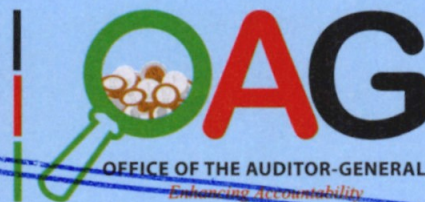


REPUBLIC OF KENYA

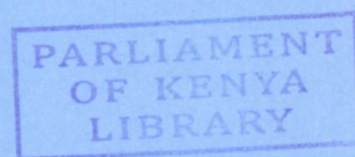


 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUN 2026	DAY: Wednesday
REPORT BY:	Hon. Owen Boya (Deputy Leader of the Majority Party)
CLERK-AT THE-TABLE:	Anastacia

OF

THE AUDITOR-GENERAL

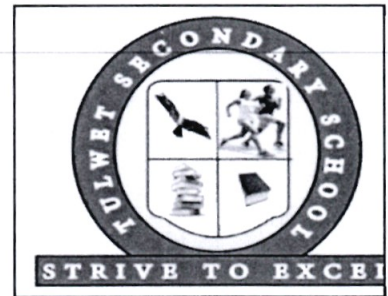
ON



TULWET SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

NAKURU COUNTY



TULWET 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)

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

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TULWET SECONDARY SCHOOLS
Reports and Financial Statements
For the year ended 30th June 2023

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 05/12 under registration number PU/S/2/9643/13 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a public mixed day secondary school and had 186 number of students as at 30th June 2023. It is one streamed school and has ten teachers of which six teachers are employed by the TSC and four teachers 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 Member	Designation	Date of appointment
1	Mr. Wilson Kipsigei Bii	The Chairman	23RD MAY, 2023 to 22ND MAY, 2025
2	Mr. Benard Kiplangat Soi	Vice Chairman	23RD MAY, 2023 to 22ND MAY, 2025
3	Mr. Samuel Mwangi Muchina	Secretary - Principal	23RD MAY, 2023 to 22ND MAY, 2025
4	Mr. Joel Ole Bonge	PA Chairman	23RD MAY, 2023 to 22ND MAY, 2025
5	Ms Chepkurui Chepsit Sarah	Parents/Local Community Rep.	23RD MAY, 2023 to 22ND MAY, 2025
6	Mr. Geoffrey Kipngetich Rotich	Parents/Local Community Rep.	23RD MAY, 2023 to 22ND MAY, 2025
7	Ms. Mercy Chepngetich	Parents/Local Community Rep.	23RD MAY, 2023 to 22ND MAY, 2025
8	Ms Christine Chepkurui Rotich	Parents/Local Community Rep.	23RD MAY, 2023 to 22ND MAY, 2025
9	Mr. Philip Kipkorir Mutai	Parents/Local Community Rep.	23RD MAY, 2023 to 22ND MAY, 2025
10	Ms Chemutai Evaline	CEB Representative	23RD MAY, 2023 to 22ND MAY, 2025
11	Ms. Cheruiyot Vickey	Teacher representative	23RD MAY, 2023 to 22ND MAY, 2025
12	Ms Alice Sigei	Sponsor Rep.	23RD MAY, 2023 to 22ND MAY, 2025
13	Ms Ann Chepngeno Ruto	Sponsor Rep.	23RD MAY, 2023 to 22ND MAY, 2025
14	Mr. Cosmas Cheruiyot Bett	Sponsor Rep.	23RD MAY, 2023 to 22ND MAY, 2025
15	Mr. Joseph Kibet Mutai	Special Needs representative	23RD MAY, 2023 to 22ND MAY, 2025
16	David Kirui	Parents Representative	23RD MAY, 2023 to 22ND MAY, 2025
17	Sarah Chepngetich Chumo	Parents representative	23RD MAY, 2023 to 22ND MAY, 2025
18	Student's Chair	Student Rep	23RD MAY, 2023 to 22ND MAY, 2025

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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Wilson Kipsigei Bii Mr. Joel Bongei Mr. Samuel Mwangi M. Ms Chemutai Evaline Ms Alice Sigei	The BOM Chairman. The PA Chairman. The BOM Secretary Member Member	2 out 3
2	Audit Committee	Mr. Philip Kipkorir Mutai Mr. Geoffrey Rotich Ms. Mercy Chepngetich Mr. Samuel Mwangi M.	Member Member Member Member	2 out 3
3	Finance, procurement and general purposes Committee	Mr. Benard Kiplangat Soi Ms. Mercy Chepngetich Mr. Joseph Kibet Mutai Mr. Samuel Mwangi M.	Vice Chairman Member Member Member	2 out 3
4	Academic Committee	Mr. Cosmas Cheruiyot Bett Mrs Sarah C Chepkirui David Kirui Ann Chepngeno Ruto	Member Member Member Member	2 out 3
5	Development Committee	Mr. Geoffrey Rotich Mr. Joel Bongei Mr. Wilson Kipsigei Bii Ms Christine Chepkurui R. Mr. Samuel Mwangi M.	The BOM Chairman. The PA Chairman. The BOM Secretary Member	2 out 3

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

				Member	
			Mrs Alice Sigei	Member	
			Mrs Vicky Koskei	Member	
			Sarah Chepngetich Chumo	Member	
6	Discipline and welfare Committee		Mr. Samuel Mwangi M.	Member	2 out 3
7	Adhoc Committee (if any during the year)				

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Samwel M. Mwangi	388424
2	Deputy Principal	Vicky Cheruiyot Koskey	576387
3	School Bursar	Alice Chemutai	

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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 59 – 20131 Keringet.
Telephone: 0722687404
E-mail: samict2013@gmail.com
Website: XXXXXXXX
Facebook:
Twitter:

(f) School Bankers

The school operated six numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Imarisha Sacco
Branch: Keringet
Account Number: 5040189005
2. Name of Bank: National Bank
Branch: Molo
Account Number: 01025094791200
3. Name of Bank: National Bank
Branch: Molo
Account Number: 01025094791201
4. Name of Bank: National Bank
Branch: Molo
Account Number: 2094791200
5. Name of Bank: National Bank
Branch: Molo
Account Number: 01022094791200
6. Name of Bank: Equity Bank
Branch: Molo
Account Number: 0230163314568

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors

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

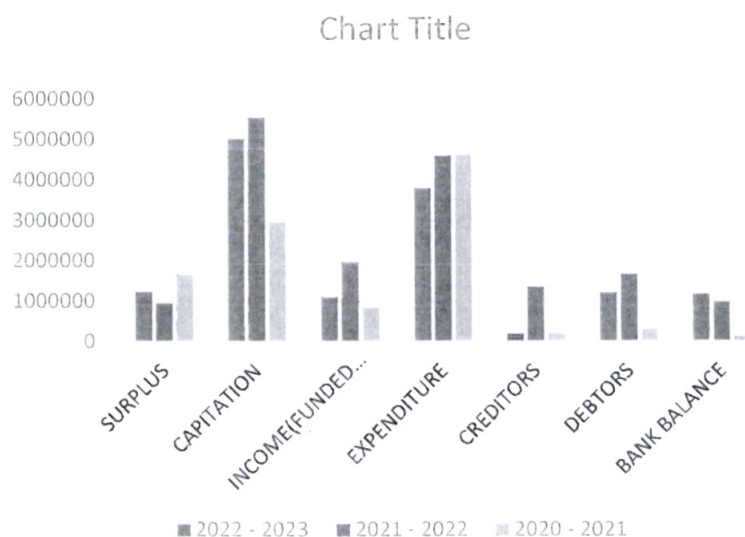
TULWET SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

YEAR	SURPLU S	CAPITATIO N	INCOME(FUNDE D ACCOUNT)	EXPENDITUR E	CREDITOR S	DEBTOR S	BANK BALANCE
2022 - 2023	122637 1	5020121	1092132	3793750	184035	1204235	1172731
2021 - 2022	947049	5544503	1956068	4595454	1343835	1655357	965616
2020 - 2021	166628 3	2971187	847672	4637470	198930.5	320648	128171



b) Teacher Student ratio:

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

TEACHERS EMPLOYED BY TSC

S/NO	NAME	POSITION	SUBJECTS
1.	Samwel M. Mwangi	Principal	MATHEMATICS/KISWAHILI
2.	Vicky Koskei	Teacher	ENGLISH/LITERATURE
3.	Kibiegon Towett	Teacher	MATHS/CHEMISTRY
4.	Beatrice Turgut	Teacher	MATHS/BUSINESS STUDIES
5.	Beatrice Ngetich	Teacher	HISTORY/CRE
6.	Shalyn Tallam	Teacher	KISWAHILI/CRE

TEACHERS EMPLOYED BY BOM

S/NO	NAME	POSITION	SUBJECTS
1.	Mercy Chepkorir	Teacher	GEOGRAPHY/MATHS
2.	Jackline Chelangat	Teacher	AGRICULTURE/BIOLOGY
3.	Brian Koech	Teacher	PHYSICS/CHEMISTRY

RATIO

Teacher:student

1:20

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

c) Mean score in the 2018 - 2021 KCSE:

GRADES	KCSE - 2018	KCSE – 2019	KCSE – 2020	KCSE – 2021	KCSE – 2022
A	0	0	0	0	0
A-	0	0	0	0	0
B+	0	0	0	0	0
B	0	0	0	0	0
B-	0	0	0	1	0
C+	0	0	0	0	2
C	2	0	0	1	2
C-	2	2	0	0	0
D+	1	5	4	1	5
D	9	7	12	5	8
D-	15	5	16	19	21
E	3	0	0	7	14
MEAN SCORE	2.70	3.21	2.63	2.29	2.42
TOTAL CANDIDATES	32	19	32	34	52

d) Number of Candidates in the 2018 - 2022 KCSE:

Year	KCSE - 2018	KCSE – 2019	KCSE – 2020	KCSE – 2021	KCSE – 2022
TOTAL CANDIDATES	32	19	32	34	52

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

e) Capacity of the school:

	STUDENTS	TOILETS (DOORS)	RATIO	LARATORY
BOYS	89	6	1:15	1
GIRLS	97	4	1:24	
TOTAL	186	10		

f) Development projects carried out by the school:

Construction of the school gate and renovation of classes.

Sign



17/3/2026

School Principal

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

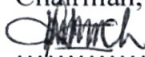
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of Tulwet 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: METHUSELAH C. LANGAT RONO
Designation: Chairman, School Board of Management
Sign: 
Date: 17/03/2026

Name: DR Richard K. Langat
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 17/03/2026

Name: CHEMUTAI ALICE
Designation: Bursar/ Finance Officer
Sign: 
Date: 17/03/2026

REPUBLIC OF KENYA



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 TULWET SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NAKURU 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 IPSAS financial statements of Tulwet Secondary School set out on pages 12 to 31, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments,

Report of the Auditor-General on Tulwet Secondary School for the year ended 30 June, 2023 - Nakuru County

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 Tulwet Secondary School 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 Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

Review of the financial statements revealed the following misstatements:

i. Variances in Opening Balances

Variances were noted between the financial statements for the period under review and prior year (2021-2022) financial statements as detailed below;

Item	Opening Balance 2022/2023 Financial Statements (Kshs)	Amount as per 2021/2022 Financial Statements (Kshs)	Variance (Kshs)
Statement of receipts and payments			
School fund income- other receipts	375,380	362,000	13,380
Statement of financial assets and financial liabilities			
Accounts Payable	1,343,835	706,332	637,503
Fund balance brought forward	965,616	3,327,299	(2,361,683)
Surplus/ deficit for the year	962,429	949,019	13,410
Statement of cash flows			
School fund income- other receipts	375,380	362,000	13,380
Note 4 Other receipts- School fund			
Main account	13,380	0	13,380

Note 6 Payments for operations			
EWC	362,000	1,014,000	(652,000)
LT & T	1,014,000	0	1,014,000
RMI	1,048,290	0	1,048,290
Personal emolument	0	1,048,290	(1,048,290)
Admin Cost	0	362,000	(362,000)
Note 7 Boarding and School fund payments			
Bank charges	4,757	11,130	(6,373)
Note 13 Fund balance brought forward- Payables	1,343,825	706,332	637,493
Note 12 Accounts payable	1,343,971	706,332	637,493
Note 15 Biological assets - Cattle	44,000	88,000	(44,000)
Annex 2- Summary of fixed assets Register			
Buildings and structures	19,988,000	20,766,000	(18,767,200)
Office equipment, furniture and fittings	2,300,000	2,348,000	(48,000)
Tools and apparatus	2,001,000	2,839,000	(838,000)

ii. Casting Errors

Variances were found between the financial statements and recomputed amounts as detailed below;

Item	Financial statements amount (Kshs)	Recomputed amount (Kshs)	Variance (Kshs)
Statement of Cash flows			
Cash and Cash equivalent at end of the year 2022/2023	1,172,731	1,489,175	(316,444)
Cash and Cash equivalent at end of the year 2021/2022	965,616	962,429	3,187
Note 7 Boarding and school fund payments 2021/2022	1,836,846	1,830,473	6,373

Note 13- Fund balance brought forward 2022/2023	2,501,490	2,133,420	368,070
Note 13- Fund balance brought forward 2021/2022	3,964,802	1,277,132	2,687,670

iii. Variances between Statement of Receipts and Payments and the Ledger

The statement of receipts and payments amounts varied with the ledger amounts as shown below;

Item	Financial Statements Amount (Kshs)	Ledger Amount (Kshs)	Variance (Kshs)
Capitation grants for tuition	752,163	517,488	234,675
Capitation grants for operations	2,530,386	2,297,264	233,122
School fund income-Parents contribution	2,993,288	2,768,369	224,919
School fund income-other receipts	645,440	-	645,440
Grant for RMI	-	360,000	(360,000)
Payments for operations	2,240,980	2,153,180	87,800
Boarding and School fund payments	2,949,722	2,542,005	407,717
Payments for RMI	0	53,640	(53,640)

- iv. The statement of budgeted versus actual amounts includes bank balances brought forward of Kshs.234,675, Kshs.233,121 and Kshs.212,043 for capitation grants on tuition, operations, and fees charged on parents respectively, under original budget amounts, overstating receipts budget by Kshs.679,839 for the year under review;
- v. The statement of cash flows does not reflect any amount on acquisition of assets. However, Annex 2 to the financial statements on summary of fixed assets register reflects additions during the year of Kshs.1,724,000 resulting in a variance of Kshs.1,724,000;
- vi. Key School Information and Management shows six (6) committees of the board that held at least two meetings during the year under review. However, the committees did not hold any meetings during the year;
- vii. The statement of receipts and payments reflects school fund income-parents' contributions, payments for operations and boarding and school fund payments of Kshs.1,092,132, Kshs.2,240,980 and Kshs.1,050,960 respectively. However, review of ledgers, bank statements and cashbook revealed that the School recognized the receipts and payments when cash was actually received or paid out, contrary to the recognition of receipts and payments policy set out

- by IPSAS in the financial reporting framework for Schools for the year under review;
- viii. The statement of receipts and payments reflects school fund income-parents' contributions amount of Kshs.1,092,132 as disclosed in Note 3 to the financial statements out of which Kshs.880,090 was in respect of parents' fees which varies with the expected amount of Kshs.2,028,420 resulting in unexplained variance of Kshs. (1,148,000) as an under-collection. The expected amount was computed by multiplying the fees charged per student per term, as per the fee structure, by the student enrollment per term as per the School's register;
 - ix. The statement of receipts and payments reflects payments for operations amount of Kshs.2,240,980 as disclosed in Note 6 to the financial statements. This amount includes RMI (repairs, maintenance and improvements) expenditure of Kshs.360,000 as per schedules provided for review. However, the amount was a transfer from the operations account to the infrastructure account, and therefore not an actual expenditure. Further, an amount of Kshs.53,640 included in the payments for operations schedule described as RMI is not reflected in the financial statements; and
 - x. The statement of budgeted versus actual amounts shows total receipts and expenditure budget of Kshs.5,020,121 and Kshs.3,847,390 against budget amounts of Kshs.5,124,600 and Kshs.5,255,810 as per the budget provided for review, resulting in unexplained variances of Kshs.104,479 and Kshs1,408,420 respectively. between the budget figures reported and the budget provided for audit review.

In the circumstances, the classification, accuracy, completeness, presentation and disclosure of the financial statements could not be confirmed.

2. Unsupported Expenditure on Tuition, Operations payments and Boarding and School Fund

The statement of receipts and payments reflects total payments amount of Kshs.3,847,390 which includes tuition and operations payments of Kshs.555,450 and Kshs.2,240,980 as disclosed in Notes 5 and 6 to the financial statements respectively. However, examination of payment vouchers revealed payments amounting to Kshs.555,090 were paid without proper supporting documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, and receipts of payments.

In the circumstances, the regularity, accuracy and completeness of payments totalling Kshs.555,090 could not be confirmed.

3. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,172,731 as disclosed in Note 8 to the financial statements. Included in the balance are tuition, operations, school fund and infrastructure with account balances of Kshs.196,713, Kshs.289,406, Kshs.94,812, and Kshs.591,800 respectively. However, the balances were not supported by bank certificates, board of survey report and bank reconciliation statements. Further, Nil balances are reflected in five (5) bank

accounts. However, the accounts status could not be confirmed as bank statements, bank correspondences and bank certificates were not provided for review.

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

4. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.184,035 as disclosed in Note 12 to the financial statements. However, these were not supported by local purchase orders, invoices, delivery notes, counter receipt vouchers and inspection and acceptance reports.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.184,035 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tulwet 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 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 section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages ii to x which comprise of Key School Information and Management, Summary Report of Performance of the School, and the 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 thereon.

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 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 to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 27 September, 2024 instead of the statutory deadline of 30 September 2021/2022/2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with 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. Late Transfer/Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.2,530,386 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.2,252,264 from the Ministry of Education credited in the operations bank account, out of which funds in respect of infrastructure grants were to be transferred to the infrastructure bank account for maintenance and improvement of the School's facilities. However, review of bank statements revealed that the School only transferred Kshs.360,000 eighteen (18) days after receipt of capitation received on 3 October, 2022, and failure to transfer funds received on 26 July, 2022, 01 February, 2023 and 09 June, 2023. Further, the infrastructure account had a balance of Kshs.591,800 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. Unapproved Fees on Personnel Emoluments- Parents' Contribution

The statement of receipts and payments reflects School fund income- parents' contributions amount of Kshs.1,092,132 as disclosed in Note 3 to the financial statements. However, review of the fee structure revealed that the School charged an

amount of Kshs.1,540 per student per term as personnel emoluments, which was not approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that a parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee structure and lunch for the day scholars.

In the circumstances, Management was in breach of the Government Guidelines.

4. Failure to Post Bursary Allocations to Students' Fee Ledger

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,144,724, in respect of fees arrears as disclosed in Note 11 to the financial statements. However, review of bursary disbursement schedules provided for review revealed that various students enrolled in the School were beneficiaries of bursary allocations from the county government of Nakuru, Kuresoi South constituency NG-CDF and other private entities. Although physical receipts were issued indicating the bursary amount received in favour of the beneficiary students, it was not possible to identify the disbursing entities as the receipts lacked precise narration. In addition, students' fee ledger/ statements were not maintained, therefore impossible to confirm whether the amounts were offset against the beneficiary students' fees.

In the circumstances, it was not possible to confirm whether the amounts were offset against the beneficiary students' fees.

5. Under Funding of Government Grant for Tuition and Operations

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.752,163 and Kshs.2,530,385 as disclosed in Note 1 and Note 2 to the financial statements respectively, totaling Kshs.3,282,548. Total amount received with respect to capitation grants for tuition and operations out of the amount is Kshs.2,769,752. A review of the School's enrolment records confirmed an average of 190 students during the year. According to the 2023 Free Day Secondary Education (FDSE) Implementation Guidelines, each student is allocated a capitation of Kshs.22,244 annually. As a result of the variances, the school could have been under-funded by approximately Kshs.1,456,608.

In the circumstance, the underfunding may cause the School not meet obligations when they fall due.

6. Lack of a Procurement Plan

The statement of receipts and payments reflects total receipts and payments of Kshs.5,020,121 and Kshs.3,847,390 respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

7. Unstructured Procurement Processes

Review of the procurement records during the year revealed the following anomalies:

- i. Procurement proceedings were commenced without evidence of confirmation that funds were available to meet the obligations of the resulting contracts.
- ii. There was no documented needs assessment to justify the procurement requirements.
- iii. The school did not maintain or update a list of registered suppliers, contractors and consultants according to its procurement needs.
- iv. The school exclusively applied direct procurement without documented justification demonstrating that the circumstances prescribed under the Act were met.

In the circumstances, the School procurement process may be subjected to lack of competitive procurement, inflated prices, irregular expenditure, and possible loss of public funds.

8. Non-Compliance with Law on Affirmative Action

i. Failure to Observe Ethnicity Balance

During the year under review, employee records provided for audit review showed that all eight (8) employees employed by the board were from the same ethnic community, contrary to section 7 of the National Cohesion and Integration Act 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

ii. Failure to Observe Persons with Disability Thresholds

During the year under review, the human resource records provided for audit, revealed that the entity had eight (8) staff employed by the board out of which none were persons with disabilities which is contrary to the Persons with Disability Act 2003 which states that at least five (5) percent of all appointments shall be to persons with disabilities.

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

9. Failure to Prepare School Improvement Plan

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

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

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

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

- i. Note 18 to the financial statements shows progress on follow up of auditor recommendations on page 31 which has not been signed by the principal.
- ii. Acronyms and glossary of terms that should be on page ii of the financial statements was omitted.
- iii. The table of contents shows inconsistent page numbers with the financial statements in respect of statement of receipts and payments.
- iv. The financial statements amounts presented are not rounded off to the nearest shilling.
- v. Note 18 to the financial statements shows progress on follow up of auditor recommendations on page 31 which has not been signed by the principal.
- vi. The statement of receipts and payments is on page xii instead of page 1.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS Reporting framework.

11. Irregular Transfer of funds to Kenya Secondary Schools Heads Association (KESSHA)

The statement of receipts and payments reflects payments for operations amount of Kshs.2,240,980 as disclosed in Note 6 to the Financial Statements. Included in the expenditure is an amount of Kshs.605,700 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. KESSHA is not defined in government funding, 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.605,700 could not be confirmed.

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 matter 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. Lack of Internal Audit Function and functional Audit Committee

During the year under review, the School did not constitute an internal audit unit and an audit committee as required by section 73 Subsection (1) (a), and subsection 5 of the Public Finance Management Act 2012 which state that “every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board” and that “every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations”.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.26,013,000. However, this balance does not include the cost of the School's parcels of land. Further, the School does not have land ownership documents in form of title deeds.

In addition, the summary of fixed assets register reflects additions during the year amounting to Kshs.1,724,000 in respect of assets acquired. However, the nature, location, and supporting documentation for these assets were not provided for audit review.

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

3. Ineffective Governance by the Board of Management

Review of the board of Management files provided for review revealed the following inefficiencies in governance and oversight of the school;

- i. Board of Management only met twice (2) during the financial year under review, contravening part 6 (1) of the fourth schedule of the Basic Education Act, 2013 on the frequency of meetings of Board of Management which outlines that a Board of Management shall meet at least once every four months.

- ii. Review of the Board of Management records revealed that sixteen (16) Board Members did not have letters of appointment and letters of acceptance of appointment in their respective personal files. This was contrary to the provisions of Section 56 and the Fourth Schedule of the Basic Education Act, 2013, which provide for the proper constitution of the Board of Management and require formal appointment of members by the County Education Board.
- iii. The individual qualifications of the Board of Management members could not be ascertained, as their personal files did not contain copies of academic certificates or other relevant credentials. Further, the National Identification Cards or passports were not included in the respective files.

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

4. Inadequate Controls in the Management of School Text Books

During the year under review, the School received four hundred and fifty-seven (457) set books from the Ministry of Education evidenced by delivery notes. However, there was no register of books within the School indicating the title of book, date acquired and the serial numbers. The records were not standardized, up to date and did not indicate the dates when the books were issued to students and/or returned. Further, physical verification conducted on 3 March, 2026 revealed that textbooks were stored in cartons in the store and were not systematically arranged.

In the circumstances, the School's text book management system could be weak.

5. Long Outstanding Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,144,724 in respect to fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are accounts receivable balances totaling Kshs.559,002 representing approximately forty-eight percent (48%) of the total receivables which had been outstanding for more than one (1) year.

In the circumstances, the existence of effective mechanisms for debt management 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 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 Board of Management

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.

The Board of Management is 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

06 May, 2026

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023 Kshs.	2021-2022 Kshs
RECEIPTS			
Capitation grants for tuition	1	752,163.05	565,863
Capitation grants for operations	2	2,530,385.92	2,660,571
School Fund Income- Parents' Contributions	3	1,092,132.45	1,956,068
School Fund Income- Other receipts	4	645,440.00	375,380
Proceeds from borrowings		-	
TOTAL RECEIPTS		5,020,121.42	5,557,883
PAYMENTS			
Payments for Tuition	5	555,450.00	331,188
Payments for operations	6	2,240,980.00	2,427,420
Boarding and school fund payments	7	1,050,960.00	1,836,846
TOTAL PAYMENTS		3,847,390.00	4,595,454
SURPLUS/DEFICIT		1,172,731.42	962,429

The school financial statements were approved on 17/03/2026 and signed by:

Sign: 
Name METHUSELEM G. LANGAT RONDO
Chair BOM

Sign  Sign 
Name Dr. Richard Langat Name CHIEMUTAI ALICE
School Principal/ Secretary to BOM Bursar/ Finance Officer

Date 17/03/2026

Date 17/03/2026

Date 17/03/2026

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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,172,731.42	965,616.49
Cash Balances	9	-	0.00
Short term Investment	10	-	0.00
Total Cash and Cash Equivalents		1,172,731.42	965,616.49
Account's receivables	11	1,144,723.97	1,655,351.08
TOTAL FINANCIAL ASSETS (a)		2,317,455.39	2,620,967.57
FINANCIAL LIABILITIES			
Accounts Payable	12	184,035.00	1,343,835.00
NET FINANCIAL SSETS (b)		2,133,420.39	1,277,132.57
REPRESENTED BY (a-b)		184,035.00	1,343,835.00
Fund balance b/fwd 1st July...	13	2,501,490.39	965,616.49
Surplus/Defict for the year		1,172,731.42	962,429.36
NET FINANCIAL POSITION		3,674,221.81	1,928,045.85

The School's financial statements were approved on 17/03 2026 and signed by:

Sign: [Signature]
Name METHUELIAH C. LANGAT RONO
Chair BOM

Sign [Signature] Sign [Signature]
Name DR Richard Langat Name CHEMUTAI ALICE
School Principal/ Bursar/
Secretary to BOM Finance Officer

Date 17/03/2026

Date 17/03/2026

Date 17/03/2026

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

		2022-2023	2021-2022
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	752,163.05	565,863
Capitation grants for operations	2	2,530,385.92	2,660,571
School fund income- Parents contributions/ fees	3	1,092,132.45	1,956,068
School fund income- other receipts	4	645,440.00	375,380
Adjustment:- increase/Decrease of Debtors		510,627.11	-
Total receipts		5,530,748.53	5,557,883
Payments			
Payments for Tuition	5	555,450.00	331,188
Payments for operations	6	2,240,980.00	2,427,420
Boarding and school fund payments	7	1,050,960.00	1,836,846
Adjustment: increase/Decrease of creditors		1,159,800.00	
Total Payments		5,007,190.00	4,595,454
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES		523,558.53	962,429.36
Proceeds from Sale of Assets			
Acquisition of Assets		-	-
Proceeds from investments		-	-

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Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		523,558.53	962,429.36
Cash and cash equivalent at BEGINNING of the year		965,616.49	
Cash and cash equivalent at END of the year		1,172,731.42	965,616.49
		-	0.00

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f= d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books	153,676		153,676	153,676		100.0%
Exercise books	172,976		172,976	172,976		100.0%
Laboratory equipments and apparatus	116,186		116,186	116,186		100.0%
Teaching/learning materials	74,650		74,650	74,650		100.0%
SMASSE	0		0	0		
Internal exams	0		0	0		
Reference books	0		0	0		
	234,675		234,675	234,675	-	100.0%
MAIN ACCOUNT	752,163		752,163	752,163	-	100.0%
Total	752163.05		752163.05	752163.05		100.0%
(2) CAPITATION GRANT ON OPERATIONS						
EWC	40,000		40,000	40,000		100.0%
LT @T	5,000		5,000	5,000		100.0%
TIG	0		0	0		
RMI	0		0	0		

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Personal emolument	541,653		541,653	541,653		100.0%
Admin cost	599,153		599,153	599,153		100.0%
Activity	510,411		510,411	510,411		100.0%
Medical	0		0	0	-	
Insurance	0		0	0	-	
Others	0		0	0		
Operation	601,048		601,048	601,048		100.0%
Main Account	233,121		233,121	233,121		100.0%
Total	2,530,386		2,530,386	2,530,386		100.0%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments					-	
Repairs and maintenance			0		-	
Local transport / travelling			0		-	
BES/Lunch programme	880,090.00		880,090.00	880,090.00	-	100.0%
Medical					-	
Administration costs					-	
Activity					-	
Main Account	212,042.45		212,042.45	212,042.45	-	100.0%
Total	1,092,132.45		1,092,132.45	1,092,132.45	-	100.0%
OTHER INCOME						

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<i>Repairs and Maintenance</i>	360,000.00		360,000	360,000	-	100.0%
<i>Bank balances b/f</i>	285,440.00	xxx	285,440.00	285,440.00	xxx	100.0%
Income from any other investment		xxx	Xxx	xxx	xxx	X
TOTAL INCOME	645,440		645,440	645,440	-	100.0%
(1) EXPENDITURE FOR TUITION						
Laboratory equipments and apparatus	234,590		234,590	234,590		100.0%
Teaching/learning materials	0		0	0		100.0%
chalks	320,500		320,500	320,500		100.0%
Bank charges	360		360	360	-	100.0%
Total	555,450		555,450	555,450	-	100.0%
(2) EXPENDITURE FOR OPERATIONS	0		0	0		
RMI	360,000		360,000	360,000		100.0%
Personal emolument	968,400		968,400	968,400		100.0%
Admin cost	912,100		912,100	912,100		100.0%
Bank charges	480		480	480		100.0%
Total	2,240,980		2,240,980	2,240,980		100.0%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) EXPENDITURE FOR SCHOOL FUND						
LUNCH /Boarding EXPENCES	980,520		980,520	980,520		100.0%
Personnel emoluments	15000		15000	15000		100.0%
Repairs and maintenance & Improvements	39,000		39,000	39,000		100.0%
Operation	14000		14000	14000		100.0%
Bank Charges MI	240		240	240		100.0%
Bank Charges Lunch	1,800		1,800	1,800		100.0%
TOTAL	1,050,960		1,050,960	1,050,960		100.0%

IX. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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*.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, 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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

TULWET SECONDARY SCHOOL
Annual Report and Financial Statements
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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Text books	153,676.25	47,925.00
Exercise books	172,976.25	75,190.00
Laboratory equipments and apparatus	116,186.00	131,600.00
Teaching/learning materials	74,649.50	89,864.00
SMASSE		23,360.00
Internal exams		197,512.80
Reference books	-	
MAIN	234,675.05	411.25
Total	752,163.05	565,863.05

2 CAPITATION GRANT FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
EWC	40,000.00	188,730.00
LT @T	5,000.00	463,530.00
TIG		
RMI		61,300.00
Personal emolument	541,652.55	52,784.00
Admin cost	599,153.05	36,759.00
Activity	510,410.55	668,095.60
Medical		389,855.60
Insurance		144,000.00
Others		555,502.40
Operation	601,048.30	41,379.00
Main Account	233,121.47	58,635.87
Total	2,530,385.92	2,660,571.47

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
BES/Lunch programme	880,090.00	1,909,001.44
Arrears	-	-
EWC	-	-
LT@T	-	-
ACTIVITY	-	-
Main Account	212,042.45	47,066.96
Personal emolument		
Total	1,092,132.45	1,956,068.40

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Electricity, water & C		
LT&T		
Repairs and Maintenance	360,000.00	362,000.00
Personal Emoluments		
Admin Costs		
Activity		
Pocket Money		
Caution Money		
Rent income		
TIG		
Income from farming activities		
Income from Bus Hire		
Fee for hire of ground and equipment		
Income from grants and donations*		
Interest income		
Main Account	285,440.00	13,380.00
Total	645,440.00	375,380.00

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(Include an explanation on the kind and source of grants/ donations received by the school.)

5 PAYMENTS FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	-	
Laboratory equipment	234,590.00	191,508.00
Internal exams	320,500.00	138,000.00
Teaching / learning materials		
Chalks		
Exams and assessment	-	-
Teachers guides		
Administration Costs	-	
Bank Charges	360.00	1,680.00
Total	555,450.00	331,188.00

NOTES TO THE FINANCIAL STATEMENTS

6 PAYMENTS FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
EWC	360,000.00	362,000.00
LT @T	968,400.00	1,014,000.00
RMI	912,100.00	1,048,290.00
Personal emolument	-	-
Admin cost	-	-
Activity	-	-
Medical	-	-
Main Account		
Insurance	-	
Bank charges	480.00	3,130.00
Acquisition of Assets		
TOTAL	2,240,980.00	2,427,420.00

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7 BOARDING AND SCHOOL FUND PAYMENTS

	2022-2023	2021-2022
	Kshs	Kshs
LUNCH /Boarding EXPENCES	980,520.00	930,390.00
miscellaneous		-
Personnel emoluments	15,000.00	806,825.00
Operation	14,400.00	
Repairs and maintenance & Improvements	39000.00	88,500.00
Bank Charges	2040.00	4,757.56
TOTAL	1,050,960.00	1,836,845.56

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NOTES TO THE FINANCIAL STATEMENTS

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1025094791201	196713.05	234675.05
Operations Account	1025094791200	289405.92	233121.47
School Fund Account/Boarding (Imarisha SACCO)	5040189005	94812.45	212042.84
Savings Account (TIG)	20094791200	0.00	337.13
Parent Association Development Account			
Equity Bank Molo (CDF Account)	230163314568	0.00	
Income generating activities Account		0.00	
Infrastructural Account	1022094791200	591800.00	285440.00
Farm Account			
Total		1172731.42	965616.49

9 CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account		-
Operation Account		
School Fund account		
Total		

10 SHORT TERM INVESTMENTS

Description	2021 -2023	2021-2022
	Kshs	Kshs
Cooperative shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed deposit	xxx	xxx
Equity stock	xxx	xxx
Other investments	xxx	xxx
Total	xxx	xxx

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NOTES TO THE FINANCIAL STATEMENTS

11 ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	1,144,723.97	1,655,351.08
Other non-fees receivables	-	
Salary advances		
Imprest	-	
Total	1,144,723.97	1,655,351.08

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	585,722.00	
Fees arrears for the previous year	559,001.97	842,891.70
Fees arrears for prior periods (over two years)		812,459.38
Total	1,144,723.97	1,655,351.08

12 ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	184,035.00	1,343,835.00
Prepaid fees		
Retention monies	-	
Total	184,035.00	1,343,835.00

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year		
Trade creditors for the previous year	184,035.00	1,343,835.00
Trade creditors for prior periods (over two years)		
Total	184,035.00	1,343,835.00

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NOTES TO THE FINANCIAL STATEMENTS

13 FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	1,172,731.42	965,616.49
Cash balances		
Short Term Investments		
Receivables	1,144,723.97	1,655,351.08
Payables	184,035.00	1,343,835.00
Total	2,501,490.39	3,964,802.57

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Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank loan(s)	xxx	xxx
Outstanding Leases	xxx	xxx
Hire purchase	xxx	xxx
Gratuity and leave provision	xxx	xxx
Total	xxxx	xxxx

15 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	4	88,000.00	44,000.00
Goats		-	-
Trees	332	33,200.00	33,200.00
Coffee or tea plantation			
Poultry		-	-
Total	336	121,200.00	77,200.00

16 Borrowings

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

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Other important disclosure notes

17 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year		xxx
Stock/ inventory purchased during the year		xxx
Stock/ inventory issued during the year		(xxx)
Balance at end of the year		xxx

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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.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2022-2023	Comments	
	a	b	c	d=a-c			
	Kshs		Kshs	Kshs			
Supply of goods							
LIGHT KURESOI BOOK CENTRE	207,535.00	20/05/2019	124,500.00	83,035.00	83,035.00	Shall pay when funds are available	
Sub-Total	207,535.00		124,500.00	83,035.00			
Supply of services							
MAJESTIC FIRE ENGINEERS	101,000	43621	0	101,000	101,000	Shall pay when funds are available	
Sub-Total	101,000.00		0.00	101,000.00			
Grand Total	308,535.00		124,500.00	184,035.00	184,035.00		

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land 1						
Land 2						
Buildings and structures		SCHOOL	19,988,000.00	788,000.00		20,776,000.00
Motor vehicles						
Office equipment, furniture and fittings		SCHOOL	2,300,000.00	98000		2,398,000.00
ICT Equipment, and Other ICT Assets						
Tools and apparatus		SCHOOL	2,001,000.00	838,000.00		2,839,000.00
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total			24,289,000.00	1,724,000.00		26,013,000.00

(The School should ensure that a detailed fixed assets register is maintained).

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