

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

REPORT

OF


THE AUDITOR-GENERAL

ON

KAKAMEGA SCHOOL

FOR THE YEAR ENDED  
30 JUNE, 2023

KAKAMEGA COUNTY

 THE NATIONAL ASSEMBLY	
LAI	
DATE:	11 MAR 2025
	DAY. Tuesday
TABLED BY:	Hon. Owen Baya, MP Deputy Majority Leader
CLERK-AT THE TABLE:	Gebrde chebet



Revised 30<sup>th</sup> June 2023.



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**KAKAMEGA 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)

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**1. Acronyms and Glossary of Term**

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

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

## 2. Key School Information and Management

### (a) Background information

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

The school was registered in **11/2019** under registration number 37S30000757 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 2493 number of students as at 30<sup>th</sup> June 2023. It has 12 streams and 102 teachers of which 31 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	Prof. Egara Kabaji	Chairman	May 2022
2	Dr. Julius Mambili	Secretary - Principal	May 2023
3	Tom Onyango	Member	May 2022
4	Daniel Kadenge	Member	May 2023
5	Charles Nyabero	Member	May 2022
6	Alfred Ambundo	Member	May 2023
7	Yulida Khaemba	Member	May 2022
8	The slot was vetted coz the CEB gives the name.	Member – Rep CEB	May 2023
9	Pamela Nambande	Member Rep Teachers	May 2022
10	Prof. Igara Kabaji Mrs. Susan Rauto Dr. Samuel Waweru	3 Members - Sponsor	May 2023
11	Dr. Alice Limo	Member - Community	May 2022
12	Benson Makotsi	Member Special Needs	May 2023
13	Bill Clinton	Rep Students	May 2023

**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	Prof. Egara Kabaji	Chair	1 out of 1
		Dr. Julius Mambili	Secretary	1 out of 1
		Dr. Alfred Ambundo	P.A Chairman	1 out of 1
		Prof. Alice Limo	Member	1 out of 1
2	Audit Committee	Daniel Kadenge	Chair	1 out of 1
		Julie Omaido	Member	1 out of 1
		Benson Makotsi	Member	1 out of 1
3	Finance, Procurement and general purposes Committee	Alfred Ambundo	Chair	1 out of 1
		Dr. Julius Mambili	Secretary	1 out of 1
		Prof. Alice Limo	Member	1 out of 1
		Francis Omayo	Member	1 out of 1
4	Academic Committee	Charles Nyabero	Chair	1 out of 1
		Dr. Julius Mambili	Secretary	1 out of 1
		Prof. Anne Kisilu	Member	1 out of 1
5	Development Committee	Tom Onyango	Chair	1 out of 1
		Dr. Julius Mambili	Secretary	1 out of 1
		Egara Kabaji	Member	1 out of 1
		Samwel Waweru	Member	1 out of 1
6	Discipline and welfare Committee	Susan Rauto	Chair	1 out of 1
		Dr. Julius Mambili	Secretary	1 out of 1
		Grace Ogero	Member	1 out of 1
		Yulida Khaemba	Member	1 out of 1

**(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	TSC Number
1	Chief Principal	Dr. Julius Mambili	291435
2	Deputy Principal(Administration)	Wycliffe Nandwa	387511
3	Deputy Principal (Academic)	David Sikulu	374706
4	School Bursar	Festus Olang'	11041765

**(e) Schools contacts**

Post Office Box: 90 - 50100  
Telephone: 0707014500  
E-mail: kakamegasch@gmail.com  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

Name of Bank	Branch	Account Number
1. Co-operative	Kakamega	011 290 3366 5600
2. National	Kakamega	012 4207 053 6500
3. Barclays	Kakamega	202 567 7377
4. Equity	Kakamega	0500 291 359 965
5. KCB	Kakamega	116 346 9289
6. School fund current	Kakamega	110 175 3595
7. KCB	Kakamega	110 349 3191
8. KCB	Kakamega	110 218 1927
9. KCB	Kakamega	110 349 3027
10. KCB	Kakamega	110 240 1951
11. KCB	Kakamega	110 1771 844
12. KCB	Kakamega	110 350 0996
13. KCB	Kakamega	110 175 6950
14. National	Kakamega	0102 507 053 6500
15. National	Kakamega	0102 221 198 8900

MPESA Pay Bill No. 522123, Account 50190K 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

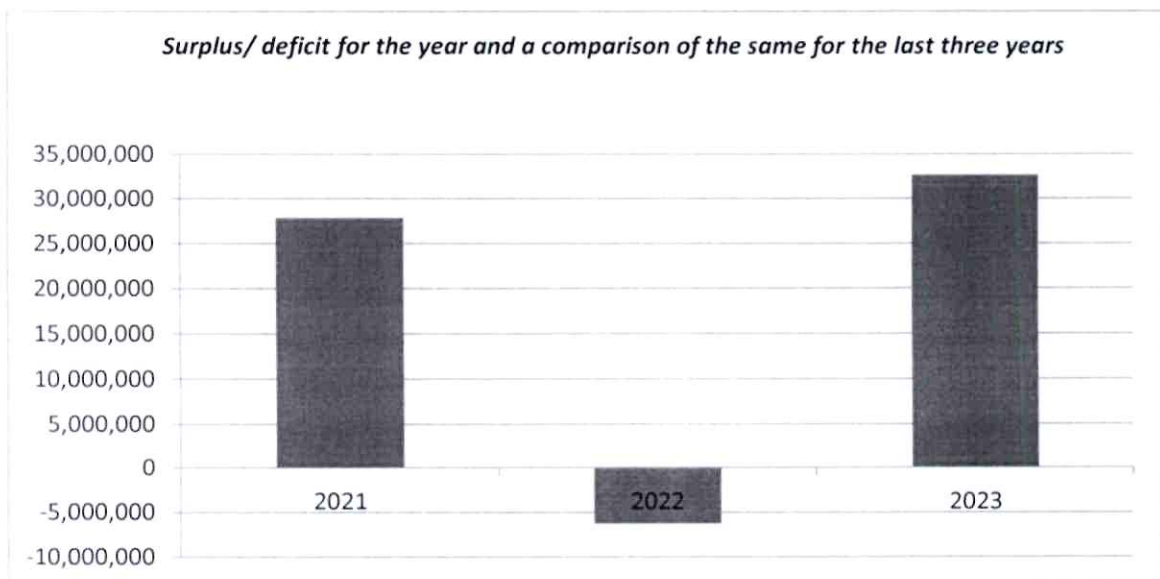
### 3. Summary Report of Performance of The School

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	TOTAL
2021	27,862,753
2022	(6,299,010)
2023	32,695,204

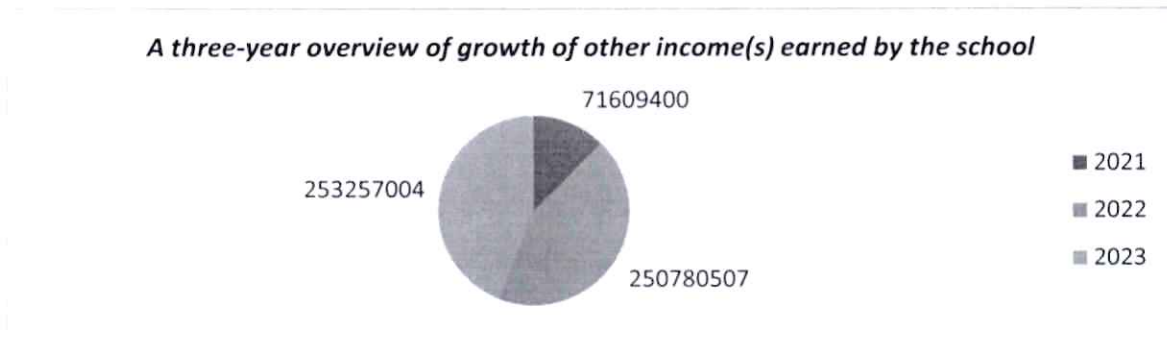
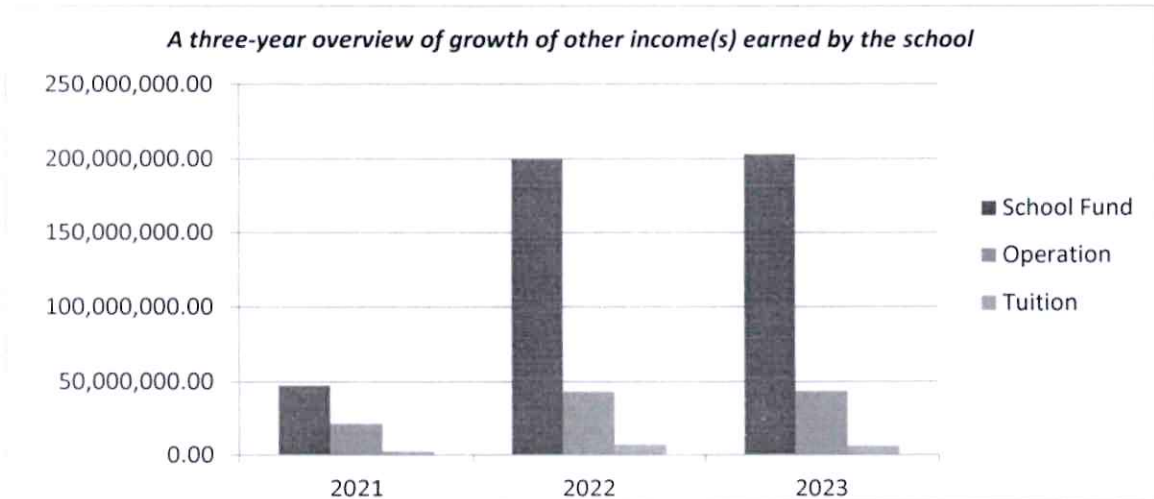


Ratio of capitation grant per student over the last three years

Year	Ration Grand Capitation per student
2021	1:14307
2022	1:20866
2023	1:9656.40

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

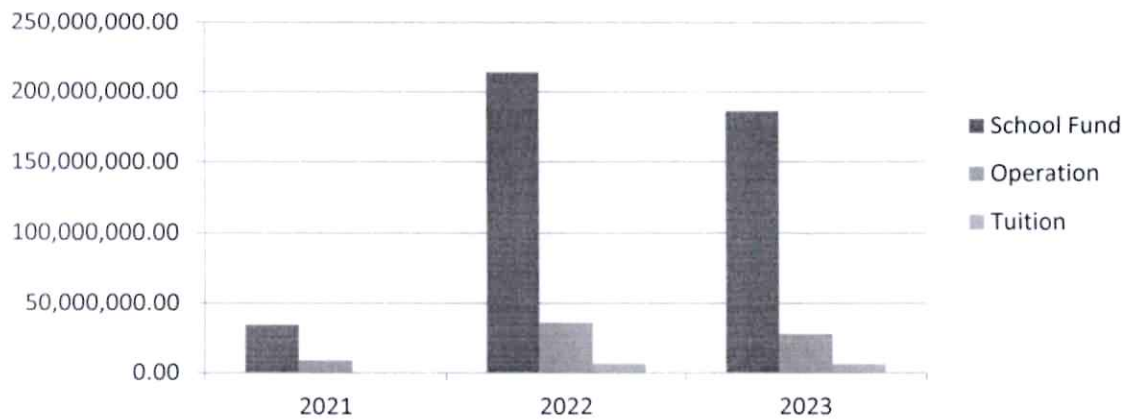
Year	School Fund	Operation	Tuition
2021	47,609,237.00	21,509,711.00	2,490,452.00
2022	200,557,987.00	43,294,975.00	6,927,545.00
2023	203,284,308	43,636,969.00	6,335,727.00



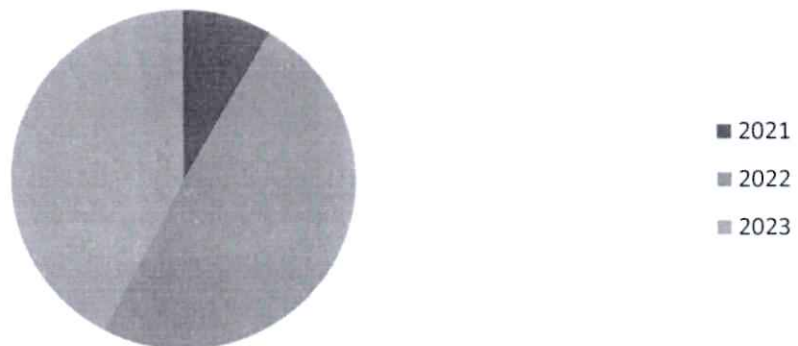
*A three-year overview of growth in expenditure of the school*

Year	School Fund	Operation	Tuition
2021	34,680,537.00	9,065,045.00	81065.00
2022	214,190,524	36,080,576	6,808,414.00
2023	186,387,335.00	27,818,036	6,356,429.00

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



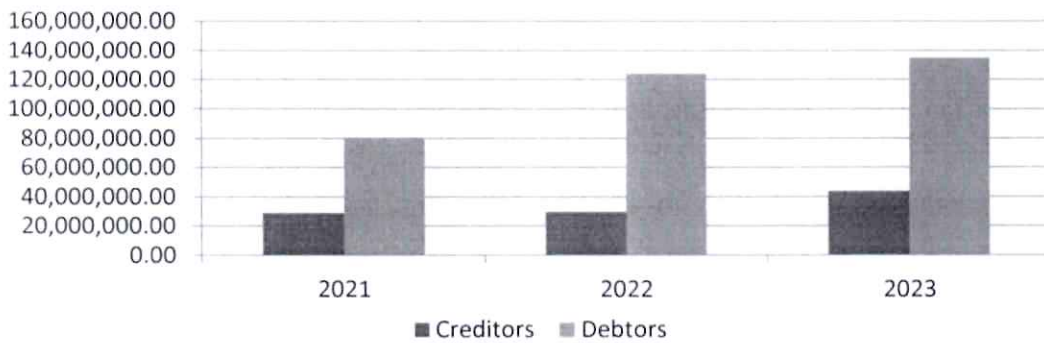
*A three-year overview of growth in expenditure of the school*



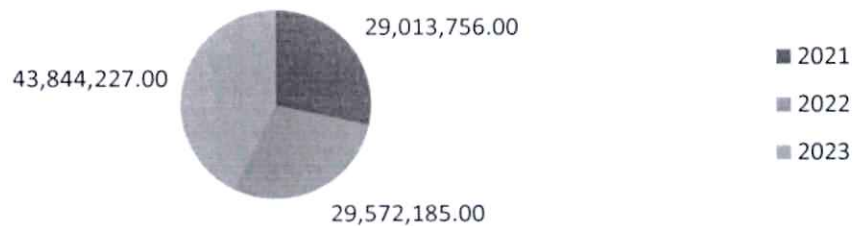
- Movement of debtors and creditors of the school over the last three years

	Creditors	Debtors
2021	29,013,756.00	80,567,715.23
2022	29,572,185.00	123,947,265.00
2023	43,844,227.00	134,974,218.15

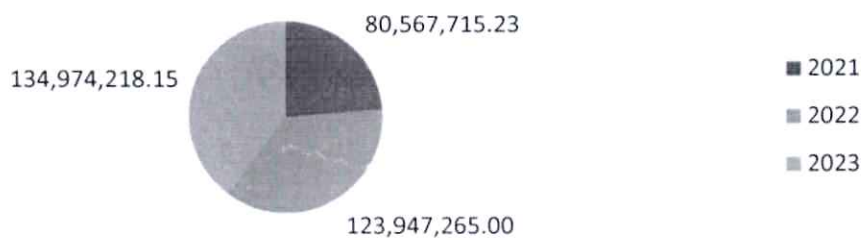
**Movement of debtors and creditors of the school over the last three years**



**Movement of creditors of the school over the last three years**

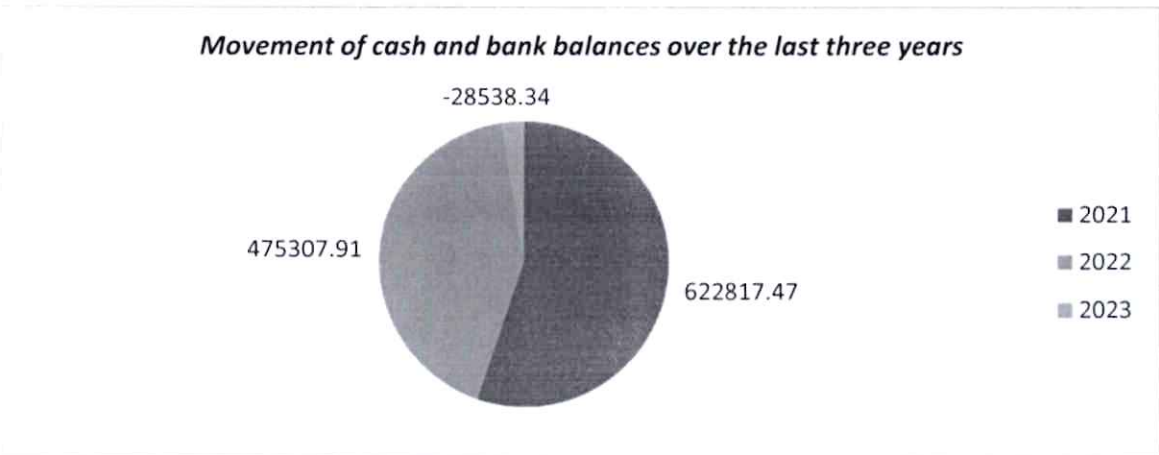
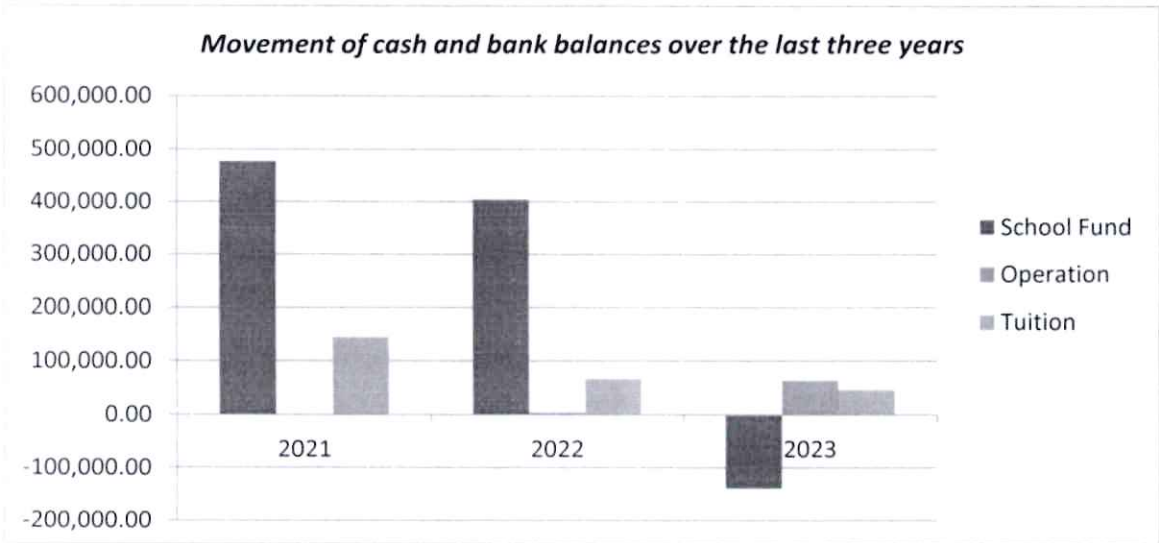


**Movement of the school over the last three years**



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

Year	School Fund	Operation	Tuition
2021	477,396.00	1071.4	144,350.07
2022	404,470.64	3800.4	67036.87
2023	(138,865.86)	63992.4	46,335.12



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends

**b) Teacher Student ratio:**

Ration of teachers to students 1: 25

No of teachers recruited and posted, transferred and retired within the period

No	Name	TSC No	
1	Michael Jordan	822807	Recruited
2	Nicholas Shikoli Mumia	450713	Transferred
3	Mwangala Muyala Titus	933183	Recruited
4	Enock Kiprotich Kemboi	677942	Recruited
5	Winnie Kwamboka	753922	Recruited
6	Angoya Omusale Salvine	954876	Recruited
7	Elvis Masidza	776020	Transferred
8	Silvia Mmbone	1002259	Recruited
9	Mulamba Lauson	565254	Transferred
10	Dr. Julius Mambili	291435	Transferred
11	Pamela Balongo	273075	Retired

*Number teachers employed by TSC - 71*

*Number of Teachers employed by BOM - 31*

**Shortage in teachers**

No	Subject	Shortage
1	Electricity	1
2	Power Mechanics	1
3	Computer / Mathematics	2
4	Geography/ Mathematics	4
5	Biology / Chemistry	6
6	Chemistry / Mathematics	4
7	Physics / Chemistry	2
8	Kiswahili / Geography	4
9	French	1
10	Mathematics / Physics	2
11	English / Literature	1
12	Kiswahili / C.R.E	2
13	Mathematics / Business Studies	2
	<b>Total</b>	<b>32</b>

c) Mean score in the 2023 KCSE

*Performance of the school for over the last three years*

	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN	DEV
2023	557	3	46	76	85	115	83	70	44	18	15	1	1	7.77	-0.45
2022	489	6	38	70	101	111	89	48	21	4	1	0	0	8.22	+0.02
2021	478	8	50	97	78	74	69	50	30	15	4	3	0	8.20	-0.28

*Transitioned to institutions of higher learning for over the last three years*

YEAR	C + & ABOVE	PERCENTAGE
2023	408	73.25
2022	415	84.87
2021	376	78.66

*Comment: Negative Deviation*

d) Number of Candidates in the 2023 KCSE:

*Tabulate the number of candidates sitting for KCSE over the last three years.*

Year	2021	2022	2023
No. of candidates	478	489	557

e) Capacity of the school:

Year	2021	2022	2023
No. of students	2236	2420	2493

*No of student in the school vis a vie the facilities*

Facility		No	Capacity	Expected	Shortfall
Dormitory		17	2561	2400	+161
Toilets		84	94	92	12
Bathrooms		87	87	92	5
Computer lab		2	30	40	10
Dining Hall		1	1000	2400	1400
Science Lab	Chemistry	2	56	65	9
	Biology	2	48	65	17
	Physics	2	42	65	23
Art Room		1	10	60	50
Staffroom		1	100	100	00
Workshop	Electricity	1	10	81	71
	P/Mechanics	1	10	31	21
	Aviation	1	10	27	17
Classes		34	2400	2400	0
Library		1	84	2000	1916
Kitchen		1	1500	2400	900
Administration Block		1	36	38	+2

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

*Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format*

Projects	Source of Funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected Completion
6 Class Rooms & Library		On going	10,821,268 3,765,580.13		

Sign

School Principal



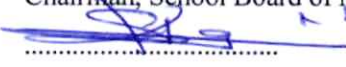
**4. Statement of School Management Responsibility**


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 (*Name of 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:** Pro. Egara Kabaji  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 30<sup>th</sup> June, 2023

**Name:** Dr. Julius Mambili (Ph.D)  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 30<sup>th</sup> June, 2023



**Name:** Festus Olang'  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 30<sup>th</sup> June, 2023

# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON KAKAMEGA SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KAKAMEGA COUNTY**

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted 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.

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kakamega School – Kakamega County set out on pages 1 to 17, which comprise the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and

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 Kakamega School – Kakamega County as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

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

The financial statements presented for audit had variances which have not been reconciled or explained:

##### **1.1 Variances Between Statement of Receipts and Payments and Statement of Budgeted Versus Actual Amounts**

<b>Item</b>	<b>Statement of Receipts and Payments (Kshs.)</b>	<b>Statement of Budgeted vs Actual Amounts (Actuals in Kshs.)</b>	<b>Variance (Kshs.)</b>
Capitation Grants for Operations	43,636,969	27,958,944	(15,678,025)
School Fund – Other Receipts	28,040,519	18,052,062	(9,988,457)

##### **1.2 Understatement of Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.1,010,589 while computation of the corresponding Note 11 to the financial statements amounted to Kshs.135,984,807 resulting to an unreconciled variance of Kshs.134,974,218.

##### **1.3 Understatement of Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.8,057,633 while computation of the corresponding Note 12 to the financial statements amounted to Kshs.51,901,860 resulting to an unreconciled variance of Kshs.43,844,227.

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

## **2. Failure to Maintain Cash Books and Prepare Bank Reconciliation Statements**

The statement of financial assets and financial liabilities reflects total cash and cash equivalents balance of Kshs.63,086,840 as disclosed in Notes 8 and 9 to the financial statements. However, cash books, bank statements, certificate of bank balances and bank reconciliation statements for eleven (11) bank accounts with an accumulated net balance of Kshs.60,021,219 were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.63,086,840 could not be confirmed.

## **3. Overdrawn Bank Accounts**

The statement of financial assets and financial liabilities reflects bank balance of Kshs.63,055,737 as disclosed in Note 8 to the financial statements. Included in the bank balance are four (4) bank accounts which were cumulatively overdrawn by Kshs 11,930,854 contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs 66,055,737 could not be confirmed.

## **4. Long Outstanding Receivables**

Note 11 to the financial statements reflects fees arrears amounting to Kshs.134,974,218 out of which Kshs.75,365,929 had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding fees arrears balance of Kshs.134,974,218 could not be confirmed.

## **5. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.8,057,633. However, inspection and acceptance committee certificates were not attached to the sampled payment vouchers to confirm the correctness of quantity of the goods received, works or services met the technical standards defined in the contract, delivered or completed on time.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.8,057,633 could not be confirmed.

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

### **Key Audit Matters**

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

## **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 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. Unbalanced Budget**

The statement of budgeted versus actual amounts reflects budgeted computed total income of Kshs.197,378,629 and total budgeted computed expenditure of Kshs.227,830,365 resulting in an unbalanced budget of Kshs.30,451,736. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced.

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

#### **2. Failure to Transfer Infrastructure Funds from Operations Account**

The statement of receipts and payments reflects operations grants amount of Kshs.43,636,969 from the Ministry of Education credited in the operations bank account as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.2,302,000 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.2,200,000 was transferred to infrastructure account, leaving a balance of Kshs.102,000 as at 30 June, 2023. This was contrary to 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. Excess Supply of Text Books by the Ministry of Education**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed excess text books of three hundred and fifty-six (356) books to the School.

In the circumstances, value for money on the excess three hundred and fifty-six (356) text books could not be confirmed.

### **4. Irregularities in the Engagement of Casual Workers**

During the year under review, the School engaged casual workers on contractual basis. However, evidence of renewal of the casual workers' contracts was not provided for audit review. Further, the School failed to deduct and remit PAYE for staff with a gross salary of Kshs.24,000 and above monthly.

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

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.186,387,335 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.894,000 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.894,000 could not be confirmed.

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 THE 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.607,011,408 in respect of fixed assets which includes land with a balance of Kshs198,000,000 and motor vehicles with a balance of Kshs.10,650,000. However, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the ownership and safe custody of fixed assets could not be confirmed.

### **2. Lack of Updated Asset Register**

Annex 2 of the financial statements indicates a summary of fixed assets with a balance of Kshs.383,421,408 as at 30 June, 2023. However, the asset register provided for audit did not indicate details such as date of acquisition, location, and the assets' current status. Further, the assets had not been tagged for ease of identification and no valuation of assets had been conducted to determine their present values.

In the circumstances, the accuracy, completeness, existence and ownership of School's assets could not be confirmed.

### **3. Ineffective Board Committees**

During the year under review, the School had constituted Board of Management and its Committees as required by law. However, the Board committees failed to hold quarterly meetings contrary to Section 6 (1) of the fourth schedule of the Basic Education Act, 2013 which states that a Board of Management shall meet at least once every four months.

In the circumstances, the School did not benefit from the governance and oversight role of the board committees.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to as 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 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 overall 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 for 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**

**25 October, 2024**

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

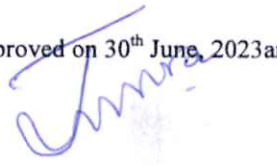
Description Of Vote Head	Note	2022 - 2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	6,335,727	6,927,545
Government grants for operations	2	43,636,969	43,294,975
Government Grants for infrastructure			
School fund income- parents' contributions	3	175,243,789	165,345,905
School fund - Other receipts	4	28,040,519	35,212,079
<b>Total Receipts</b>		<b>253,257,004</b>	<b>250,780,504</b>
<b>Payments</b>			
Tuition	5	6,356,429	6,808,414
Operations	6	27,818,036	36,080,576
School fund payments	7	186,387,335	214,190,524
Infrastructure			
<b>Total Payments</b>		<b>220,561,800</b>	<b>257,079,514</b>
<b>Surplus/Deficit</b>		<b>32,695,204</b>	<b>(6,299,010)</b>

The school financial statements were approved on 30<sup>th</sup> June, 2023 and signed by:



Name: Prof. Egara Kabaji  
Chair BOM

Date: 30<sup>th</sup> June, 2023



Name: Dr. Julius Mambili  
School Principal/ Secretary to  
BOM

Date: 30<sup>th</sup> June, 2023



Name: Festus Olang'  
Bursar/ Finance Officer

Date: 30<sup>th</sup> June, 2023

(Comparative FY refers to the financial year preceding the current financial year.)



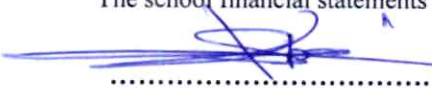
(KAKAMEGA SCHOOL)

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

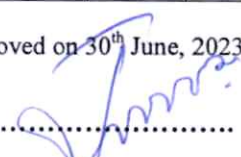
**7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	63,055,737	35,045,591
Cash balances	9	31,103	40,096
Short term investments	10	-	-
<b>Total cash and cash equivalent</b>		<b>63,086,840</b>	<b>35,085,687</b>
Account's receivables	11	1,010,589	148,639
<b>Total financial assets</b>		<b>64,097,429</b>	<b>35,234,326</b>
<b>Financial liabilities</b>			
Accounts payables	12	8,057,633	11,889,734
<b>Net financial assets</b>		<b>56,039,796</b>	<b>23,344,592</b>
<b>Represented by</b>			
<b>Accumulated fund b/fwd</b>		23,344,592	29,643,602
<b>Surplus/deficit for the year</b>		32,695,204	(6,299,010)
<b>Net financial position</b>		<b>56,039,796</b>	<b>23,344,592</b>
		0	(0)


The school financial statements were approved on 30<sup>th</sup> June, 2023 and signed by:

  
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Chair BOM

Date: 30<sup>th</sup> June, 2023

  
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.....  
Name: Festus Olang'  
Bursar/ Finance Officer

Date: 30<sup>th</sup> June, 2023

(Comparative FY refers to the financial year preceding the current financial year.)



8. 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	6,335,727	6,927,545
Government grants for operations	2	43,636,969	43,294,975
Government grants for infrastructure			
School fund income- parents contributions/ fees	3	175,243,789	165,345,905
School fund Other income	4	28,040,519	35,212,079
<b>Total receipts</b>		<b>253,257,004</b>	<b>250,780,504</b>
<b>Payments</b>			
Cash outflows for tuition	5	6,356,429	6,808,414
Cash outflows for operations	6	27,818,036	36,080,576
Cash outflows Boarding/lunch and school fund payments	7	186,387,335	214,190,424
Infrastructure payments			
<b>Total payments</b>		<b>220,561,800</b>	<b>257,079,514</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>32,695,204</b>	<b>{6,299,010)}</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings			
<b>Net cash inflow/outflow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>32,695,204</b>	<b>(6,299,010)</b>
Cash and cash equivalent at beginning of the FY 2022		28,201,529	34,500,539
<b>Cash and cash equivalent at end of the FY 2023</b>		<b>60,896,733</b>	<b>28,201,529</b>


(KAKAMEGA SCHOOL)

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

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*Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12. (The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB).*

The school financial statements were approved on 30<sup>th</sup> June, 2023 and signed by:

  
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Name: Prof. Egara Kabaji

Chair BOM

Date: 30<sup>th</sup> June, 2023

  
.....  
Name: Dr. Julius Mambili  
School Principal/ Secretary  
to BOM

Date: 30<sup>th</sup> June, 2023

  
.....  
Name: Festus Olang'

Bursar/ Finance Officer

Date: 30<sup>th</sup> June, 2023



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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On-Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	10,028,480.00		10,028,480.00	6,335,727.25	63%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments					
Repairs And Maintenance	11,100,000.00		11,100,000.00	9,340,000.00	84%
Local Transport / Travelling					
Electricity And Water					
Medical	4,440,000.00		4,440,000.00	461,400.00	10%
Administration Costs					
Activity	3,330,000.00		3,330,000.00	1,316,775.00	40%
Other voteheads	20,868,000.00		20,868,000.00	16,840,570.00	81%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE				15,678,225.00	92.3%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments					
Repairs And Maintenance	4,844,000.00		4,844,000.00	5,397,821.00	112 %
Local Transport / Travelling					
Electricity And Water					
Medical					
Administration Costs					
Activity	19,931,160.00		19,931,160.00	2,621,454.00	13%
Other voteheads	41,628,840.00		41,628,840.00	69,475,866.00	167%
Fee On Boarding Equipment and Stores	60,500,000.00		60,500,000.00	97,748,648.00	141%
<b>5) Other Income</b>					
Rent income			331,489.75		0.0%
Uniform	7,261,048.00		7,261,048	331,489.95	137.6%
GASK Bakery			-	816,617	0.0%

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
Pocket money				312,000	0.0%
Bus hire					
Interest income				26,377	0.0%
PA Project	13,115,612.00		13,115,612	16,565,579	126.30%
<b>TOTAL INCOME</b>	210,712,140.00		210,712,140.00	236,691,425	112.3%
<b>(6) Expenditure For Tuition</b>					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	10,028,480.00		10,028,480.00	6,356,429	63.4%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
<b>(7) Expenditure For Operations</b>					
Other voteheads	32,569,048.00		32,569,048.00	22,208,194	68.2%
Maintenance and Improvement	11,100,000.00		11,100,000.00		0.0%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Bank charges				8638	0.0%
Infrastructure	16,995,000.00		16,995,000.00	5,601,204	33.0%
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Maintenance & Improvement	4,844,000.00		4,844,000.00	2,223.00	0.0%
Other voteheads	41,628,840.00		41,628,840.00	81,014,138.00	194.6%
Activity	19,931,160.00		19,931,160.00	1,771,026.00	8.9%
Expenditure on Boarding Equipment and Stores	60,500,000.00		60,500,000.00	80,190,072.00	132.5%
Income from income generating activities	-	-	17,118,225.00	17,118,225.00	0.0%
PA Project	13,115,612.00		13,115,612.00	6,234,000.00	47.53%
Bank charges	-	-	-	57,651.25	0.0%



Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
<b>TOTAL</b>	210,712,140.00		210,712,140.00	186,387,335.00	90.3%

*There is underutilization because by end of the Financial year on June 30<sup>th</sup> the academic year is only but half way thus there is need to harmonize the Financial year and academic year*

10. Significant Accounting Policies

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

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

This cash basis of accounting has been supplemented with accounting for: a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. **Recognition of receipts and payments**

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

3. **In-kind contributions**

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

4. **Cash and cash equivalents**

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

5. **Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. **Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. **Non-current assets**

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

8. **Budget**

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

9. **Comparative figures**

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

10. **Subsequent events**

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

## 11. Notes To The Financial Statements

<b>1 CAPITATION GRANT FOR TUITION</b>			
		2022-2023	2021-2022
		Kshs	Kshs
Teaching / learning materials		6,335,727.00	6,927,545.00
<b>Total</b>		<b>6,335,727.00</b>	<b>6,927,545.00</b>
<b>2 CAPITATION GRANT FOR OPERATIONS</b>			
		2022-2023	2021-2022
		Kshs	Kshs
Maintenance and Improvement		9,340,000.00	10,530,500.00
Others Voteheads		16,840,570.00	19,321,875.00
Infrastructure		16,995,000.00	13,017,000.00
Medical		461,400.00	425,600.00
Activity		1,316,775.00	
<b>Total</b>		<b>43,636,970.00</b>	<b>43,294,975.00</b>
<b>3 PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT</b>			
		2022-2023	2021-2022
		Kshs	Kshs
Other voteheads		69,475,866.00	68,666,942.00
Fee on Boarding Equipment and Stores		97,748,648.00	85,956,340.00
Maintenance and Improvement		5,397,821.00	7,744,924.00
Activity		2,621,454.00	2,977,699.00
<b>Total</b>		<b>175,243,789.00</b>	<b>165,345,905.00</b>
<b>4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT</b>			
		2022-2023	2021-2022
		Kshs	Kshs
Rent income		331,490.00	142,993.00
GASK Bakery			2,350,724.00
Uniform		9,988,456.00	17,066,142.00
Tender			40,900.00
Dormitory Damages			15,058,539.00
Pocket money			225,202.00
		<b>816,617.00</b>	
Bus hire			266,000.00

			312,000.00	
	Bank interest		26,377.00	61,579.00
	PA Project		16,565,579.00	
	Total		28,040,519.00	35,212,079.00
<b>5</b>	<b>PAYMENTS FOR TUITION</b>			
			2022-2023	2021-2022
			Kshs	Kshs
	Teaching and learning materials		6,356,429.00	6,808,414.00
	Total		6,356,429.00	6,808,414.00
<b>6</b>	<b>PAYMENTS FOR OPERATIONS</b>			
			2022-2023	2021-2022
			Kshs	Kshs
	Others		22,208,194.00	19,734,206.00
	Infrastructure		5,601,204.00	16,335,404.00
	Bank Charges		8,638.00	10,966.00
	TOTAL		27,818,036.00	36,080,576.00
<b>7</b>	<b>BOARDING AND SCHOOL FUND PAYMENTS</b>			
			2022-2023	2021-2022
			Kshs	Kshs
	Other voteheads		81,014,138.00	57,201,403.00
	Maintenance & Improvements		2,223.00	-
	Expenses on Income Generating Activities		17,118,225.00	19,744,380.00
	Expenses on Boarding Equipment and Stores		80,190,072.00	116,527,948.00
	Dormitory Damages			20,648,023.00
	PA Project		6,234,000.00	
	Activity		1,771,026.00	34,500.00
	Bank charges		57,651.00	34,270.00
	TOTAL		186,387,335.00	214,190,524.00
<b>8</b>	<b>BANK ACCOUNTS</b>			
	Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
			Kshs	Kshs
	Tuition Account		46,335.00	67,037.00

	Operations Account	63,992.00	3,800.00
	School Fund Account/Boarding	(138,866.00)	404,471.00
	Savings Equity ...965	13,789,834.00	3,820,985.00
	Savings KCB ....289	10,691,018.00	(2,001,133.00)
	Savings NBK ...6500	8,255,956.00	8,136,503.00
	Savings Reserve ...1927	1,209,503.00	2,804,458.00
	Savings Coop ...5600	5,271,218.00	5,637,359.00
	Savings farm..027	9,292.00	9,292.00
	Savings caution..93191	12,790.00	12,790.00
	Savings ABSA 7377	85,511.00	75,511.00
	Savings KCB...3151	(9,440,403.00)	(3,564,425.00)
	Infrastructural Account	(988,754.00)	1,846.00
	NBK Infrastructure a/c	11,395,642.00	2,340,000.00
	Savings NBK..8900	24,155,500.00	17,122,500.00
	Savings operation...0996	(1,362,831.00)	174,598.00
	Total	63,055,737.00	35,045,591.00
<b>9</b>	<b>CASH IN HAND</b>		
	Description	2022-2023	2021-2022
		Kshs	Kshs
	Tuition Account	-	-
	Operation Account	-	-
	School Fund account	31,103.00	40,096.00
	Total	31,103.00	40,096.00
<b>10</b>	<b>SHORT TERM INVESTMENTS</b>		
	Description	2022-2023	2021-2022
		Kshs	Kshs
	Cooperative shares	-	-
	Treasury Bills	-	-
	Fixed deposit	-	-
	Equity stock	-	-
	Other investments	-	-
	Total	-	-
<b>11</b>	<b>ACCOUNTS RECEIVABLE</b>		
	Description	2022-2023	2021-2022
		Kshs	Kshs
	Fees arrears		-
	Rent Arrears	-	
	P.A.Y.E	-	148,639.00
	Bursary	1,003,139.00	-
	Salary advances	7,450.00	-

	Imprest		-	-
	Total		1,010,589.00	148,639.00
	[Include an ageing of the fees / non fees arrears below]			
	Description		2022-2023	2021-2022
			Kshs	Kshs
	Fees arrears for current year		17,095,081.00	-
	Fees arrears for the previous year		42,513,208.00	48,581,336.00
	Fees arrears for prior periods (over two years)		75,365,929.00	75,365,929.00
	Total		134,974,218.00	123,947,265.00
<b>12</b>	<b>ACCOUNTS PAYABLE</b>			
	Description		2022-2023	2021-2022
			Kshs	Kshs
	Trade creditors (See ageing below and appendix 1)		-	-
	Refunds		3,031,421.00	1,217,234.00
	Advance		-	41,550.00
	Bursary		-	292,400.00
	Prepaid fees		5,026,212.00	10,338,550.00
	Total		8,057,633.00	11,889,734.00
	[Include an ageing of the creditor's arrears below]			
	Description		2022-2023	2021-2022
			Kshs	Kshs
	Trade creditors for current year		18,837,672.00	-
	Trade creditors for the previous year		11,579,759.00	15,821,389.00
	Trade creditors for prior periods (over two years)		13,426,796.00	13,750,796.00
	Total		43,844,227.00	29,572,185.00
<b>13</b>	<b>FUND BALANCE BROUGHT FORWARD</b>			
	Description		2022-2023	2021-2022
			Kshs	Kshs
	Bank balances			35,045,591.00
	Cash balances			40,096.00
	Short Term Investments			-
	Receivables			148,639.00
	Payables			(11,889,734.00)
	Total			23,344,592.00

Other important disclosure notes				
<b>14</b>	<b>NON-CURRENT LIABILITIES SUMMARY</b>			
	Description		2022-2023	2021-2022
			Kshs	Kshs
	Bank loan(s)		-	-
	Outstanding Leases		-	-
	Hire purchase		-	-
	Gratuity and leave provision		-	-
	Total		-	-
<b>15</b>	<b>BIOLOGICAL ASSETS</b>			
	Description	Numbers	2022-2023	2021-2022
			Kshs	Kshs
	Cattle	5	350,000.00	350,000.00
	Goats		-	-
	Trees	2000	10,000,000.00	16,000,000.00
	Coffee or tea plantation		-	-
	Poultry		-	-
	Total		-	-
<b>16</b>	<b>BORROWINGS</b>			
	Description		2022-2023	2021-2022
			KShs	KShs
	a) Borrowings			
	Borrowing at beginning of the year		-	-
	Borrowings during the year		-	-
	Repayments of during the year		-	-
	Balance at end of the year		-	-
<b>17</b>	<b>STOCK/ INVENTORY</b>			
	Description		2022-2023	2021-2022
			KShs	KShs
	Stock/Inventory		8,343,500.00	5,643,500.00
	Stock/ inventory at beginning of the year		480,245,311.00	430,223,352.00
	Stock/ inventory purchased during the year		483,346,511.00	427,523,352.00
	Stock/ inventory issued during the year		5,242,300.00	8,343,500.00
	Balance at end of the year		8,343,500.00	5,643,500.00

*(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)*

**1 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>

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Sign and Date  
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2023	Comments
	a	b	c	d=		
Construction of buildings	K	Kshs	K	Ks	K	
1.						
2.						
<b>Sub-Total</b>						
<b>Supply of goods and services</b>						
Antony Litabalia	980,000.0	15-03-22	630,000.	350,000.0		
Gilbert Wanjala	425,000.0	01-02-22	375,000.	50,000.0		
Jaybrookes	5,320,000.0	01-02-22	4,420,000.	900,000.0		
Isaac Kigen	1,800,000.0	01-02-22	1,650,000.	150,000.0		
Mowaa Engineering	1,800,000.0	01-02-22	1,500,000.	300,000.0		
Peak-Lab Ltd	831,500.0	01-02-22	592,000.	239,500.0		
Shadrack Kipruto	6,120,000.0	01-02-22	5,220,000.	900,000.0		
School Farm	1,402,533.0	01-02-22	1,113,608	288,925.0		
Wesley Marucha	713,500.0	01-02-22	474,000.	239,500.0		
Kairali Enterprise	4,831,800.0	20-04-22	1,377,300.	4,863,460.0		
Kisumu Modern	276,600.0	15-03-22	198,300	78,300.0		
Kimwa Safety	480,560.0	15-03-22	280,560.	200,000.0		
Ken Odek	430,100.	15-03-22	-	430,100.0		
Marstar Systems	441,500.0	01-02-22	243,000.	198,500.0		
Fupema World	618,400.0	01-02-22	213,000	405,400.0		
Aurelia Osogo	1,074,272.	31-12-22	-	1,074,272.0		
Jeremiah Natalia	488,923.	31-12-22	-	488,923.0		
Allan Imbali	148,000.0	06-02-23	132,000	16,000.00		
Bio-Degradation	182,500.0	01-02-22	100,000	82,500.00		
Caleb Chisika	261,600.0	01-02-22	128,800	132,800.00		
City Palm	1,295,000.0	15-02-23	450,000.	845,000.00		

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2023	Comments
Daytone Pest	1,985,100.00	24-09-22	1,359,200.00	625,900.00		
Emily Liluka	395,450.00	15-03-23	294,750.00	100,700.00		
Edwin Nyongesa	439,150.00	15-03-23	252,650.00	186,500.00		
Eric Odhiambo	253,000.00	15-03-23	119,830.00	133,170.00		
Gask Bakery	4,501,605.00	15-03-23	930,422.00	3,571,183.00		
Grace Nelima	199,010.00	01-06-23	94,610.00	104,400.00		
Jenipher Etenyi	129,760.00	13-10-22	81,760.00	48,000.00		
Kakamega Workers	207,155.00	18-05-23	53,900.00	153,255.00		
Kelvin Alukwe	92,450.00	19-01-23	52,450.00	40,000.00		
Lusamamba Shem	2,149,320.00	01-03-23	1,413,320.00	736,000.00		
Linda Muhonjia	121,950.00	17-02-23	59,350.00	62,600.00		
Mary Washera	330,000.00	28-02-23	150,000.00	180,000.00		
Kelcha Western	282,930.00	17-01-23	182,430.00	100,500.00		
Petronilla Auma	232,275.00	11-03-22	94,275.00	138,000.00		
Purve Sales	7,654,500.00	09-05-22	4,779,500.00	2,875,000.00		
Rosemary Apaka	171,529.00	13-10-22	90,000.00	81,529.00		
Stokelys	179,370.00	01-04-22	110,100.00	69,270.00		
Sharifa Mutende	93,450.00	01-03-23	51,650.00	41,800.00		
Ubisa Eusebian	97,850.00	01-03-23	41,850.00	56,000.00		
Cic Group	798,216.00	01-03-23	638,671.00	159,545.00		
Copy Cat	562,060.00	17-02-23	300,000.00	262,060.00		
Copy Computers	1,646,000.00	09-06-23	823,000.00	823,000.00		
Bochend Merchant	411,400.00	01-02-23	250,000.00	161,400.00		
Danvah Investment	105,600.00	01-02-23	50,000.00	55,600.00		
Equal Systems	95,625.00	28-09-22	75,625.00	20,000.00		
Eyepoint Consulting	321,900.00	15-06-23	-	321,900.00		
Heatmax Ltd	1,181,514.00	18-03-23	907,944.00	273,570.00		
Instatech Solutions	255,000.00	13-06-23	100,000.00	155,000.00		
Kwemula It	545,000.00	04-08-22	300,000.00	245,000.00		

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

Marstar Ltd	29,000.00	04-08-22	-	29,000.00	
Maticom Agencies	1,032,000.00	22-08-22	641,000.00	391,000.00	
Multi Choice	205,920.00	22-08-22	99,000.00	106,920.00	
Moses Okwaro	544,550.00	16-06-23	155,000.00	389,550.00	

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2023	Comments
Artslab Enterprise	62,550.00	05-06-23	32,550.00	30,000.00		
Nile Sports	87,500.00	15-06-23	-	87,500.00		
Douglas Ndula	269,000.00	20-02-23	100,000.00	169,000.00		
Devine Touch	238,500.00	19-05-23	152,000.00	86,500.00		
Digital Base	267,400.00	12-05-22	200,000.00	67,400.00		
Parkhill Services	357,000.00	26-10-22	182,000.00	175,000.00		
Chetro Enterprise	522,000.00	18-05-23	382,200.00	140,000.00		
Shrend Publishers	82,500.00	23-03-23	40,000.00	42,500.00		
Wale Snaps	325,000.00	23-03-23	-	325,000.00		
White Calves	3,792,000.00	19-05-23	2,700,000.00	1,092,000.00		
Kairali Enterprises	2,491,335.00	06-10-22	2,065,000.00	426,335.00		
<b>Totals</b>				<b>27,571,767.00</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	198,000,000.00			198,000,000.00
Buildings And Structures	323,950,000.00	23,580,000.00		347,530,000.00
Motor Vehicles	10,650,000.00			10,650,000.00
Office Equipment, Furniture And Fittings	31,284,026.00	1,000,000.00		41,284,026.00
Textbooks	4,230,020.00			4,230,020.00
ICT Equipment	2,236,000.00	1,000,000.00		3,236,000.00
Tools And Apparatus	9,341,783.00			9,341,783.00
Other Machinery And Equipment	1,739,580.00			1,739,580.00
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
<b>Total</b>	<b>581,431,409.00</b>	<b>25,580,000</b>		<b>616,011,409.00</b>

