
MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2023	2022	2021	2020
		Kshs	Kshs	KSHS	KSHS
a	Debtors	15906785	16614922.66	14,968,941.66	14,208,233.00
b	Creditors	2967223	3675361	1,979,776.00	1,127,370.00





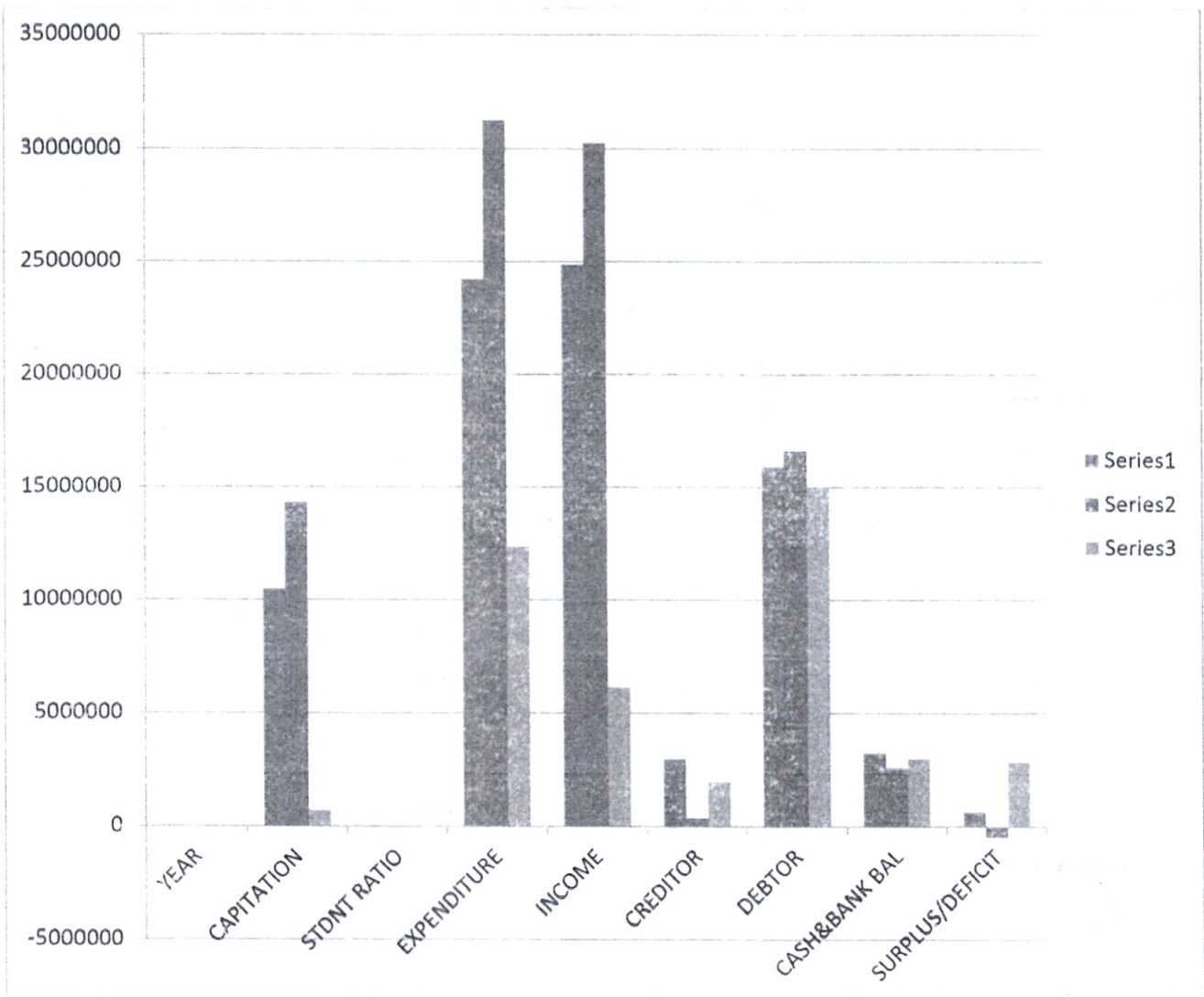
- Movement of cash and bank balances over the last three years

MOVEMENT OF CASH AND BANK BALANCES					
SN	ACCOUNTS	2023	2022	2021	2020
O		Kshs	Kshs	KSHS	KSHS
1	School Fund Account	1945778.16	1751969	897,712.00	-
2	Operations Account	296938.71	767910.94	814,727.64	21,070.00
3	Tuition Account	33300.75	43227.25	164,248.85	5,323.00
4	Infrastructure Account	955923	23458	1112161.00	-
	<b>Total</b>	<b>3231940.62</b>	<b>2586565.19</b>	<b>2988849.49</b>	<b>26,393.00</b>



Graphical presentation government grants, student ratio, payments, income creditors, debtors cash & bank balances, surplus/deficit

YEAR	CAPITATION	STDNT RATIO	EXPENDITURE	INCOME	CREDITOR	DEBTOR	CASH&BANK BAL	SURPLUS/DEFICIT
2323	10469100.27	16206	24222738	24868113	2967223	15906785	3231940	645375.2
2022	14293889.7	17453	31225271	30254233	367361	16614922	2586565	-451888
2021	700267.15	10160	12357494	6140253	1979776	14968941	2987049	2870759





b) Teacher Student ratio:

Ref:		NUMBER
1	TEACHER STUDENT RATIO	1:39
2	POSTED/RECRUITED TEACHERS	2
3	TRANSFERED/RETIRED TEACHERS	1
4	EMPLOYED TSC TEACHERS	19
5	EMPLOYED BOM TEACHERS	6
6	<b>SUBJECT TEACHERS</b>	
	CHEM/PHY	1
	ENG/LIT	2
	CHEM/MATH	2
	BIO	1
	GEO/CRE	1
	ENG/CRE	1
	BIO/AGRI	2
	KISW/CRE	1
	CHEM/GEO	1
	BIO/MATH	1
	GEO/HIST	1
	MATH/PHY	2
	BS/GEO	1
	KISW/HIST	1
	GEO/KIS	1

c) Mean score in the *LAST three years* KCSE:

Ref:		YEAR		
		2022	2021	2020
1	SCHOOL MEANS CORE	2.76	3.06	3.78
2	NO.OF CANDIDATES	263	189	130
3	STUDENTS TRANSITION TO HIGHER LEARNING	3	5	6

d) Number of Candidates in the 2023 KCSE:

Ref:		YEAR			
		2023	2022	2021	2020
1	NO.OF CANDIDATES	155	263	189	130

e) Capacity of the school:

NUMBER OF STUDENTS 646

Ref:	FACILITIES	NUMBER
1	DINING HALL OF 900 CAPACITY	1
2	TOILETS	24
3	LABS	2
4	STREAMS	13
	LIBRARY	1



f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
1. Water Harvesting	Ministry Of Education	Completed	272000	2581535	Completed



School Principal





1.00

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2023, and of the school's financial position as at that date.



.....  
Name: Edward Mureithi

Designation: Chairman, School Board of Management

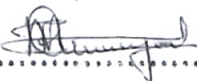
Date: 16/07/24



.....  
Name: Naomi W Mwangi

Designation: School Principal & Secretary to Board of Management

Date: 16/07/24



.....  
Name: Jane Macharia

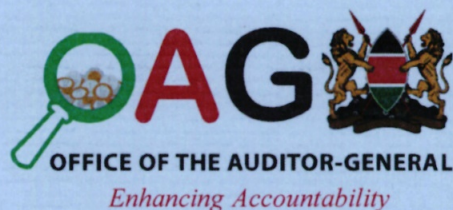
Designation: Bursar/ Finance Officer

Date: 16/07/2024



# 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 HILLCREST SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NAKURU COUNTY**

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### **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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Hillcrest Secondary School - Nakuru County set out on pages 1 to 12, which comprise of the statement of assets and



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 Hillcrest Secondary School - Nakuru 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. Unsupported Cash and Bank Balances**

The statement of financial assets and liabilities reflects Kshs.3,009,560 in respect of bank balance and Kshs.222,381 in respect of cash in hand as disclosed in Notes 12 and 13 to the financial statements respectively. However, Management did not provide a board of survey report and bank reconciliation statements for all the School bank accounts.

In the circumstances, the existence, accuracy and completeness of bank balance of Kshs.3,009,559 and cash in hand balance of Kshs.222,381 could not be confirmed.

#### **2. Unsupported Accounts Receivables**

The statement of assets and liabilities reflects accounts receivables balance of Kshs.15,906,785 as disclosed in Note 14 to the financial statements which includes fees arrears of Kshs.15,870,585. The balance of Kshs.15,870,585 is made up of student fee balances of Kshs.12,996,910,110 or 82% which have remained outstanding for over one (1) year. Further, Management did not provide debtors listing and aging analysis for audit. In addition, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the existence, accuracy, completeness and recoverability of the accounts receivables balance of Kshs.15,906,785 could not be confirmed.

#### **3. Unsupported Accounts Payables**

The statement of assets and liabilities reflects accounts payables balance of Kshs.2,967,223 as disclosed in Note 15 to the financial statements. However, the detailed movement schedule indicating the particulars of creditors, opening balances,



purchases and payments during the year to arrive at the closing balance were not provided for audit.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.2,967,223 could not be confirmed.

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

### **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, 2022.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Late Submission of Financial Statements to the Auditor-General**

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022 but the financial statements were submitted on 12 April, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should 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 in breach of the law.

## **2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The audit noted that the School transferred co-curricular funds totalling Kshs.17,500 to Kenya Secondary School Heads Association (KESSHA), a private welfare organization that draws its membership from school principals and is not subject to Public Finance Management Act, 2012 or any other public finance regulations. KESSHA 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 co-curricular funds transferred by the School.

In the circumstances, the value for money from the transfer of Kshs.17,500 could not be confirmed.

## **3. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

The School received operations capitation grants of Kshs.8,850,868 from the Ministry of Education during the year under review. The funds were credited to the School operations bank account. Out of this amount, Kshs.2,841,000 was supposed to be transferred to the School infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.2,106,000 was transferred to the School infrastructure bank account, resulting in un-transferred balance of Kshs.735,000. This was contrary to the Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education's directive.

## **4. Lack of a Prequalified List of Suppliers**

Review of the procurement procedures for the period under review revealed that the School did not have a prequalified list of suppliers as per the provisions of Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of the procurement function of a procuring entity to maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

## **5. Failure to Prepare an Annual Procurement Plan**

During the year under review, the School did not prepare a procurement plan as required by Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020.

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

## **6. Failure to Comply with Procurement Laws and Regulations**

The statement of receipts and payments reflects Kshs.2,581,535 in respect of payments for infrastructure as disclosed in Note 10 to the financial statements. Review of the supporting payment vouchers provided for audit revealed the following anomalies:-

- (i). The School purchased the goods through low value goods procurement method for goods above the threshold provided for in the Second Schedule of the Public Procurement and Asset Disposal Regulations, 2020.
- (ii). There was no evidence of how the suppliers involved in the supply of labour, goods and services were sourced or identified.
- (iii). There was no evidence of tender evaluation to confirm deal with eligibility and capability of the bidders as required under Section 46 of the Public Procurement and Asset Disposal Act, 2015.
- (iv). Contract agreements were not provided for audit, contrary to the requirements of Section 135(1) of the Public Procurement and Asset Disposal Act, 2015 which states that 'the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties'.
- (v). Inspection and acceptance reports on the goods were not provided for audit, contrary to Section 48(1) of the Public Procurement and Asset Disposal Act, 2015 which, states that 'the Accounting Officer of a procuring entity may establish an ad hoc committee known as the Inspection and Acceptance Committee'.
- (vi). There was no evidence to confirm that the School conducted its own market survey on prices or results as required by Regulation 43(4)(a) of the Public Procurement and Asset Disposal Regulations, 2020, which states that 'in making a procurement decision in relation to the market price index in Paragraph (2), the procuring entities shall take into consideration their own market survey prices or results'.

In the circumstances, Management was in breach of the law and value for money may not have been realized from the expenditure of Kshs.2,581,535.



## 7. Failure to Develop a School Improvement Plan

Review of the School's strategic plan and other records revealed that the Management does not have a School Improvement Plan that could provide a road map for changes that school needs to improve the School environment and learning outcomes. The School Improvement Plan ought to outline the need, the way of developing, implementation, monitoring and evaluation.

In the circumstances, Management was in breach of the requirements of the Operation Manual for Utilization of Learner Capitation Grant and Other School Funds.

## 8. Board of Management Committee Composition

Review of the School Board of Management revealed that the School did not have the recommended Committees of; finance, procurement and general-purpose, academic and discipline and welfare. Further, the Board did not have an annual workplan to guide on the activities of the year. This was contrary to Section 61 of the Basic Education Act, 2013.

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

## 9. Unconfirmed Student Enrollment Data

During the year under review, NEMIS students data varied from the actual school data on students as analyzed in the table below;

Month	No. of Students per NEMIS	No. of Students as per Register	Variance
July, 2022	733	729	4
September, 2022	733	695	38
January, 2023	735	721	14
April, 2023	640	651	(11)

The School may have been underfunded during the year under review. This was occasioned by failure to effect students transfer from other schools in the system.

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

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



# REPORT ON 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 governance were not effective.

## **Basis for Conclusion**

### **1. Failure to Constitute an Audit Committee**

The School has not constituted an Audit Committee as required by Section 61(2) of the Basic Education Act, 2013 which requires board of management of an institution of basic education to establish an audit committee.

In the circumstances, the School did not benefit from the oversight role and advice from the Audit Committee.

### **2. Non-Disclosure of Fixed Assets**

Annex 2 of the approved financial reporting template for secondary schools requires a school to disclose all its fixed assets. However, Hillcrest Secondary School did not disclose its fixed assets as required by the template. Further, the School Management did not maintain an assets register indicating cost of assets, location for parcels of land and each building; the terms on which it is held, dates of acquisition, disposal or major change in use. In addition, the assets were not coded or tagged for ease of identification and tracking.

In the circumstances, it was not possible to confirm proper custody, care, control and use of the School's assets.

### **3. Weak Controls in Inventory and Stores Management**

The approved financial reporting template for secondary schools requires a school to disclose its inventories at the close of the financial year under other important disclosures. However, the disclosure made by Hillcrest Secondary School was incomplete since it did not indicate the value of the inventories as required by the template. Further, the School did not maintain records of stock movement and also conduct a stock take at the close of the year.

In the circumstances, the weak controls over inventory may lead to losses and wastages of stocks.

#### **4. Revenue Collection System (Shark) Weaknesses**

The School has installed an accounting information system-Shark. Review of the system revealed the following weaknesses: -

- i. The system could not provide previous years fee balances (ageing analysis).
- ii. The system overstates the current student fee balances by Kshs.4,000.
- iii. Receipting had not been automated.

The system weaknesses may cause delays in reporting and inaccurate data, resulting to inaccuracies in the financial statements and low efficiency in fees collection.

In the circumstances, the weaknesses in the revenue system may lead to losses in revenue and unreliable data generated through the system.

#### **5. Lack of Ownership Documents**

Review of records provided revealed that the School occupies 5 acres of land of undetermined value as reflected in Annex 2 to the financial statements. However, the valuation and ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of the School land could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 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 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 judgment and maintain professional skepticism throughout the audit. I also:

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

**11 September, 2024**



6 Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1959232.84	2466163.40
Other receipts for tuition	2	-	40000
Government grants for operations	3	8842887.77	11601987.30
Other receipts for operation	4	36200	185739
Government Grants for infrastructure	5	3514000	3107190
School fund income- parents' contributions	6	7758331.16	8753591
Other receipts for school fund	7	2757462	3768712
<b>Total Receipts</b>		<b><u>24868113.77</u></b>	<b><u>29923383</u></b>
<b>Payments</b>			
Tuition	8	1969159	2676789
Operations	9	9350060	11834543
Infrastructure	10	2581535	4195893
School fund	11	10321984	11668046
<b>Total Payments</b>		<b><u>24222738</u></b>	<b><u>30375271</u></b>
<b>Surplus/Deficit</b>		<b><u>645375.77</u></b>	<b><u>(451888)</u></b>

The school financial statements were approved and signed by:



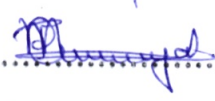
Name: Edward Mureithi  
Chair BOM

Date: 16/07/24



Name: Naomi W Mwangi  
School Principal/ Secretary to BOM

Date: 16/07/24



Name: Jane Macharia  
Bursar/ Finance Officer

Date: 16/07/2024






7 Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023


Description	Note	2022-2023	2021-2022
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	12	3009559.62	2402361.19
Cash balances	13	222381	184204
<b>Total cash and cash equivalent</b>			<b><u>2586565</u></b>
Account's receivables	14	15906785	16614922.66
<b>Total financial assets</b>		<b><u>19138725.62</u></b>	<b><u>19201488</u></b>
<b>Financial liabilities</b>			
Accounts payables	15	2967229	3675361
<b>Net financial assets</b>		<b><u>16171502.62</u></b>	<b><u>15526127</u></b>
<b>Represented by</b>			
Accumulated fund b/fwd	16	15526126.85	15978015.15
Surplus/deficit for the year		645375.77	(451888.30)
<b>Net financial position</b>		<b><u>16171502.62</u></b>	<b><u>15526126.85</u></b>

The school's financial statements were approved and signed by:


  
 Name: Edward Mureithi

Chair BOM

Date: 16/07/24

  
 Name: Naomi Mwangi  
 School Principal/ Secretary to BOM

Date: 16/07/24

  
 Name: Jane Macharia

Bursar/ Finance Officer

Date:



Hillcrest Secondary School  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023

Period	2022-2023	2021-2022
Cash from Operating Activities	2466163.40	11601987.30

Receipts			
Government grants for tuition	1	1959232.84	2466163.40
Other receipts for tuition	2	-	40000
Government grants for operations	3	8842887.77	11601987.30
Other receipts for operation	4	36200	185739
Government grants for infrastructure	5	3514000	3107190
School fund income- parents contributions/ fees	6	7758331.16	8753591
Other receipts for school fund	7	2757462	3768712
Total receipts		24868113.77	29923383
Payments			
Cash outflows for tuition	8	1969159	2676789
Cash outflows for operations	9	9350060	11834543
Cash outflows for infrastructure	10	2581535	4195893
Cash outflows Boarding/lunch and school fund payments	11	10321984	11668046
Total payments		24222738	30375271
Net cash inflow/outflow from operating activities		645375.27	(451888)
Changes in Receivables	14	708137	(1645981)
Changes in Payables	15	(708138)	1695585
Net increase/decrease in cash and cash equivalents		645374.27	(402284)
Cash and cash equivalent at beginning of the FY	16	2586565.19	2988849
Cash and cash equivalent at end of the FY		3231939.46	2586565.19

The school's financial statements were approved and signed by:

Name: Edward Mureithi  
Chair BOM  
Date: 16/07/2024

Name: Naomi Mwangi  
School Principal/ Secretary to BOM  
Date: 16/07/24

Name: Jane Macharia  
Bursar/ Finance Officer  
Date: 16/07/2024





*Hillcrest secondary School*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**9.Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>				
<i>(1) Capitation Grant on Tuition</i>				
Teaching / Learning Materials	1993556.00	1993556.00	1959232	98
<i>(2) Capitation Grant on Operations</i>				
Personal Emoluments	5523960	5523960	5281767.77	96
EWC,LTT,adm,EWC	607240	607240	467720	77.02
Medical	872460	872460	373400	43
Repairs And Maintenance	3230000	3230000	2720000	96
Others	-	-	36200	
<i>3) FDSE for infrastructure</i>				
Maintenance &Improvement MoE	3230000	3230000	3514000	109
<i>(4) Fees Charged on Parents</i>				
School fund	11220462	12413462	10515793	108.52
<b>Total Income</b>	<b>26677678</b>	<b>26677678</b>	<b>24868113.77</b>	<b>93.22</b>
<i>(5) Expenditure For Tuition</i>				
Teaching / Learning Materials	1993556	1993556	1969159	98.78
<i>(6) Expenditure For Operations</i>				
Others	7454200	7454200	859060	107.76
Repair,mantanance and improvement	3230000	3230000	3514000	108
Personel emoluments	5523960	5523960	2890860	52
Local transport and travelling	1017315	1017315	586900	27
Administration cost	872460	872460	832385	95
Activity	969000	969000	666855	69
<i>(8) Expenditure For infrastructure</i>				
Water harvesting	3230000	3230000	2581535	80
<i>(9) Expenditure For school fund</i>				
School fund	9690000	9690000	10321984	107
<b>Totals</b>	<b>24716936</b>	<b>2476936</b>	<b>24222738</b>	<b>97.8</b>



### 10 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 school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

#### 2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

#### 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.

#### 5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the



financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**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 30<sup>th</sup> June 2023

**11 Notes To The Financial Statements****1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials		
Laboratory Equipment		
Teaching / Learning Materials	1959232.84	2466163.40
<b>Total</b>	<b><u>1959232.84</u></b>	<b><u>2466163.40</u></b>

**2 Other receipts for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
School fund	-	40000
<b>Total</b>	<b><u>-</u></b>	<b><u>40000</u></b>

**3 Government Grants for Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	5281767.77	6618884.30
Maintance	2720000	4049250
Electricity and water	221270	-
Administration cost	134700	-
Nssf	-	277222
Others(EWC,LTT ADM)	-	360000
Nhif	111750	137831
Medical	373400	158800
<b>Total</b>	<b><u>8842887.77</u></b>	<b><u>11601.987.30</u></b>

**4 Other receipts for Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Other Lunch</b>	<b>36200</b>	<b>185739</b>
<b>Total</b>	<b><u>36200</u></b>	<b><u>185739</u></b>

**5 Government Grants for infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	3514000	3107190
<b>Total</b>	<b><u>3514000</u></b>	<b><u>3107190</u></b>



*Hillcrest secondary School*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**6 School Fund Income - Parents Contribution/Fees**

Description	2022-2023	2021-2022
	Kshs	Kshs
School fund- Parents Contribution/Fees	7758331.16	8753591
<b>Total</b>	<b><u>7758331.16</u></b>	<b><u>8753591</u></b>

**7 Other receipts for School Fund**

Description	2022-2023	2021-2022
	Kshs	Kshs
Arrears	1211323	1,193,121
Prepayments	305139	207491
Excess fee	14000	3000
Administration cost	34000	1100
Bursary	1193000	2,360,000
Examination	-	4000
<b>Total</b>	<b><u>2757462</u></b>	<b><u>3768712</u></b>

**8 Tuition payments**

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	396200	969200
Textbooks	8970	34857
Laboratory Equipment	222370	732285
Teaching / Learning Materials	987869	940447
Exams And Assessment	353750	-
<b>Total</b>	<b><u>1969159</u></b>	<b><u>2676789</u></b>

**9 Operations payments**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2890860	4992226
Nhif	111750	137831
Administration Cost	929215	1432446
Repairs And Maintenance & Improvements	3514000	2699000
Local Transport / Travelling	586900	1111630
Electricity And Water	385802	574443
Medical	1300	3600
Activity Expenses	666855	422080
Nssf	221270	277222

Hillcrest secondary School

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Others	42108	
Covid -19	-	32455
<b>Sub-total</b>	<b>9350060</b>	<b>11682933</b>
<b>Others -Tution a/c</b>	-	89500
-Lunch a/c	-	62110
<b>Sub total others</b>	<b>9350060</b>	<b>151610</b>
<b>Total</b>	<b>9350060</b>	<b><u>11834543</u></b>

10 Infrastructure payments

Description	2022-2023 Kshs	2021-2022 Kshs
Water Harvesting	2581535	
Construction of classrooms	-	419893
<b>Total</b>	<b><u>2581535</u></b>	<b><u>4195893</u></b>

11 School Fund payments

Description	2022-2023 Kshs	2021-2022 Kshs
Personnel Emoluments	-	-
Advances	-	-
Prepayments	512630	202624
Bursary	1193000	2360000
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Nssf	-	-
School fund	8580154	9105422
<b>School fund Sub-Total</b>	<b><u>10285784</u></b>	<b><u>11668046</u></b>
<b>School Fund Others payments</b> -Tuition a/c	-	-
-Operation a/c	36200	-
<b>Others Sub-Total</b>	<b><u>36200</u></b>	-
<b>Total</b>	<b><u>10321984</u></b>	<b><u>11668046</u></b>



*Hillcrest secondary School*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Notes to the Financial Statements (continued)**

**12 Bank Balances**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	0113908577300	33300.75	43227.25
Operations Account	Active	0113908577301	229416.71	767910.94
School Fund Account/Boarding	Active	01141087537300	1825109.16	1588375
Infrastructural Account	Active	01141087537301	921733	2848
<b>Total</b>			<b><u>3009559.62</u></b>	<b><u>2402361.19</u></b>

**13 Cash In Hand**

Description	2022-2023	2021-2022
	Kshs	Kshs
Infrastructure Account	34190	20610
Operation Account	67522	-
School Fund account	120669	163594
<b>Total</b>	<b><u>222381</u></b>	<b><u>184,204.00</u></b>

**14 (a) Accounts Receivable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	15870585	16525422.66
<b>Sub-Total</b>	<b><u>15870585</u></b>	<b><u>16525422.66</u></b>
<b>Other Non-Fees Receivables</b>		
Lunch account	36200	89500
Operation account	-	-
<b>Total</b>	<b><u>15906785</u></b>	<b><u>16614922.66</u></b>

**b Ageing Analysis of Accounts Receivable**

Description	2022-2023		2021-2022	
	Current FY	% of the total	Comparative FY	% of the total
	2022-2023		2021-2022	
Less than 1 year	2873675	18.11%	2915482	17.64%
Between 1- 2 years	2915482	18.38%	3140140	19%
Between 2- 3 years	3140140	19.79%	1832100	11.09%
Over 3 years	6941288	43.72%	8637700.66	52.27%
<b>Total</b>	<b><u>15870585</u></b>	<b><u>100%</u></b>	<b><u>16525422.66</u></b>	<b><u>100%</u></b>



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**15 Accounts Payable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2625884	2367817
<b>Sub Totals</b>	<b><u>2625884</u></b>	<b><u>2367817</u></b>
<b><u>Other Creditors</u></b>		
Prepaid fees	305139	202624
Tuition a/c	-	129500
Operation a/c	36200	975420
<b>Sub Total (others)</b>	<b>341339</b>	<b>1307544</b>
<b>Total</b>	<b><u>2967223</u></b>	<b><u>3675361</u></b>

**a. Ageing Analysis of Accounts Payable**

Description	2022-2023		2021-2022	
	Current FY2022-2023	% of the total	Comparative FY 2021-2022	% of the total
Less than 1 year	1498514	57%	388041	16.4%
Between 1- 2 years	1127370	43%	852406	36%
Between 2- 3 years	-	-	1127370	47.6%
Over 3years	-	-		
<b>Total</b>	<b><u>2625884</u></b>	<b>100%</b>	<b><u>2367817</u></b>	<b>100%</b>

**16 Fund Balance Brought Forward**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	2402061.19	2870782.49
Cash Balances	184204	118067
Receivables	16525422.66	14116535.66
Payables	3585861	1127370
<b>Total</b>	<b><u>15526126.85</u></b>	<b><u>15978015.15</u></b>



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**Other important disclosure notes**

IPSAS Cash Standard 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.

**17 Biological assets**

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Trees		56	56
<b>Total</b>		<b>56</b>	<b>56</b>

**Other important disclosure notes**

**18 Stock/ Inventory**

Description	2022-2023	2021-2022
	Kshs	Kshs
Stock/ inventory at beginning of the year	770187	361810
Stock/ inventory purchased during the year	8580154	5062400
Stock/ inventory issued during the year	9295741	(4654023)
<b>Balance at end of the year</b>	<b><u>54600</u></b>	<b><u>770187</u></b>

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12 Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 30/06/2023	Outstanding Balance 2022	
	a Kshs	b Kshs	c Kshs	d=a-c Kshs	e Kshs	
<b>Supply of goods</b>						
1.Mxiguard Security	28000	6/30/2023	-	28000	-	OPERATION ACCOUNT
2.Nhif	11450	6/30/2023	-	11450	-	OPERATION ACCOUNT
3.Patmat Bookshop	230000	6/30/2023	106311	230000	106311	TUITION ACCOUNT
4.Devashish Enterprises	50950	6/30/2023	-	50950	-	TUITION ACCOUNT
5.Joemker Enterprises	217000	6/30/2023	294500	217000	-	TUITION ACCOUNT
6.Greenstalk Grocers	128512	6/30/2023	-	128512	-	SCHOOL FUND
7.Ishakua Food Market	267680	6/30/2023	60600	267680	60600	SCHOOL FUND
8.Peters Butchery	164800	6/30/2023	79700	164800	79700	SCHOOL FUND
9.Maji Ya Umande	10200	6/30/2023	-	10200	-	SCHOOL FUND
10.Nasf	25734	6/30/2023	-	25734	-	OPERATION ACCOUNT
11.Staff Slaries	364188	6/30/2023	-	364188	-	OPERATION ACCOUNT
<b>Grand Total</b>	<b><u>1498514</u></b>		<b>246611</b>	<b><u>1498514</u></b>	<b>246611</b>	<b>OPERATION ACCOUNT</b>



ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Qty purchased	Location	Historical Cost (Kshs) 31 January 2021	Acquired during the year (Kshs)	Disposals during the year (Kshs)	Balance (Kshs) 30 <sup>th</sup> June 2023
Land	Balance B/F	Madaraka Estate	5Acres	-	-	5Acres
Buildings and Structure	Balance B/F	School Compound	27Structures	-	-	27Structures
Office Equipment, furniture and fittings	Balance B/F	Hall and Staffroom	254 Furnitures	-	-	254pcs
ICT Equipment and Other ICT Assets	Balance B/F	Computer Room	35 Computers	-	-	35Assets
Tools and Apparatus	Balance B/F	Laboratory	123Tools and equipment	-	-	123Tools
Textbooks	Balance B/F	Library	10500 Copies	-	-	10500 Copies
Other Machinery and Equipment	Balance B/F	Principals Office	9 Trophies	-	-	9 Trophies
Trees	Balance B/F	Play field	56 trees	-	-	56 trees