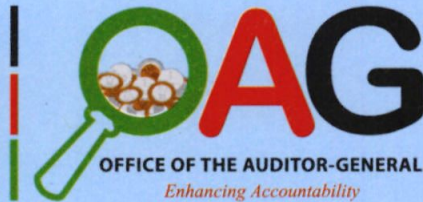
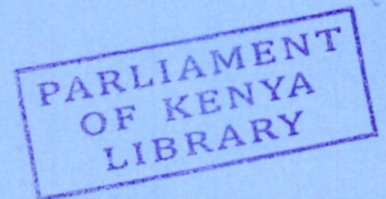


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

CHEPTIL SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2023

 THE NATIONAL ASSEMBLY PAPERS Laid	
DATE: 28 JUL 2026	
DAY: TUE	
TABLED BY:	Hon. Owen Baya Deputy Majority Leader
CLERK-AT THE-TABLE:	Mr. Inzom Mumbi



Revised 30th June 2023.

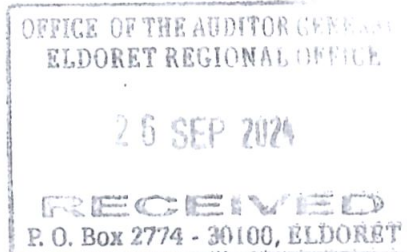


Cheptil Secondary School

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)



CHEPTIL SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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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	Free Day Secondary Education
PA	Parents Association
CDF	Constituency Development Fund
NSSF	National Social Security Fund
KRA	Kenya Revenue Authority
KPLC	Kenya Power & Lighting Company
PAYE	Pay As You Earn
NHIF	National Hospital Insurance Fund
PE	Personal Emolument
LT&T	Local Transport & Travels
EWC	Electricity Water and Conservancy
ICT	Integrated Communication Technology

*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 Nandi County, Nandi North Sub-County.

The school was registered in 08/03/1976 under registration number 2634 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 600 number of students as at 30th June 2023. It has three streams and 31 teachers of which 10 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. Barnabas Bwambok	Chairman	15/06/2022
2	Mr. Kipyego Ngetich	Secretary - Principal	15/06/2022
3	Dr. David Kosgei	Vice Chair	15/06/2022
4	Mrs. Salome Kitele	Member	15/06/2022
5	Mr. William Sang	Member	15/06/2022
6	Dr. Emily Bomet	Member	15/06/2022
7	Mrs. Esther Seronei	Member	15/06/2022
8	Mr. Levy Limo	Member – Rep CEB	15/06/2022
9	Ms. Anne Birgen	Member Rep Teachers	15/06/2022
10	Mr. Gilbert Sawe Mr. Kennedy Tanui Mr. Jackson Tuwei	3 Members - Sponsor	15/06/2022
11	Dr. Jonah Katam Mr. Paul Mutai	Members - Community	15/06/2022
12	Mr. Sammy Kerich	Member Special Needs	15/06/2022
13	Frankline Kipkosgei	Rep Students	15/06/2022

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:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr.BarnabasBwambok Mr.Kipyego Ngetich Mr. Paul Mutai Mrs. Salome Kitele Mr. Gilbert Sawe	BOM Chairman BOM Secretary PA Chairman Member Member	0 0 0 0 0
2	Audit Committee	Mr. Levy Limo Mr. Barnabas Koros Mr. Charles Kiprotich	Chairman Member Member	0 0 0
3	Finance,procurement and general purposes Committee	Mr. William Sang Mr. Jackson Tuwei Mr. Kipyego Ngetich Mrs. Salome Kitele	Chairman Member Member Member	1 out of 1 0 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Dr. Emily Bomet	Chairlady	1 out of 1

		Mr. Paul Mutai	Member	1 out of 1
		Mrs. Salome Kitele	Member	1 out of 1
		Mr. Kipyego Ngetich	BOM Secretary	1 out of 1
		Mr. Johana Kering	Director of studies	1 out of 1
5	Development Committee			
6	Discipline and welfare Committee	Mrs. Esther Seronei	Chairlady	0
		Mr. Emmanuel Cheruiyot	Deputy Principal	0
		Mr. Gilbert Sawe	Member	0
		Mr. Sammy Kerich	Member	0
		Mr. Kipyego Ngetich	BOM Secretary	0

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr. Kipyego Ngetich	TSC No. 335532
2	Deputy Principal	Mr. Emmanuel Cheruiyot	TSC No. 455127
3	School Bursar	Mr. John Talam	ID No. 22890010

(e) Schools contacts

Post Office Box: P. O. Box. 2151-30100 Eldoret
Telephone: 0202029991
E-mail: cheptilsecondary@gmail.com
Website: www.cheptilsecondary.co.ke

(f) School Bankers

S/No.	ACCOUNT NAME	NAME OF THE BANK	BRANCH	ACCOUNT NUMBER
1	School Fund	KCB	Eldoret	1135325561
2	Operations	NBK	Eldoret	01021027623400
3	Tuition	NBK	Eldoret	01025027623400
4	RMI	KCB	Eldoret	1255230096
5	CDF	NBK	Eldoret	2527623401

(g) Independent Auditors

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

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

Year	2022-2023	2021-2022	Jan-Jun 2021
Deficit/Surplus	(8,487,339)	3,361,371	6,907,954

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

Account	2022-2023	2021-2022	Jan-Jun 2021
Tuition	1,743,518	2,227,193	907,692
Operational	7,589,704	9,720,020	3,284,016
Total	9,333,222	11,947,213	4,191,708

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

Income	2022-2023	2021-2022	Jan-Jun 2021
Cows	80,700	179,540	67,839
Sale of Jericans	3,350	5,100	6,100
Bus Hire	131,000	42,000	25,000
Bakery	865,336	1,147,181	762,790
Total	1,080,386	1,373,821	861,729

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

Account	2022-2023	2021-2022	Jan-Jun 2021
Tuition	1,743,365	2,448,306	774,036
Operation	5,205,373	5,943,691	3,220,458
Infrastructure	8,053,823	7,314,039	784,983
School Fund	30,367,188	28,497,606	6,862,329

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Total	45,369,749	44,203,642	11,641,806
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Movement of debtors and creditors of the school over the last three years

Description	2022-2023	2021-2022	Jan-Jun 2021
Debtors	25,272,719	24,707,947	16,845,631
Creditors	6,267,302	4,819,690	1,106,909

b) Teacher Student ratio:

Subject	Eng.	Kisw.	Math	Chem.	Bio	Phy.	Geo.	CRE	Agri.	BeS.	Comp.	PE	His
Teachers	4	4	10	7	7	2	5	3	3	5	1	1	5
Teacher:Student	1:150	1:150	1:60	1:86	1:86	1:300	1:120	1:200	1:200	1:120	1:600	1:600	1:120
New Teachers	0	0	0	2	1	0	0	0	0	0	0	0	0
Transferred	0	1	1	0	0	0	0	0	1	0	0	0	0
TSC-Employed	2	4	6	4	4	2	4	2	2	3	0	1	4
BOM-Employed	2	0	4	3	3	0	1	1	1	2	1	0	1

c) Mean score in the 2022 KCSE:

Year	2022	2021	2020
Targeted Mean	6.4	6.59	5.5
Attained Mean	4.8895	5.2467	5.4561
Deviation from set mean	-1.5105	-1.3433	-0.0439
Students Transition	19	41	42

Commend: For the second year, the school has had a big deviation from the set target.

Number of Candidates in the 2022 KCSE:

Year	2022	2021	2020
Number of candidates	172	154	171

d) Capacity of the school:

Number of Students	Dormitories	Dining Halls	Laboratories	Latrines
600	9	0	3	40

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Computer Laboratory	CDF and Bank Loan	Complete	6,000,000	6,000,000	2021
One storeyed 6No. Classrooms	Ministry of Education-MI	In progress	10,064,955	7,064,039	2022

.....
School Principal



CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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

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

.....

Name: Dr. Simon K. Kariuki
Designation: Chairman, School Board of Management
Date: 25/07/2024

.....

Name: Kipyego Ngetich
Designation: School Principal & Secretary to Board of Management
Date:



.....

Name: JOHN TILAM
Designation: Bursar
Date: 24/7/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHEPTIL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NANDI COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Cheptil Secondary School - Nandi County set out on pages 12 to 32, which comprise of the statement of assets and

liabilities as at 30 June, 2023, 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.

Basis for Qualified Opinion

1. Unsupported Accounts Payables Balance

The statement of assets and liabilities reflects accounts payables balance of Kshs.6,267,302 as disclosed in Note 14 to the financial statements. Included in the balance is Kshs.2,874,431 in respect of trade creditors which differ from the balance of Kshs.2,086,656 reflected in the ledger or trial balance, resulting in an unreconciled variance of Kshs.787,775. Further, annex 1 on analysis of pending account payable reflect outstanding balance for 6 No. one storey classrooms of Kshs.787,775 which had a casting error of Kshs.2,213,141.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.6,267,302 could not be confirmed.

2. Unsupported Accounts Payments

The statement of receipts and payments Notes 6, 7 and 9 reflects tuition, operations and boarding and school fund payments amounting to Kshs.1,743,365, Kshs.5,205,373 and Kshs.30,367,188 respectively. However, examination of payment vouchers amounting to Kshs.1,741,675 for tuition expenditure, Kshs.3,309,782 for operations expenditure and Kshs.5,285,414 for school fund respectively revealed that management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, and goods received notes.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations and the School fund income-parents' contribution payments of Kshs.1,743,365, Kshs.5,205,373 and Kshs.30,367,188 respectively could not be confirmed.

3. Unsupported Accounts Receivables

The statement of assets and financial liabilities reflects accounts receivables balance of Kshs.25,272,719 as disclosed in Note.13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts receivables amounting to Kshs.25,272,719 could not be confirmed.

4. Undisclosed Income from Hire of Bus

The statement of receipts and payments reflects miscellaneous income amount of Kshs.1,080,386 as disclosed in Note 5 to the financial statements. Included in the balance is Kshs.131,000 for income from bus hire. However, examination of school bus work tickets revealed that the bus had been hired out on several occasions during the financial year without declaring, recording and banking the revenue.

In the circumstances, the accuracy, completeness, existence of miscellaneous income balance of Kshs.806,016 could not be confirmed.

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

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.37,208,600 and Kshs.36,882,410 respectively, resulting in an under-funding of Kshs.326,190 or 1% of the budget. However, the School spent an amount of Kshs.45,369,749 against actual receipts amounting to Kshs.37,208,600, resulting in an over-utilization of Kshs.8,161,149 or 18% of actual receipts. Further, Management excluded miscellaneous income as a line item despite the School having historically received such receipts including income from hire of bus, bakery, and School farm cows amounting to Kshs.1,373,821 for financial year 2021/2022 and Kshs.886,592 for financial year 2020/2021.

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 judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Management is responsible for the Other Information set out on page 1 to 11 which comprise of Key School Information and Management, Summary Report of

Performance of the School, Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

The annual reports and financial statements for Cheptil Secondary School Secondary School for the financial year ended 30 June, 2023 were submitted to the office of the Auditor-General for audit on 26 September, 2024, twelve (12) months beyond the statutory deadline of 30 September, 2023. This was contrary to Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Failure to Prepare Bank Reconciliations

The statement of assets and liabilities reflects bank balance of Kshs.1,926,023, as disclosed in Note 10 to the financial statements which comprise of five (5) bank accounts balances. However, the management did not produce for audit review bank reconciliation statements for each of the five (5) banks accounts for July 2022 to May 2023. This was contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015.

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

3. Failure to Maintain Imprest Register

The statement of receipts and payments and Note 7 to the financial statements reflects Payments for operations of Kshs.5,205,373. Audit review of the cashbook indicated payment of cash advances to staff attending to school activities. However, during the year under review, the school did not maintain an imprest register, contrary to Regulation 93(4)(C) of the Public Finance Management (National Government) Regulations, 2015.

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

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

The statement of financial receipts and payments reflects operations payments amount of Kshs.5,205,373 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.164,100 transferred to Kenya Secondary School 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.164,100 could not be confirmed.

5. Late Transfer of Infrastructure Funds from Operations Bank Account

The Statement of Financial Performance reflects Government Grants for Operations amounting to Kshs.5,065,704 as disclosed in Note 2 to the financial statements from the Ministry of Education credited to the Operations Bank Account. However, the amounts were not transferred to the school infrastructure account fifteen within (15) days upon receipt of the funds in the operations account. This was contrary to The Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021

In the circumstances, Management was in breach of the Ministry of Education Circular.

6. Failure to Prepare School Improvement Plan

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

In the circumstances, Management was in breach of the Ministry of Education guidelines.

7. Non-Compliance with AGPO Reservation in Procurement

The statement of financial performance reflects use of goods and services amount of Kshs.45,369,749 as disclosed in Notes 6, 7, 8 and 9 to the financial statements out of which Kshs.34,287,891 is in respect of payments for goods and services through procurement contracts signed with the school's suppliers. Review of payments for goods and services revealed that the school did not reserve 30% of the Procurement of goods and services for Youth Women and Persons with Disabilities, contrary to Section 53(6) of Public Procurement and Disposal Act.

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

8. Non-compliance with School Infrastructure Checklist

Physical inspection of the school in respect of adherence with School Infrastructure Standards and Guidelines on Safety on School Grounds and Safety in Physical Infrastructure of classrooms, dormitories and sanitation infrastructure indicated that the school was not in compliance with twenty-four (24) of the guidelines and standards. Infrastructure Standards and Guidelines.

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

9. Projects Implementation Status

Review of records revealed that the proposed construction of one storeyed 6 No. Classrooms block commenced on 12 April, 2022 with an initial budget of Kshs.10,064,995 from the infrastructure fund funded by the National Government. The contract agreement was labour only contract with the school supplying materials. The cost of labour was Kshs.2,781,383 and materials Kshs.7,283,612 as per the contract agreement for a period of 29 weeks ending 6 September, 2022. However, the following observations were made;

- i. The management failed to provide the procurement files for labour and materials including tender advertisement, documents, professional opinion, payment certificates, materials on site register and contract performance monitoring reports.
- ii. The project was for a period of 29 weeks and 6th September 2022 as the expected date of completion. However, at the time of audit verification the project had stalled for six months and efforts get the project manager and the school management explain the circumstances failed.
- iii. The approved budget was Kshs.10,064,995. However, payments records indicated a total of Kshs.13,903,331 had been paid as at 30 June 2023, resulting to an unexplained overpayment of Kshs.3,838,335.
- iv. Further, notes to the financial statements for the previous years indicated total infrastructure payments for construction of 6 No. one storey classrooms of Kshs.14,693,477. The variance with payment records of Kshs.764,531 has not been explained.

- v. Analysis of the project's implementation status revealed that the proposed 6 No. classrooms storeyed block project that is currently stalled was allocated to a local primary school. Further, the primary school had done electrical installation and fitting of windowpanes and utilizing the ground floor of the project without a written agreement and approval of the County Director of Education.

In the circumstances, the value for money for the expenditure on projects totalling Kshs.13,903,331 could not be confirmed.

10. Lack of a Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

Further, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 effects of 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. Weaknesses in Security of the School Financial System

Review of the school's financial management system revealed that no requests were made by users before they are allowed system access, login sessions persisted for many

days until users logged out, users could concurrently log in on multiple computers and regular backups of important information from the system were not made.

In circumstances, the effectiveness of controls in management of the financial system could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements summary of fixed assets register reflects a balance of Kshs.55,606,842 which includes land with a value of Kshs.9,900,000. However, land ownership documents for two parcels of land are still registered in the names of the sellers. Further, Management did not prepare an updated fixed assets register and several assets at the school were not tagged.

In addition, building and structures opening balance of Kshs.26,270,064 varied with the previous years audit balance of Kshs.33,334,103 by Kshs.7,064,039 being the amount spend during the previous year. The variance was not explained nor reconciled.

In these circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Long Outstanding Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivables balance of Kshs.25,272,719 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.14,494,890 which had been outstanding for more than three (3) years representing 58% of the total accounts receivables. However, there was no details supporting schedule for the ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the recoverability and existence of effective mechanisms for debt management could not be confirmed.

4. Lack of Internal Audit Function

During the year under review, the school had not constituted an internal audit unit and the constituted audit committee did not hold any meetings. This was contrary to 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 existence of effective oversight mechanisms could not be confirmed.

5. Weaknesses in Constitution of Board of Management

During the year under review, the Board of Management did not prepare an annual board work plan or schedule of activities/board charter for the year under review as envisioned by section 59 of the Basic Education Act, 2013. Further, Management did not constitute sub committees of the Board submit an annual report on governance to Director of Basic Education section 60 of the Basic Education Act, 2013. In addition, evidence of meetings of the full board were not provided for audit.

In the circumstances, the existence and effectiveness of governance structure of the School 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 the 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 May, 2026

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	1,743,518	2,227,193
Government grants for operations	2	5,056,704	6,205,020
Government Grants for infrastructure	3	2,533,000	3,515,000
School fund income- parents' contributions	4	26,468,802	34,243,979
Miscellaneous incomes	5	1,080,386	1,373,821
Total Receipts		36,882,410	47,565,013
Payments			
Tuition	6	1,743,365	2,448,306
Operations	7	5,205,373	5,943,691
Infrastructure	8	8,054,823	7,314,039
Boarding and school fund	9	30,367,188	28,497,606
Total Payments		45,369,749	44,203,642
Surplus/Deficit		(8,487,339)	3,361,371

The school financial statements were approved on 25/7/2024 and signed by:

.....

Name:

Prof. David K. Kere

Chair BOM

Date:

25/07/24

.....

Name:

Kipjago Ngechi

School Principal/ Secretary to BOM

Date:

25/7/2024

.....

Name:

JOHN TALAM

Bursar

Date:

24/7/2024

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	1,926,023	9,611,031
Cash Balances	11	20,714	(59,797)
Short term Investment	12	-	-
Total Cash and Cash Equivalents		1,946,737	9,551,234
Account's receivables	13	<u>25,272,719</u>	<u>24,707,947</u>
TOTAL FINANCIAL ASSETS		27,219,456	34,259,181
FINANCIAL LIABILITIES			
Accounts Payable	14	6,267,302	4,819,690
NET FINANCIAL ASSETS		<u>20,952,154</u>	<u>29,439,491</u>
REPRESENTED BY			
Fund balance b/fwd 1st July	15	29,439,492	26,078,121

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Surplus/Deficit for the year		(8,487,339)	3,361,371
NET FINANCIAL POSITION		<u>20,952,153</u>	<u>29,439,492</u>

The school's financial statements were approved on 25/7/2024 and signed by:

.....
 Name: Prof. David Ph. Kopyego
 Chair BOM
 Date: 25/07/2024

.....
 Name: Kopyego Ngetich
 School Principal/ Secretary to BOM
 Date: 25-7-24



.....
 Name: JOHN TALAM
 Bursar
 Date: 24/7/2024

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

Description	Note		2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,743,518	2,227,193
Government grants for operations	2	5,056,704	6,205,020
Government Grants for infrastructure	3	2,533,000	3,515,000
School fund income- parents' contributions	4	25,637,106	28,991,799
Miscellaneous incomes	5	1,080,386	1,373,821
Total receipts		36,050,714	42,312,833
Payments			
Cash outflows for tuition	6	1,743,365	2,448,306
Cash outflows for operations	7	5,314,673	5,834,391
Cash outflows for infrastructure	8	-	-
Cash outflows Boarding/lunch and school fund payments	9	29,331,127	27,504,261
Total payments		36,389,165	35,786,958
Net cash flow from operating activities	A	(338,451)	6,525,875
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(7,266,048)	(7,314,039)
Proceeds from investments		-	-
Net cash flows from Investing Activities	B	(7,266,048)	(7,314,039)
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Net cash flows from Investing Activities	c		
NET INCREASE IN CASH AND CASH EQUIVALENT	d	(7,604,499)	(788,164)
Cash and cash equivalent at BEGINNING of the year	e	9,551,234	10,339,398
Cash and cash equivalent at END of the year	f=d+e	1,946,735	9,551,234

The school's financial statements were approved on 25/7/2024 and signed by:


 Name: Prof. David A. Kiprotich
 Chair BOM
 Date: 25/07/2024


 Name: Kiprotich Ngelich
 School Principal Secretary to BOM
 Date: 25/07/2024


 Name: JOHAN TALAM
 Bursar
 Date: 24/7/2024



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>					
Exercise books	1,300,000	-	1,300,000	886,614	68%
Laboratory equipments and apparatus	335,400	-	335,400	336,951	100%
Teaching/learning materials	74,100	-	74,100	324,709	438%
chalks	83,850	-	83,850	84,234	100%
Internal exams	110,500	-	110,500	111,010	100%
Text books	789,750	-	789,750	-	0%
<i>(2) Capitation Grant on Operations</i>					
Personnel emoluments	3,919,500	-	3,919,500	2,609,320	67%
Local transport / travelling	520,000	-	520,000	305,200	59%
Electricity and water	1,150,500	-	1,150,500	807,674	70%
Medical and insurance	1,300,000	-	1,300,000	131,200	10%
Administration costs	520,000	-	520,000	654,360	126%
Activity	975,000	-	975,000	548,950	56%
Smasse	130,000	-	130,000	-	0%
<i>3) FDSE for infrastructure</i>					
Maintenance and Improvement	3,250,000	-	3,250,000	2,533,000	78%
<i>(4) Fees Charged on Parents</i>					

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
Personnel emoluments	2,600,000	-	2,600,000	2,927,565	113%
Repairs and maintenance- RMI	1,300,000	-	1,300,000	1,426,572	110%
Local transport / travelling	1,430,000	-	1,430,000	1,485,668	104%
Electricity and water	650,000	-	650,000	828,294	127%
Administration costs	1,280,500	-	1,280,500	1,727,536	135%
Activity	325,000	-	325,000	252,342	78%
Fee on Boarding Equipment and Stores	13,539,500	-	13,539,500	16,091,568	119%
Medical and insurance	325,000		325,000	387,395	119%
M & I	1,300,000		1,300,000	1,341,862	103%
5) Miscellaneous Income					
School farm- Cows		-	-	80,700	0%
Sale of Jaricans		-	-	3,350	0%
Income from Bus Hire		-	-	131,000	0%
Income from Bakery		-	-	865,336	0%
TOTAL INCOME	37,208,600	-	37,208,600	36,882,410	99%
(6) Expenditure For Tuition					
Exercise books	1,300,000	-	1,300,000	535,200	41%
Laboratory equipment and apparatus	335,400	-	335,400	626,295	187%
Teaching/learning materials	74,100	-	74,100	410,180	554%
Internal exams	110,500	-	110,500	86,000	78%
Chalks	83,850	-	83,850	84,000	100%

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
Text books	789,750	-	789,750	-	0%
Bank charges			-	1,690	0%
(7) Expenditure For Operations					
Personal Emoluments	3,919,500	-	3,919,500	2,112,155	54%
Local transport and travelling	520,000	-	520,000	145,700	28%
Administration Cost	520,000	-	520,000	1,737,070	334%
Medical and insurance	1,300,000	-	1,300,000	-	0%
Activity Expenses	975,000	-	975,000	574,850	59%
Electricity and water	1,150,500	-	1,150,500	635,598	55%
Smasse	130,000	-	130,000	-	0%
(8) Expenditure For infrastructure					
Construction of 6No. Classrooms	1,300,000	-	1,300,000	7,603,823	585%
Dining Hall	3,250,000	-	3,250,000	-	0%
CBC Classrooms	-	-	-	450,000	0%
(9) Expenditure For school fund					
Activity	325,000	-	325,000	1,664,666	512%
Boarding ,equipment and stores	13,539,500	-	13,539,500	14,736,248	109%
Bus hire and school bus	-	-	-	336,251	0%
Personnel emoluments	2,600,000	-	2,600,000	4,876,979	188%
Repairs and maintenance & Improvements	1,300,000	-	1,300,000	661,203	51%
Local transport / travelling	1,430,000	-	1,430,000	1,111,077	78%

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
Electricity and water	650,000	-	650,000	2,086,375	321%
Administration costs	1,280,500	-	1,280,500	3,068,149	240%
Refund to students		-	-	112,284	0%
Expenses on Income Generating Activities - Bakery		-	-	1,090,382	0%
School Farm-Cows		-	-	90,670	0%
Medical and insurance	325,000	-	325,000	532,904	164%
TOTAL	37,208,600	-	37,208,600	45,369,749	122%

- i. The expenditures that were above 100% were caused by the continued inflation in the country.
- ii. The expenditures that were below 90% were as a result of poor fees payment resulting in non-execution of the budget to its fullest.

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 30th June 2023.

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise books	886,614	1,157,080
Laboratory equipments and apparatus	336,951	370,008
Teaching/learning materials	324,709	497,916
chalks	84,234	46,550
Internal exams	111,010	124,878
Reference books		30,761
Total	1,743,518	2,227,193

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	2,609,320	4,326,472
Local transport / travelling	305,200	134,872
Electricity and water	807,674	693,090
Medical and insurance	131,200	247,825
Administration costs	654,360	799,271
Activity	548,950	3,490
Total	5,056,704	6,205,020

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	2,533,000	3,515,000
Total	2,533,000	3,515,000

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Boarding ,equipment and stores	16,091,568	19,507,808
Bus Fund	-	1,222,626
Personnel emoluments	2,927,565	2,558,615
Repairs and maintenance	1,426,572	1,890,530
Local transport / travelling	1,485,668	2,046,547
Electricity and water	828,294	2,248,858
Medical	387,395	457,034
Administration costs	1,727,536	2,007,533
Activity	252,342	472,911
M & I	1,341,862	1,831,517
Total	26,468,802	34,243,979

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
School farm- Cows	80,700	179,540
Sale of Jaricans	3,350	5,100
Income from Bus Hire	131,000	42,000
Income from Bakery	865,336	1,147,181
Total	1,080,386	1,373,821

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise books	535,200	1,346,580
Laboratory equipments and apparatus	626,295	448,199
Teaching/learning materials	410,180	520,253
Internal exams	86,000	101,000
Reference books	-	31,854
chalks	84,000	
Bank charges	1,690	420
Total	1,743,365	2,448,306

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personal Emoluments	2,112,155	3,851,736
Local transport and travelling	145,700	192,400
Administration Cost	1,737,070	1,186,880
Electricity and water	635,598	429,200
Medical and insurance	-	156,975
Activity Expenses	574,850	126,500
TOTAL	5,205,373	5,943,691

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****8 Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of Computer Lab	-	215,000
Construction of 6 No. Classrooms	7,603,823	7,064,039
Preparation of Dinning Hall Construction documents	-	35,000
CBC Classrooms	450,000	
Total	8,053,823	7,314,039

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Activity	1,664,666	430,275
Boarding ,equipment and stores	14,736,248	16,230,858
Bus hire and school bus	336,251	323,994
School farm- Cows	90,670	104,010
Personnel emoluments	4,876,979	1,869,761
Repairs Maintenance and Improvements	661,203	1,995,350
Local transport / travelling	1,111,077	694,695
Electricity and water	2,086,375	3,017,134
Administration costs	3,068,149	2,524,926
Refund to students	112,284	297,432
Expenses on Income Generating Activities – Bakery	1,090,382	944,608
Medical	532,904	64,563
TOTAL	30,367,188	28,497,606

10 Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2022-2023	2021-2022
			Kshs	Kshs
Tuition Account	Active	01025027623400	2,768	2,614
Operations Account	Active	010210276723400	361,322	615,581

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

School Fund Account/Boarding	Active	1135325561	195,535	2,869,490
M&I Account	Active	1255230096	1,366,003	6,122,951
CDF account	Active	2527623401	395	395
Total			1,926,023	9,611,031

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation Account	(3,710)	-
School Fund account	524	(59,797)
RMI Account	23,900	-
Total	20,714	(59,797)

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative shares	-	-
Other investments	-	-
Total	-	-

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	25,272,719	24,650,697
Salary Advances (list/schedule attached)	-	57,250
Total	25,272,719	24,707,947

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
		% of the total		% of the total
Less than 1 year	3,769,785	14%	8,415,048	34%
Between 1- 2 years	5,267,285	21%	1,740,759	7%

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2023**

Between 2- 3 years	1,740,759	7%	1,317,574	5%
Over 3 years	14,494,890	58%	13,177,316	54%
Total	25,272,719	100%	24,650,697	100%

Notes to the Financial Statements (continued)**14 Accounts Payable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,874,431	1,159,895
Prepaid fees	3,392,871	3,659,795
Total	6,267,302	4,819,690

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	2,874,431	100%	1,159,895	100%
Total	2,874,431	100%	1,159,895	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances-note 10	1,926,023	9,611,031
Cash balances-note 11	20,714	(59,797)
Receivables-note 13	25,272,719	24,707,947
Payables-note 14	(6,267,302)	(4,819,690)
Total	20,952,154	29,439,491

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.

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	3	220,000	180,000
Trees	145	280,000	270,000
Total	148	500,000	450,000

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	(-)	(-)
Balance at the end of the year	-	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	1,317,737	101,958
Lab consumables	111,039	108,188
Medication	132,632	30,644
Construction Materials	2,650	1,859,540
Others (Stationery)	848,960	-
	-	-
Balance at end of the year	2,166,697	2,100,330

20 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)
4	Delay in utilization of MI funds	Amount should be utilised for the intended purpose	Process begun	End of next financial year
5	Inter account Transfer	Amounts to be harmonized	Harmonized	Resolved
6	Retention Money Bank Account	Open Savings Bank Account	Not Resolved	During the next year

Sign and Date
Principal



CHEPTIL SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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 Comparative 2021-2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Computer Laboratory	6,000,000	2014	6,000,000	0	0	Completed
2. 6 No. One Storey Classrooms	10,064,955	2022	7,064,039	787,775	3,000,916	In progress
Sub-Total	16,064,955		13,064,039	787,775	3,000,916	
Supply Of Goods	2,086,656		0	2,086,656	1,159,895	To pay
Sub-Total	0		0	2,086,656	1,159,895	
Supply Of Services						
Sub-Total	0		0	0	0	
Grand Total	18,151,611		13,064,039	2,874,431	4,160,811	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st Jul. 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	9,900,000	-	-	9,900,000
Buildings And Structures	26,270,064	7,266,048	-	33,536,112
Motor Vehicles	5,000,000	-	-	5,000,000
Office Equipment, Furniture And Fittings	831,000	-	-	831,000
ICT Equipment	965,000	-	-	965,000
Tools And Apparatus	733,190	-	-	733,190
Other Machinery And Equipment	3,761,540	-	-	3,761,540
Heritage And Cultural Assets	680,000	-	-	680,000
Intangible Assets- Soft Ware	200,000	-	-	200,000
Total	48,340,794	7,266,048	-	55,606,842

**SCHOOL FUND
ADJUSTED TRIAL BALANCE
AS AT 30TH JUNE 2023**

VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
			DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash				-59,796.50			-	(59,797)
Bank				2,869,489.60			-	2,869,490
ACTIVITY	1	325,000.00	1,664,666.00	231,267.00		21,075	1,664,666	252,342
ADMIN COST	2	1,280,500.00	2,453,849.00	1,576,801.00	614,300	150,735	3,068,149	1,727,536
ARR	3	0.00		3,147,763.00	3,769,785		3,769,785	3,147,763
BES	4	13,539,500.00	13,491,994.00	13,533,022.00	1,244,254	2,558,546	14,736,248	16,091,568
BUS FUND	5						-	-
E.W.C	6	650,000.00	2,026,974.50	740,179.00	59,400	88,115	2,086,375	828,294
JERICANS	7			3,350.00			-	3,350
L.T.T	8	1,430,000.00	1,111,077.00	1,359,805.00		125,863	1,111,077	1,485,668
M.I	9	1,300,000.00		1,032,191.00		309,671	-	1,341,862
MEDICAL	10	325,000.00	366,242.00	290,922.00	166,662	96,473	532,904	387,395
P.E	11	2,600,000.00	4,876,979.00	2,643,631.00		283,934	4,876,979	2,927,565

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

PRE	12	0.00	1,883,743.50	1,616,819.50			1,883,744	1,616,820
R.M.I	13	1,300,000.00	659,163.00	1,291,199.00	2,040	135,373	661,203	1,426,572
REFUND	14		112,284.00				112,284	-
ADVANCE	15		134,500.00	191,750.00			134,500	191,750
BAKERY	16		1,090,382.00	865,336.00			1,090,382	865,336
BURSARY	17		1,890,022.00	1,890,022.00			1,890,022	1,890,022
BUS	18		336,250.70	131,000.00			336,251	131,000
COWS	19		90,670.00	80,700.00			90,670	80,700
CREDITORS	20		1,050,595.00			2,086,656	1,050,595	2,086,656
NHIF	21		139,800.00	139,800.00			139,800	139,800
NSSF	22		431,736.00	431,736.00			431,736	431,736
OPERATION A/C	23		80,999.99	80,999.99			81,000	81,000
PAYE	24		6,328.00	6,328.00			6,328	6,328
RMI ACCOUNT	25		88,200.00	88,200.00			88,200	88,200
TUITION A/C	26		3,000.00	3,000.00			3,000	3,000
UNION	27		45,428.00	45,428.00			45,428	45,428
WELFARE	28		59,700.00	59,700.00			59,700	59,700
Closing Balance							-	-
Cash			523.50				524	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Bank			195,535.40				195,535	-
TOTAL		22,750,000.00	34,290,642.59	34,290,642.59	5,856,441.00	5,856,441.00	40,147,083.59	40,147,083.59

OPERATIONS ACCOUNT				
ADJUSTED TRIAL BALANCE				
AS AT 30TH JUNE 2023				
			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				615,581.15
ACTIVITY	1	975,000	574,850.00	548,950.00
ADMIN COST	2	520,000	1,737,070.00	654,360.00
E.W.C	3	1,150,500	635,598.00	807,674.00
INSURANCE	4	1,300,000		131,200.00
L.T.T	5	520,000	145,700.00	305,200.00
M.I	6	3,250,000		2,533,000.00
P.E	7	3,919,500	2,112,155.00	2,609,320.05
SMASSE	8	130,000		
BOARDING A/C	9		80,999.99	80,999.99
CREDITORS	10		109,300.00	
MOEST GRANTS	11		7,589,604.05	7,589,604.05
NHIF	12		69,600.00	69,600.00

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2023**

NSSF	13		214,916.00	214,916.00
PAYE	14		3,164.00	3,164.00
RMI ACCOUNT	15		2,533,000.00	
UNION	16		22,564.00	22,564.00
WELFARE	17		29,700.00	29,700.00
Closing Balance				
Cash			-3,710.00	
Bank			361,322.20	
TOTAL		11,765,000	16,215,833	16,215,833

TUITION ACCOUNT				
TRIAL BALANCE				
AS AT 30TH JUNE 2023				
			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				2,614.45
ADMIN COST	1		1,690.00	
Chalks	2	83,850.00	84,000.00	84,234.00
Exercise Books	3	1,300,000.00	535,200.00	886,614.25
Internal Exams	4	110,500.00	86,000.00	111,010.00
Lab Equipments	5	335,400.00	626,295.00	336,951.00
Ref/Lib Materials	6			
Teaching and Learning Materials	7	74,100.00	410,180.00	324,709.00
Text Books	8	789,750.00		

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2023**

BOARDING A/C	9		3,000.00	3,000.00
MOEST GRANTS	10		1,743,518.25	1,743,518.25
Closing Balance				
Cash				
Bank			2,767.70	
TOTAL		2,693,600.00	3,492,650.95	3,492,650.95

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

RMI ACCOUNT								
TRIAL BALANCE								
AS AT 30TH JUNE 2023								
			CASH BOOK TRIAL BALANCE		ADJUSTMENTS		ADJUSTED TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash							-	-
Bank				6,122,951.00			-	6,122,951.00
ADMIN COST	1		2,130.00				2,130.00	-
BOARDING A/C	2		88,200.00	88,200.00			88,200.00	88,200.00
CBC CLASSES	3		450,000.00				450,000.00	-
CLASSES	4		6,813,917.55		787,775.00		7,601,692.55	-
OPERATION A/C	5			2,533,000.00			-	2,533,000.00
DINING HALL	6	3,250,000.00					-	-
CREDITORS	7					787,775.00	-	787,775.00
Closing Balance							-	-
Cash			23,900.00				23,900.00	-
Bank			1,366,003.45				1,366,003.45	-
TOTAL		3.250.000.00	8,744,151.00	8,744,151.00	787,775.00	787,775.00	9,531,926.00	9,531,926.00

CDF ACCOUNT				
TRIAL BALANCE				
AS AT 30TH JUNE 2023				
			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				394.65
Closing Balance				
Cash				
Bank			394.65	
TOTAL			394.65	394.65

CHEPTIL SECONDARY SCHOOL SCHOOL FUND ACCOUNT RECONCILIATION SCHEDULES/NOTES			
NOTE I Payments in cash book not in Bank Statement- Unpresented cheques			
Date	Payee	Cheque No.	Amount
20-06-23	ACK Diocese of Kapsabet	2222	9,652.00
28-06-23	Boresha Sacco Society Ltd	2223	14,950.00
	Total		24,602.00

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

NOTE II Receipts in Bank Statement not in the Cash book - Direct credits		
Date	Received from	Amount
16-06-23	Uasin Gishu county	20,000.00
	Total	20,000.00

CHEPTIL SECONDARY SCHOOL SCHOOL FUND ACCOUNT BANK RECONCILIATION AS AT 30/06/2023			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			240,137
Less: Payments in cash book not in bank statement	I	24,602.00	
Receipts in bank statement not in cash book	II	20,000.00	44,602
Balance as per Cash book			195,535
I certify that I have verified bank balances in the cash book with bank statement and that is correct.			
Designation: Bursar			
Name: John Talam			
Signature: 			
Date : 24/7/2024			

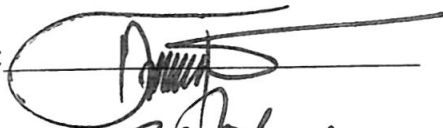
CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Approved : Principal

Name: Kipyego Ngetich

Signature:



Date :



CHEPTIL SECONDARY SCHOOL OPERATION ACCOUNT RECONCILIATION SCHEDULES/NOTES			
NOTE I Payments in cash book not in Bank Statement- Unpresented cheques			
Date	Payee	Cheque No.	Amount
20-06-23	Matmo Enterprise	3128	58,500.00
28-06-23	Boresha Sacco Society Ltd	3136	371,638.00
28-06-23	Imarisha Sacco Society Ltd	3137	25,000.00
28-06-23	NHIF	3138	17,450.00
28-06-23	NSSF	3139	53,850.00
28-06-23	KRA	3140	791.00
28-06-23	Kudheihia Workers	3141	5,566.00
28-06-23	Bidii Self Help Group	3142	7,500.00
	Total		540,295.00

CHEPTIL SECONDARY SCHOOL			
OPERATION ACCOUNT			
BANK RECONCILIATION AS AT 30/06/2023			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			901,617
Less: Payments in cash book not in bank statement	I	540,295.00	540,295
Balance as per Cash book			361,322

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: 

Date : 24/7/2024

CHEPTIL SECONDARY SCHOOL

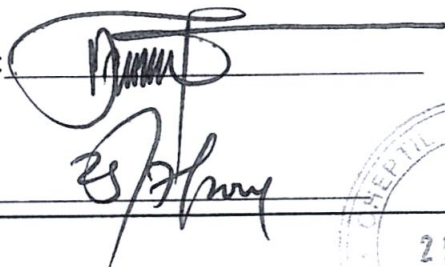
Annual Report and Financial Statements For the year ended 30th June 2023

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : _____

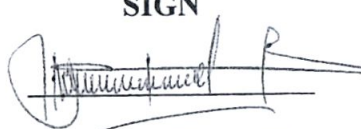
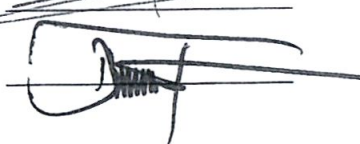


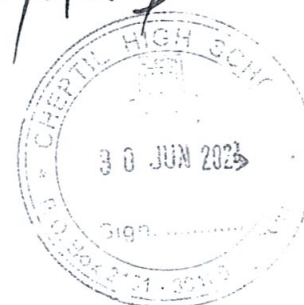


CASH SURVAY AS AT 30/06/2023

DENOMINATION	NUMBER	AMOUNT
1000 shillings notes	15	15,000.00
500 shillings notes	5	2,500.00
200 shillings notes	6	1,200.00
100 shillings notes	20	2000.00
5 shillings coin	2	10.00
1 shilling coin	3	3.00
50 cents coin	1	0.50
TOTAL		KSHs. 20,713.50

SURVEY CARRIED OUT BY:

DESIGNATION	NAME	SIGN	DATE
Accounts Clerk:	KIPNGETICH EDWIN		30/06/2023
Bursar:	JOHN TALAM		30/6/2023
Principal:	Kipyego Ngetich		30/6/2023



CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023
