

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 DEC 2024	DAY: Monday
TABLED BY: HON. NAOMI WAGO, MP	DEPUTY MAJORITY WHIP
CLERK-AT THE TABLE:	RUTHER NGENYO

**REPORT**

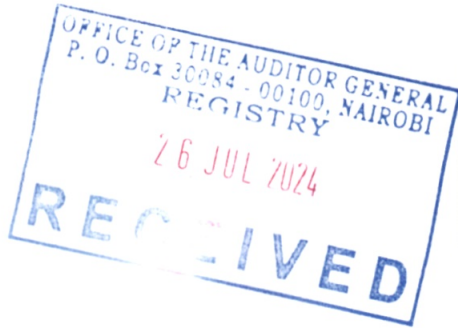
**OF**

**THE AUDITOR-GENERAL**

**ON**

**ISIOLO BARRACKS SECONDARY SCHOOL  
FOR THE YEAR ENDED  
30 JUNE, 2023**

**ISIOLO COUNTY**



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**ISIOLO BARRACKS MIXED DAY 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)

<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of Terms .....	2
2. Key School Information and Management.....	3
3. Summary Report of Performance of The School .....	8
4. Statement of School Management Responsibility .....	15
5. Statement Of Receipts and Payments For the Year Ended 30 <sup>th</sup> June 2023 .....	16
6. Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2023 .....	17
7. Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2023 .....	18
8. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2023.....	20
9. Significant Accounting Policies .....	26
10. Notes To The Financial Statements.....	28
11. Annexes.....	39

**1. Acronyms and Glossary of Terms**

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

The school was registered in 01/2013 under registration number PU/5/2/7792/13 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 740 numbers of students as at 30<sup>th</sup> June 2023. It has 4 streams and 30 teachers of which 7 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	Brigadier maroko	Chairman	28th july 2022
2	Fredrick gitonga bundi	Secretary - Principal	28th july 2022
3	Ahmed boru shone	Member	28th july 2022
4	Mumina jirmo	Member	28th july 2022
5	Francis gitonga	Member	28th july 2022
6	Peter lesh	Member	28th july 2022
7	Andrew lesingirani	Member	28th july 2022
8	Mohamed a dahir	Member	28th july 2022
9	Aileen k muniria	Member	28th july 2022
10	Hadija galma guyo	Member	28th july 2022
11	Hajira kuno	Member	28th july 2022
12	David kinyua ngaruthi	Member – Rep CEB	28th july 2022
13	Abdullahi ibrahim	Member Rep Teachers	28th july 2022
14	Maj.(fr)karani	Sponsor	28th july 2022
15	Wol john mutembei	Sponsor	28th july 2022
16	Sgt barasa	Member - Community	28th july 2022
17	Nicholas a eyagan	Member Special Needs	28th july 2022
18	Jacob muthomi	Rep Students	28th july 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	1. Brigadier Maroko 2. Fredrick Bundi 3. David Kinyua 4. Hadija Galma 5. Wo1 John Mutembei	Chairman-Sponsor Principal CEB Rep Member Sponsor	5 out of 5 5 out of 5 5 out of 5 5 out of 5 5 out of 5
2	Audit Committee	Mohamed A Dahir Andrew P Lesingirani Major(Fr)Karani Aileen K Mungiria Peter Lesh	Member Member Sponsor Member Member	0 out of 0
3	Finance, procurement and general purposes Committee	Brigadier Maroko Francis Gitonga Abdullahi Ibrahim Peter Lesh Nicholas Eyagan	Chairman Sponsor Member Teachers Rep Member Special Needs	0 out of 0
4	Academic Committee	Wo1 John Mutembei Aileen K Mungiria Ahmed Boru Shone David K Ngaruthi Hadija Galma Guyo	Sponsor Member Member CEB Rep Member	0 out of 0
5	Development Committee	Brigadier Maroko Wo1 John Mutembei Fredrick Bundi David Kinyua Hadija Galma Mohamed A Dahir	Sponsor Sponsor Principal CEB Rep Member Member	0 out of 0
6	Discipline and welfare Committee	Wo1 John Mutembei Mohamed A Dahir Hadija Galma Guyo Ahmed Boru Shone David K Ngaruthi	Sponsor Member Member Member CEB Rep	0 out of 0
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	Fredrick gitonga bundi	TSC No.351420
2	Deputy Principal	Salat adan	TSC No.430862
3	School Bursar	Mary wanjiru mwangi	ID NO 28160379

**(e) Schools contacts**

Post Office Box: 1044-60300  
 Telephone: 0757 749 557  
 E-mail: isiolobarracks563@gmail.com  
 Website:  
 Facebook:  
 Twitter:

**(f) School Bankers**

1. Name of Bank: KCB BANK  
 Branch: Isiolo  
 Account Number: Meals 1127189522  
 Transport 1226100678
2. Name of Bank: ABSA BANK  
 Branch: Isiolo  
 Account Number: Operations 0421031126  
 Tuition 2022258764
3. Name of Bank: CO-OPERATIVE BANK  
 Branch: Isiolo  
 Account Number: M&I 011394382299500
4. Name of Bank: EQUITY BANK  
 Branch: Isiolo  
 Account Number: CDF 0410266652355
5. MPESA Pay Bill No. 31938k attached to KCB bank account

**(g) Independent Auditors**

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

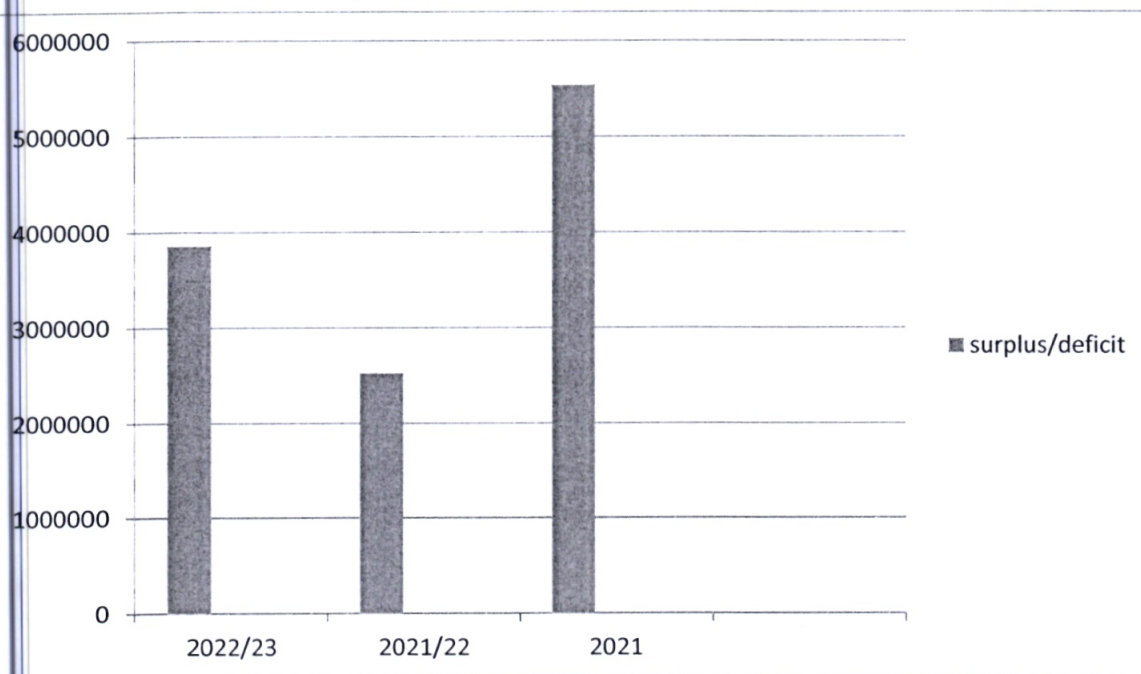
**3. Summary Report of Performance of The School**

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

**a) Financial performance:**

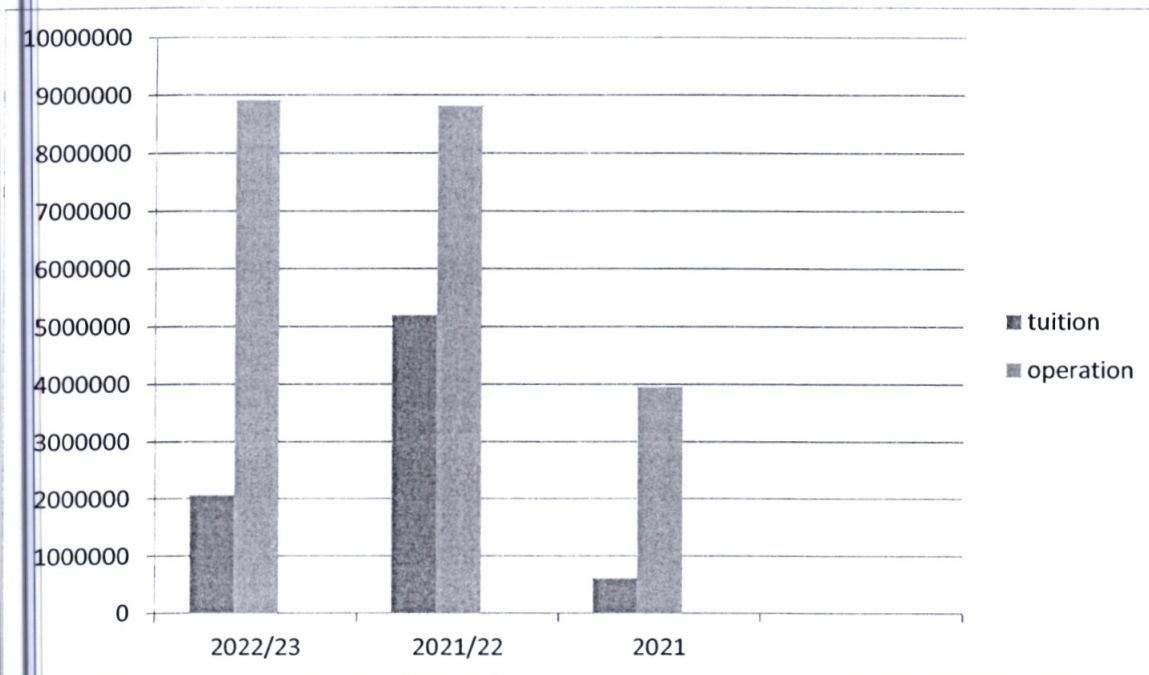
- Surplus/ deficit for the year and a comparison of the same for the last three years

Year	2022/2023	2021/2022	2021
Surplus/deficit	3,858,438.00	2,522,682.00	5,534,535.00
Total	3,858,439.00	2,522,682.00	5,534,535.00



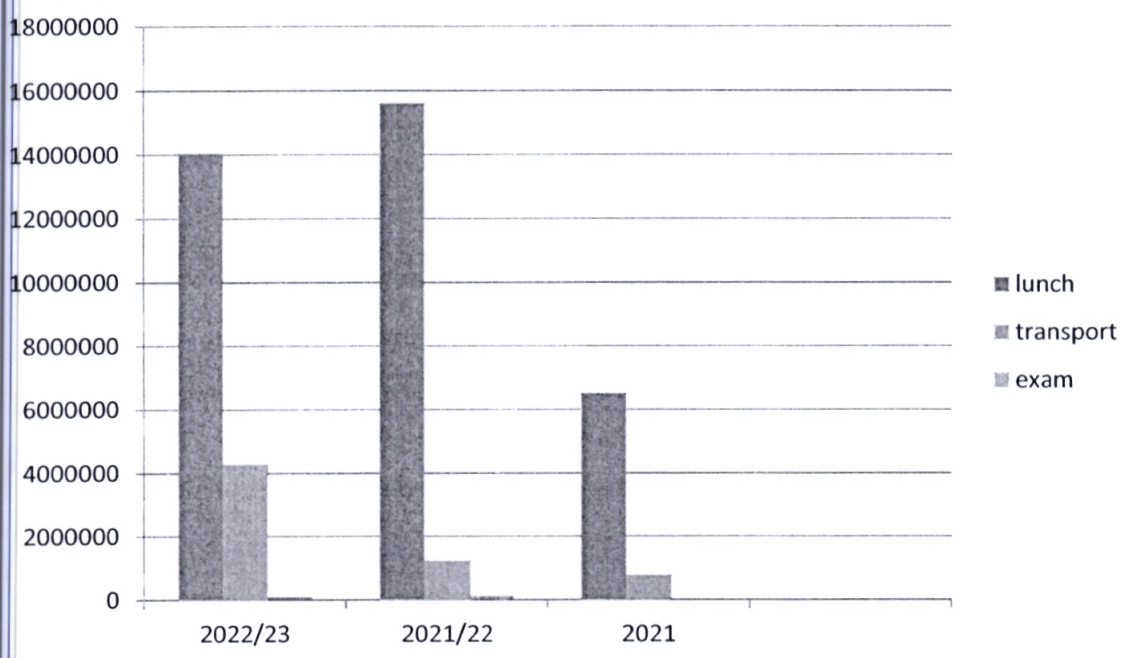
- Capitation grants from the Ministry of Education for the last three years

Year	2022/2023	2021/2023	2021
Tuition	2061547.00	5201832.00	615002.00
Operation	8926116.00	8812337.00	3952765.00
Total	10987663.00	14014707.00	4567766.00



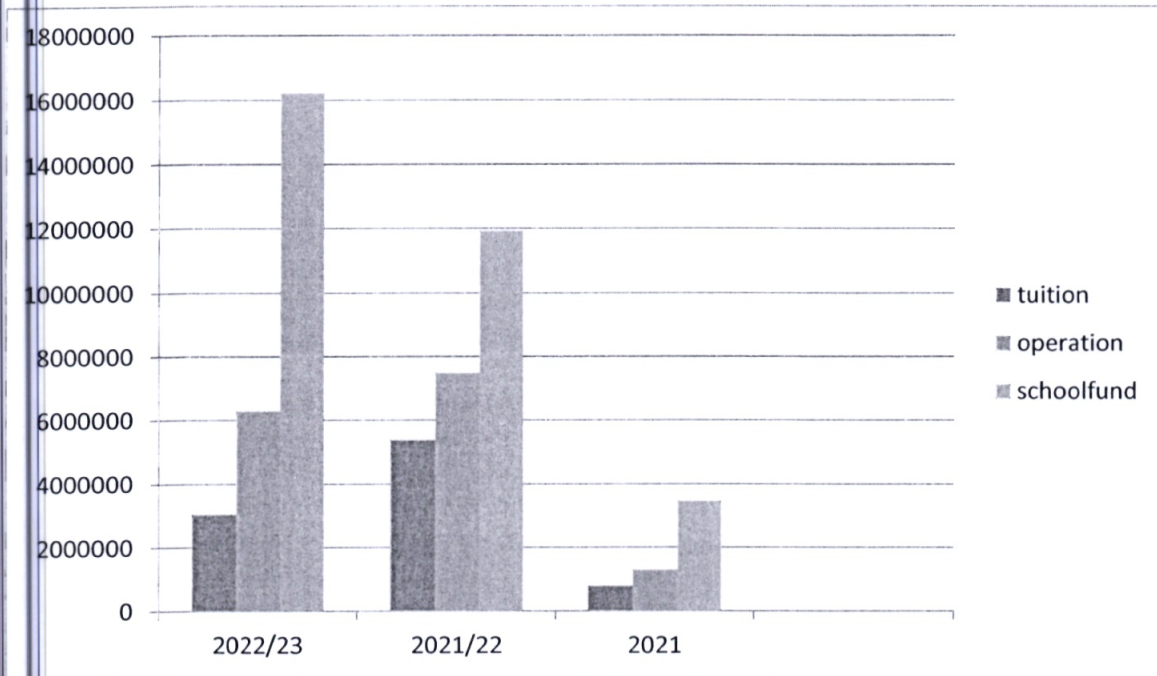
- A three-year overview of growth of other income(s) earned by the school.

Year	2022/2023	2021/22	2021
Lunch	14,051,145.00	15,617,315.00	6,507,581.00
Transport	4,281,000.00	1,241,980.00	792,650.00
Exams	100,000.00	113,900.00	0.00
Total	18,432,145.00	16,973,195.00	7,300,231.00



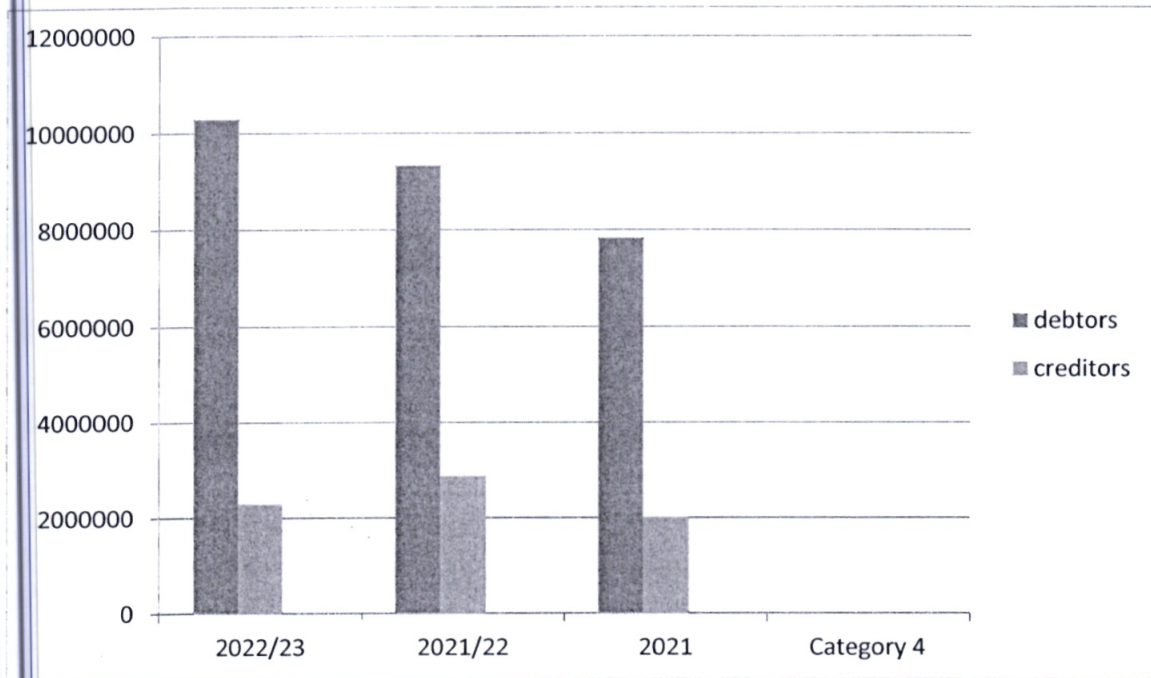
- A three-year overview of growth in expenditure of the school

Year	2022/2023	2021/2022	2021
Tuition	3,048,570.00	5,374,157.00	786,729.00
Operation	6,287,215.00	7,477,349.00	1,295,595.00
School fund	16,225,584.00	11,916,135.00	3,458,489.00
Total	25,561,368.00	24,767,641.00	5,540,812.00



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

Year	2022/2023	2022/2022	2021
Debtors	10,292,182.00	9,333,282.00	7,828,044.00
Creditors	2,298,366.00	2,878,639.00	2,018,540.00
Total	12,590,548.00	12,211,921.00	9,846,584.00



**b) Teacher Student ratio:**

No of teachers recruited	6
No. of teacher transferred/retired	1
No.of teachers employed by TSC	30
No of teachers employed by BOM	7

**c) Mean score in the 2022 KCSE:**

Year	2022	2021	2020
Mean score	3.67	3.43	4.04

**d) Number of Candidates in the 2022 KCSE:**

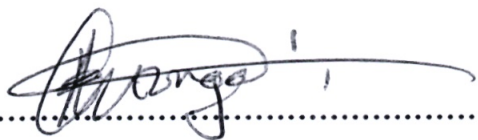
Year	2022	2021	2020
No.of students	125	143	109

**e) Capacity of the school:**

No.of students	dormitories	Dinning hall	laboratories	Latrines-girls	Latrines-boys
740	none	none	1	21	22

## f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Painting 14classrooms	FSDE	completed	323,000.00	323,000.00	completed
10 toilet door frames	FSDE	completed	30,480.00	30,480.00	Completed
Construction 1 classroom	FSDE	completed	1,000,000.00	1,000,000.00	Completed
300 student lockers &chairs	FSDE	Completed	1,425,000.00	1,425,000.00	Completed
Purchase of computers	FSDE	Completed	1,125,000.00	1,125,000.00	Completed



.....  
School Principal




4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.


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

The Board of Management of *isiolo barracks mixed day 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.

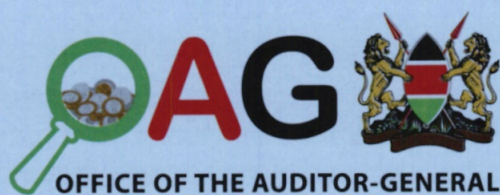
  
.....  
Name: Jotha M. Embe  
Designation: Chairman, School Board of Management  
Date: 24/7/2024

  
.....  
Name: FREDRICK GUTUNGA BUNDI  
Designation: School Principal & Secretary to Board of Management  
Date: 24/07/24

  
.....  
Name: MARY MWANGI  
Designation: Bursar/ Finance Officer  
Date: 24/7/2024



# REPUBLIC OF KENYA



*Enhancing Accountability*

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

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

## **REPORT OF THE AUDITOR-GENERAL ON ISIOLO BARRACKS MIXED DAY SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - ISIOLO 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Isiolo Barracks Mixed Day Secondary School – Isiolo County set out on pages 16 to 38, which comprise of the

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*Report of the Auditor-General on Isiolo Barracks Mixed Day Secondary School for the year ended 30 June, 2023 -  
Isiolo County*

statement of financial assets and financial liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and the 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 the Isiolo Barracks Mixed Day Secondary School - Isiolo 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 Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of financial statements revealed the following variances;

- i. Comparison between the statement of receipts and payments and statement of cash flows revealed the following variances;

<b>Component</b>	<b>Balance as per statement of receipts and payments (Kshs)</b>	<b>Balance as per the statement of cash flows (Kshs)</b>	<b>Variance (Kshs)</b>
Capitation Grants for Tuition	2,061,547	3,239,374	1,177,827
Capitation grants for Operation	5,864,116	7,346,943	1,482,827
School Fund Income – Parents Contributions/Fees	18,092,898	18,331,957	239,059
Payments for Tuition	3,048,570	3,237,255	188,685
Payments for Operations	5,087,821	7,344,730	2,256,909
Boarding and School Fund Payments	16,225,548	17,999,829	1,774,281

- ii. The statement of receipts and payments reflects capitation grants for tuition amount of Kshs.2,061,547 as disclosed in Note 1 to the financial statements. Review of the NEMIS capitation disbursements made to the School revealed an amount of Kshs.2,065,547 resulting to an unexplained variance of Kshs.4,000.

- iii. The statement of receipts and payments reflects capitation grants for operations amount of Kshs.5,864,116 as disclosed in Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School revealed an amount of Kshs.6,174,715 resulting to an unexplained variance of Kshs.310,599.

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

## **2. Unsupported Cash and Cash Equivalents Balance**

The statement of financial assets and financial liabilities reflects total cash and cash equivalents balance of Kshs.6,894,475 as disclosed in Notes 10 and 11 to the financial statements. However, the balances were not supported with bank reconciliation statement and board of survey report. Further, the balance is net of a negative cash balance of Kshs.21,076. Management has not explained how the negative balance arose.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.6,894,475 could not be confirmed.

## **3. Unsupported Accounts Receivable Balance**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.10,292,182 as disclosed in Note 13 to the financial statements. The amount relates to arrears of school fees for earlier years but had not been supported by detailed analysis of students in arrears. Further, the arrears have been outstanding for more than one year. Management has not explained measures it is taking towards recovery of the same.

In the circumstances, the completeness, accuracy and recoverability of accounts receivable balance of Kshs.10,292,182 could not be confirmed.

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

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

The audit report for the previous year highlighted several issues in respect of the Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Control, Risk Management and Governance. The issues had not been resolved as at 30 June, 2023.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Payment to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.16,225,584 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.50,000 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.50,000 could not be confirmed.

#### **2. Late Transfer of Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.5,864,116 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.3,062,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.3,061,000 was transferred to infrastructure account, leaving a balance of Kshs.1,000 as at 30 June, 2023. 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 law.

### **3. Unconfirmed Student Enrolment**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.10,987,663. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2022/2023, NEMIS reflected eight hundred and forty-two (842) students while records from the school management had eight hundred and forty-eight (848) students, resulting to unregistered six (6) students. Management indicated that the students were not registered as a result of lack of birth certificates and cases of over aged students. The under-registration in NEMIS may have resulted to an underfunding of the School by an amount of Kshs.133,344. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

### **4. Late Submission of Financial Statements**

During the year under review, Management submitted the financial statements to the Auditor-General on 27 November,2023 instead of 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.

### **5. Failure to Prepare School Improvement Plan**

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

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

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

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that, internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Incomplete Fixed Assets Register**

During the audit, it was noted that the school maintained a fixed asset register. However, the register was incomplete as it did not provide details such as date of asset acquisition, location and unique identification as required making it difficult to keep track of the assets acquired, location of the asset and disposal.

In the circumstances, the effectiveness of internal control over management of school assets could not be confirmed.

### **2. Lack of Audit Committee Meetings**

During the year under review, the School had constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 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. However, no meeting was held during the period to deliberate on the audit reports by the internal audit.

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

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

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

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

#### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 November5, 2024

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

Description Of Vote Head	Note	2022-2023	2021-2022(re-stated)
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	2,061,547.00	2,015,084.00
Government grants for operations	2	5,864,116.00	8,812,337.00
Government Grants for infrastructure	3	3,062,000.00	0.00
School fund income- parents' contributions	4	18,092,895.00	15,731,215.00
Miscellaneous incomes	5	339,250.00	1,241,980.00
<b>Total Receipts</b>		<b>29,419,807.00</b>	<b>27,800,616.00</b>
<b>Payments</b>			
Tuition	6	3,048,570.00	4,655,975.00
Operations	7	5,087,821.00	3,717,038.00
Infrastructure	8	1,199,394.00	3,688,045.00
Boarding and school fund	9	16,225,584.00	13,216,876.00
<b>Total Payments</b>		<b>25,561,368.00</b>	<b>25,277,934.00</b>
<b>Surplus/Deficit</b>		<b>3,858,439.00</b>	<b>2,522,682.00</b>

The school financial statements were approved on 24/7/2024 2023 and signed by:

*[Signature]*  
 Name: JOHN MUIEMBEI  
 Chair BOM  
 Date: 24/7/2024

*[Signature]*  
 Name: 24/07/24  
 School Principal/ Secretary to  
 BOM BUNDI FREDRICK  
 Date: GRITONGA  
24/07/24

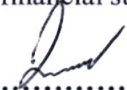
*[Signature]*  
 Name: MARY MWANGI  
 Bursar/ Finance Officer  
 Date: 24/7/2024

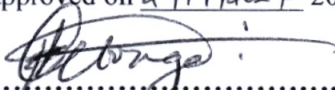



5. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	6,915,551.00	4,550,356.00
Cash balances	11	(21,076.00)	24,853.00
Short term investments			
<b>Total cash and cash equivalent</b>		<b><u>6,894,475.00</u></b>	<b><u>4,575,209.00</u></b>
Account's receivables	13	10,292,182.00	9,333,282.00
<b>Total financial assets</b>		<b>17,186,657.00</b>	<b>13,908,491.00</b>
<b>Financial liabilities</b>			
Accounts payables	14	2,298,366.00	2,878,639.00
<b>Net financial assets</b>		<b>14,888,291.00</b>	<b>11,029,852.00</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	11,029,852.00	8,507,170.00
Surplus/deficit for the year		3,858,439.00	2,522,682.00
<b>Net financial position</b>		<b>14,888,291.00</b>	<b>11,029,852.00</b>

The school's financial statements were approved on 24/7/2024 2023 and signed by:

  
 Name: JOHN MUIEMBEI

  
 Name: FREDRICK G. BUNDI  
 School Principal/ Secretary to BOM

  
 Name: MARY KWANGI

Chair BOM  
 Date: 24/7/2024

Date: 24/7/24

Bursar/ Finance Officer  
 Date: 24/7/2024



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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition	1	3,239,374.00	5,201,832.00
Government grants for operations	2	7,346,943.00	8,812,337.00
Government grants for infrastructure	3	3,062,000.00	0.00
School fund income- parents contributions/ fees	4	18,331,957.00	14,436,620.00
Other income	5	339,250.00	1,662,430.00
<b>Total receipts</b>		<b>32,319,524.00</b>	<b>30,113,219.00</b>
<b>Payments</b>			
Cash outflows for tuition	6	3,237,255.00	5,374,157.00
Cash outflows for operations	7	7,344,730.0	7,477,349.00
Cash outflows Boarding/lunch and school fund payments	9	17,999,829.00	11,916,135.00
<b>Total payments</b>		<b>28,581,814.00</b>	<b>24,767,641.00</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>3,737,710.00</b>	<b>5,345,578.00</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		1,418,444.00	3,468,035.00
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>1,418,444.00</b>	<b>3,468,035.00</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>2,319,266.00</b>	<b>1,877,543.00</b>
Cash and cash equivalent at beginning of the FY		4,575,209.00	2,697,666.00
<b>Cash and cash equivalent at end of the FY</b>		<b>6,894,475.00</b>	<b>4,575,209.00</b>

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

The school's financial statements were approved on 24/7/2024 2023 and signed by:

*[Signature]*

Name: JOYAL MUKEMBEI

Chair BOM

Date: 24/7/2024

*[Signature]*

Name: FREDRICK GITONGA BUNDI  
School Principal/ Secretary to BOM

BOM

Date: 24/07/24

*[Signature]*

Name: MARY MWANGI

Bursar/ Finance Officer

Date: 24/7/2024



For

7. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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
<b>Receipts</b>					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	76,960.00	-	76,960.00	0.00	0%
Exercise Books	679,320.00	-	679,320.00	721,542.00	106%
Laboratory Equipment	274,540.00	-	274,540.00	618,460.00	225%
Internal Exams	199,800.00	-	199,800.00	309,235.00	155%
Teaching / Learning Materials	233,100.00	-	233,100.00	412,310.00	177%
Exams And Assessment	-	-	-	-	-
<b>Sub-total</b>	<b>1,463,720.00</b>	<b>-</b>	<b>1,463,720.00</b>	<b>2,016,547.00</b>	<b>138%</b>
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	3,471,340.00	-	3,471,340.00	1,573,102.00	45%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	1,039,700.00	-	1,039,700.00	915,121.00	88%
Electricity And Water	816,960.00	-	816,960.00	1,220,161.00	149%
Medical	148,000.00	-	148,000.00	0.00	0%
Administration Costs	1,480,000.00	-	1,480,000.00	1,240,611.00	84%
Activity	-	-	0.00	915,121.00	0%
Gratuity	-	-	-	-	-
<b>Sub-total</b>	<b>6,956,000.00</b>		<b>6,956,000.00</b>	<b>5,864,116.00</b>	<b>84%</b>

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
<b>3) FDSE for infrastructure</b>					
Maintenance &Improvement MoE	3,700,000.00	-	3,700,000.00	3,062,000.00	83%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
<b>Sub-total</b>	<b>3,700,000.00</b>		<b>3,700,000.00</b>	<b>3,062,000.00</b>	<b>83%</b>
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	5,550,000.00	-	5,550,000.00	4,281,000.00	77%
Electricity And Water	-	-	-	-	-
KCSE registration	-	-	0.00	100,000.00	0%
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Fee on Boarding Equipment and Stores	7,770,000.00	-	7,770,000.00	14,051,145.00	181%
<b>5) Miscellenous Income</b>					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income from Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-

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
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
<b>Sub-total</b>	<b>13,320,000.00</b>	<b>-</b>	<b>13,320,000.00</b>	<b>18,432,145.00</b>	<b>140%</b>
<b>Grand total income</b>	<b>25,439,720.00</b>	<b>-</b>	<b>25,439,720.00</b>	<b>29,374,807.00</b>	<b>116%</b>
<i>(6) Expenditure for Tuition</i>					
Textbooks	-	-	-	-	-
Reference Materials	76,960.00	-	76,960.00	0.00	0%
Exercise Books	679,320.00	-	679,320.00	1,564,816.00	230%
Laboratory Equipment	274,540.00	-	274,540.00	840,300.00	306%
Internal Exams	199,800.00	-	199,800.00	144,500.00	72%
Teaching / Learning Materials	233,100.00	-	233,100.00	493,220.00	212%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	5,733.00	0%
<b>Sub-total</b>	<b>1,463,720.00</b>	<b>-</b>	<b>1,463,720.00</b>	<b>3,048,570.00</b>	<b>208%</b>
<i>(7) Expenditure For Operations</i>					
Personnel Emoluments	3,471,340.00		3,471,340.00	2,647,698.00	76%

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
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	1,039,700.00	-	1,039,700.00	91,800.00	9%
Electricity, Water and Conservancy	816,960.00	-	81,960.00	199,138.00	24%
Medical	148,000.00	-	148,000.00	-	0%
Administration Costs	1,480,000.00	-	1,480,000.00	1,639,245.00	111%
Activity Expenses	-	-	-	482,125.00	0%
Gratuity	-	-	-	-	-
Bank charges	-	-	-	27,815.00	0%
SMASSE	-	-	-	-	-
<b>Sub-total</b>	<b>6,956,000.00</b>		<b>6,956,000.00</b>	<b>5,087,821.00</b>	<b>73%</b>
<b>(8) Expenditure For infrastructure</b>			-	-	-
Construction of classrooms	3,700,000.00	-	3,700,000.00	1,198,434.00	32%
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
Bank charges	-	-	-	960.00	0%
<b>Sub-total</b>	<b>3,700,000.00</b>		<b>3,700,000.00</b>	<b>1,199,394.00</b>	<b>32%</b>
<b>(9) Expenditure For school fund/lunch/boarding</b>					

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	-	-	-	1,131,435.00	0%
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	5,550,000.00	-	5,550,000.00	3,818,033.00	69%
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	7,770,000.00	-	7,770,000.00	11,162,646.00	145%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	10,770.00	0%
Kcse registration	-	-	-	102,700.00	0%
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
<b>Sub-total</b>	<b>13,320,000.00</b>		<b>13,439,720.00</b>	<b>16,225,584.00</b>	<b>120%</b>
<b>Grand total expenditure</b>	<b>25,439,720.00</b>		<b>25,439,720.00</b>	<b>25,429,893.00</b>	<b>100%</b>

- i. The surplus in income against the budgeted income was due to increase in student enrolment during the financial year.
- ii. The overspending against the budgeted expenditure especially in the tuition account was due to high inflation rate and increase in items/commodities prices in the market.

## 8. 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.

## 9. Notes To The Financial Statements

## 1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	721,542.00	604,525.00
Laboratory Equipment	618,460.00	503,772.00
Internal Exams	309,235.00	302,263.00
Teaching / Learning Materials	412,310.00	403,017.00
Teachers guide	0.00	201,507.00
<b>Total</b>	<b>2,061,547.00</b>	<b>2,015,084.00</b>

## 2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,573,102.00	1,658,210.00
Repairs And Maintenance	0.00	3,148,500.00
Local Transport / Travelling	915,121.00	829,158.90
Electricity And Water	1,220,161.00	1,105,473.00
Medical	0.00	126,400.00
Administration Costs	1,240,611.00	1,115,473.00
Activity	915,121.00	829,056.10
Bank interest	0.00	66.00
<b>Total</b>	<b>5,864,116.00</b>	<b>8,812,337.00</b>

## 3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	3,062,000.00	0.00
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
<b>Total</b>	<b>3,062,000.00</b>	<b>0.00</b>

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	3,941,750.00	3,254,089.00
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Fee on Boarding Equipment and stores	14,051,145.00	12,363,256.00
PA Levies*	-	-
KCSE registration	100,000.00	113,900.00
<b>Total</b>	<b>18,092,895.00</b>	<b>15,731,245.00</b>

**5 Miscellaneous Incomes**

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Transport Account	339,250.00	1,241,980.00
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income	-	-
<b>Total</b>	<b>339,250.00</b>	<b>1,241,980.00</b>

## Notes to the Financial Statements (continued)

## 6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	1,564,816.00	2,425,045.00
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	840,300.00	1,066,010.00
Teaching / Learning Materials	493,220.00	1,052,600.00
Exams And Assessment	144,500.00	96,900.00
Teachers Guides	0.00	9,750.00
Bank Charges	5,734.00	5,670.00
<b>Total</b>	<b>3,048,570.00</b>	<b>4,655,975.00</b>

## 7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,647,698.00	2,619,844.00
Service Gratuity	-	-
Administration Cost	1,639,245.00	304,620.00
Repairs And Maintenance & Improvements	0.00	392,120.00
Local Transport / Travelling	91,800.00	0.00
Electricity And Water	199,138.00	157,871.00
Medical	0.00	44,950.00
Activity Expenses	482,125.00	169,360.00
Insurance Cost	-	-
Bank charges	27,815.00	28,273.00
<b>Total</b>	<b>5,087,821.00</b>	<b>3,717,038.00</b>

## Notes to the Financial Statements (continued)

**8 Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	1,198,434.00	3,688,045.00
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Bank charges	960.00	-
<b>Total</b>	<b>1,199,394.00</b>	<b>3,688,045.00</b>

**9 Boarding And School Fund**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,131,435.00	0.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	0.00	664,285.00
Local Transport / Travelling	3,818,033.00	1,482,254.00
Electricity And Water	0.00	574,844.00
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	11,162,646.00	10,342,236.00
Bank Charges	10,770.00	8,622.00
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost ( <i>Life Property</i> )	0.00	17,335.00
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
KCSE registration	102,700.00	127,300.00
<b>Total</b>	<b>16,225,584.00</b>	<b>13,216,876.00</b>

## Notes to the Financial Statements (continued)

## 10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	2022258764	3,119.00	1,000.20
Operations Account	Active	0421031126	794,753.00	24,579.80
School Fund Account/Boarding	Active	1127189522	3,845,795.00	3,312,842.26
Savings Account		-	-	-
Parent Association Development Account		-	-	-
Income Generating Activities Account		-	-	-
Transport Account	Active	1226100678	1,348,448.00	1,180,093.65
Infrastructural Account	Active	01139438299500	923,436.00	31,840.00
<b>Total</b>			<b>6,915,551.00</b>	<b>4,550,355.91</b>

## 11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	(21,076.00)	24,853.00
<b>Total</b>	<b>(21,076.00)</b>	<b>24,853.00</b>

## 12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements (continued)

## 13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	10,292,182.00	9,333,282.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
<b>Total</b>	<b>10,292,182.00</b>	<b>9,333,282.00</b>

## 13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	1,754,260.00	17%	1,906,090.00	20%
Between 1- 2 years	1,906,090.00	11%	2,223,381.00	20%
Fees arrears recoveries	(795,360.00)		(400,852.00)	
Between 2-3 years	1,822,529.00	18%	5,604,663.00	60%
Over 3 years	5,604,663.00	54%	0.00	0.00
<b>Total (should tie to note 13 a)</b>	<b>10,292,182.00</b>	<b>100%</b>	<b>9,333,282.00</b>	<b>100%</b>

## 14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,106,866.00	2,878,639.00
Prepaid Fees	191,500.00	0.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
<b>Total</b>	<b>2,298,366.00</b>	<b>2,878,639.00</b>

## Notes to the Financial Statements (continued)

## 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	1,930,019.00	84%	2,704,792.00	94%
Between 1- 2 years	3,000.00	0%		%
Between 2-3 years	173,847.00	8%	173,847.00	6%
Over 3 years	-	-	-	-
Prepaid fees	191,500.00	8%	0.00	0.00
<b>Total (should tie to note 14)</b>	<b>2,298,366.00</b>	<b>100%</b>	<b>2,878,639.00</b>	<b>100%</b>

## 15 Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Balances	4,550,356.00		2,635,406.00	
Cash Balances	24,853.00		62,260.00	
Short Term Investments	-		-	
Receivables	9,333,282.00		7,828,044.00	
Payables	(2,878,639.00)		(2,018,540.00)	
<b>Total</b>	<b>11,029,852.00</b>		<b>8,507,170.00</b>	

**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 Biological assets**

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	-	-	-
Goats	15	75,000.00	50,000.00
Trees	6	60,000.00	60,000.00
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
<b>Total</b>	<b>21</b>	<b>135,000.00</b>	<b>110,000.00</b>

-The above was on management assessment. No professional valuation has been carried out by the management.

Other important disclosure notes

17 Stock/ Inventory

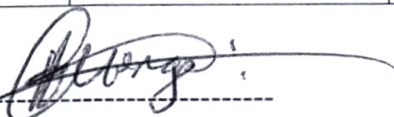
Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	61,132.00	0.00
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Stationeries	97,463.00	0.00
<b>Total</b>	<b>158,595.00</b>	<b>0.00</b>

**18 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.

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4.1.1	Compliance with the reporting template	Acknowledges the errors and the financial statement amended.	Not resolved	
4.2	Budgetary control performance	Acknowledges the errors and will be seeking authority when spending more than wat was approved.	Not resolved	
4.3.1	Accuracy on student enrolment data	This issue has been sorted out and all our students are captured in NEMIS portal.	Not resolved	
4.3.2	Inaccurate capitation grants-operations	Acknowledges the errors and the financial statement amended.	Not resolved	
4.3.3	Delay in transfer of infrastructure funds from operations account	Management will ensure the funds are transferred within the 15 days upon the receipt of the funds.	Not resolved	
4.3.4	Non-banking of school fees receipts	Management will ensure all monies are banked and no amount is paid in cash.	Not resolved	
4.4.1	Unaccounted for funds transferred to KESSHA	The management is open for guidance on how to go about kessha contributions and welfare from the office.	Not resolved	
4.4.2 (a)	Lack of inspection and acceptance committee	Management undertakes to adhere to procurement laws	Not resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		and regulations as prescribed.		
4.4.2(b)	Lack of ETR invoices	Management undertakes to adhere to procurement processes and policies and tax regulations as prescribed.	Not resolved	
4.5	Cash and cash equivalent	The management undertakes to adhere by the audit recommendations on this moving forward.	Not resolved	
4.6	Account receivables	The management has devised strategies which are currently being implemented to improve in fees arrears recoveries and payment of fees currently.	Not resolved	
4.7	Account payables	Acknowledges the errors and has been rectified and financial statement amended.	Not resolved	
4.8.1	Weak controls over management of fixed assets	The management undertakes to present the issue to board of management for approval of tagging and asset valuation.	Not resolved	
4.8.2	Lack of asset ownership documents	The school is located in Kenya defence forces camp	Not resolved	



Sign and Date  
Principal



10. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4. Bergik enterprises	724,825.00		474,850.00	249,975.00	3,000.00	
5. Mambo yote bookshop	1,150,640.00		696,460.00	454,180.00	173,847.00	
6. Bititec system	403,000.00		278,500.00	124,500.00		
7. Readers quest publishers	227,000.00		150,000.00	77,000.00		
8. Minds technologies	84,650.00		21,780.00	62,870.00		
9. Dabuem suppliers	235,105.00		230,605.00	4,500.00		
10. Jumbo springs	69,925.00		55,184.00	14,821.00		
11. Amki stores	527,080.00		437,730.00	89,350.00		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
12. Benson mugendi	84,600.00			84,600.00		
13. Martin kimathi	374,400.00			374,400.00		
14. Samburu service station	115,973.00			115,973.00		
15. George kimathi	277,850.00			277,850.00		
16. Prepaid fees	191,500.00			191,500.00		
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
17.						
18.						
19.						
<b>Sub-Total</b>	<b>4,275,048.00</b>		<b>2,345,109.00</b>	<b>2,121,519.00</b>	<b>176,847.00</b>	
<b>Grand Total</b>	<b>4,275,048.00</b>		<b>2,345,109.00</b>	<b>1,930,019.00</b>	<b>176,847.00</b>	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
Land	5,000,000.00	0.00	0.00	5,000,000.00
Buildings And Structures	44,073,000.00	0.00	0.00	44,073,000.00
Motor Vehicles	3,250,000.00	0.00	0.00	3,250,000.00
Office Equipment, Furniture And Fittings	6,038,000.00	0.00	0.00	6,038,000.00
Textbooks	8,000,000.00	0.00	0.00	8,000,000.00
ICT Equipment	1,145,000.00	350,000.00	0.00	1,495,000.00
Tools And Apparatus	3,000,000.00	0.00	0.00	3,000,000.00
Other Machinery And Equipment	-	-	-	-
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	-	-	-	-
<b>Total</b>	<b>70,506,000.00</b>	<b>350,000.00</b>		<b>70,856,000.00</b>

-The above was on management assessment. No professional valuation has been carried out by the management.