

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

NATIONAL ASSEMBLY
PAPERS LAID

DATE: 20 FEB 2022

THURSDAY

OF

TABLED BY:

HON. NAOMI WAQO, MP

BY:

D/MAJORITY WHIP

CLERK AT THE TABLE:

INZURU MWALE

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**METKEI GIRLS' PUBLIC SECONDARY
SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2022**

ELGEYO MARAKWET COUNTY

Revised 30th June 2022



***METKEI GIRLS SECONDARY
SCHOOL***

***P.O BOX 161-30101, TEL: 0703506000 AINABKOI
WEB SITE: [https://www. Metkeigirls.sc.ke](https://www.Metkeigirls.sc.ke)/Email: metkeigirlss@gmail.com***

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE

30 SEP 2024

RECEIVED
P. O. Box 2774 - 30100, ELDORET

**METKEI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual report and Financial statements

For the year ended 30th June 2022

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

**METKEI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual report and Financial statements

For the year ended 30th June 2022

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

METKEI GIRLS SECONDARY SCHOOL

a) Background information

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

The school was registered in 11/2015 under registration number 28s30000287 and is currently categorized as extra county public school established, owned or operated by the Government.

The school is a boarding school and had 1014 number of students as at *30th June 2022* it has 5 streams and 46 teachers of which 6 teachers are employed by the School Board of Management.

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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	Ms. Providence Kiptoo	Chairman	29/6/2022
2	Ms. Rosemary Tomno	Secretary - Principal	29/6/2022
3	Mr. Mark George	Member	29/6/2022
4	Mr. Josphat Tanui	Member	29/6/2022
5	Ms. Zipporah Ronoh	Member	29/6/2022
6	Rev. Abraham Kemei	Member	29/6/2022
7	Mr. Wilberforce Kutol	Member	29/6/2022
8	Mr. Brian Koletit	Member – Rep CEB	29/6/2022
9	Mr Mathew Kemboi	Member Rep Teachers	29/6/2022
10	- Justice Paul Kosgei - Ms. Rose Kotut - Mr Daniel Makupi	3 Members - Sponsor	29/6/2022
11	Ms. Alice Chirchir	Member - Community	29/6/2022
12	Mr Bernerd Chemweno	MemberSpecial Needs	29/6/2022
13	Sandra Chelimō	Rep Students	29/6/2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

- 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 pupil's 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.

(a) Committees of the Board

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	<ul style="list-style-type: none"> ➤ Josphat Tanui ➤ Providence Kiptoo ➤ Rosemsry Tomno ➤ -Alice Chirchir ➤ -Paul Kosgei 	Chair B.O.M Chair B.O.M Secretary Member Member	12 times
2	Audit Committee	<ul style="list-style-type: none"> ➤ Wilberforce Kutol ➤ Bernard Chemweno ➤ Daniel Makupi ➤ Vincent Juma 	Chair Member Member Member	3Times
3	Finance,procurement and general purposes Committee	<ul style="list-style-type: none"> ➤ Brian Koletit ➤ Rosemary Tomno ➤ Providence Kiptoo ➤ Mark George ➤ Josphat Tanui 	Chair B.o.m Secretary B.o.m Chair Memeber Member	10 Times
4	Academic Committee	<ul style="list-style-type: none"> ➤ Daniel Makupi ➤ Mathew Kosgei ➤ Caren Kosgei ➤ Wiberforce Kutol ➤ Alice Chirchir 	Chair Member Member Member Member	3 times
5	Development Committee	<ul style="list-style-type: none"> ➤ Rose Kotut ➤ Josphat Tanui ➤ Rosemary Tomno 	Chair Member Principal/Bom	7 Times

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		<ul style="list-style-type: none"> ➤ Providence Kiptoo ➤ Hellen Bargarioria ➤ Sub –County director 	Secretary B.o.M Chair Secretary SDE	
6	Discipline and welfare Committee	<ul style="list-style-type: none"> ➤ Paul Kosgei ➤ Rosemary Tomno ➤ Winnie Malonko ➤ Zipporah Rono ➤ Vincent Juma ➤ Hellen Bargarioria 	Member Principal Member Member Member Member	5 Times
7	Adhoc Committee (if any during the year)			

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 School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Ms.Rosemary Tomno	435261
2	Deputy Principal	Ms .Hellen Bargoria	312412
3	School Bursar	Ms. Hilda Sang	23692133

**METKEI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

(b) Schools contacts

Post Office Box: 161, 30101, AINABKOI
Telephone: 0703-506000
E-mail: metkeigirlss@gmail.com
Website:
Facebook:
Twitter:

c) School Bankers

The following school operated 5 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
Branch: Eldoret
Account Number: 1103467077
2. Name of Bank: KCB
Branch: Eldoret
Account Number: 1103467379
3. Name of Bank: KCB
Branch: Eldoret
Account Number: 1102483486
4. Name of Bank: KCB
Branch: Eldoret
Account Number: 1258318679
5. Name of Bank: Equity Bank
Branch: Iten
Account Number: 1530278976402
6. MPESA Pay Bill No. 522123 attached to KCB bank account

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Independent Auditors



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

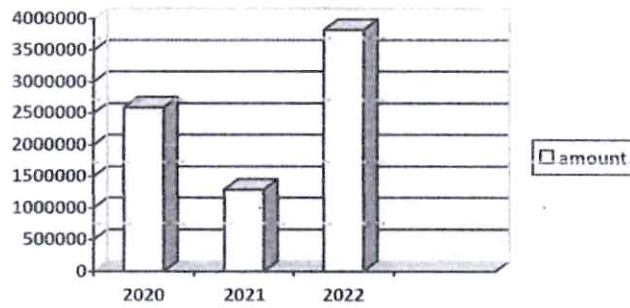
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

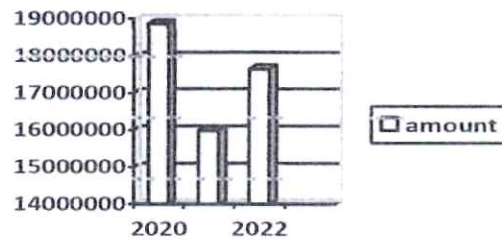
- Surplus/ deficit for the year and a comparison of the same for the last three years

Year	2020	2021	2022
Amount	2,597,884	1,294,424	3,820,711



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

Year	2019	2020	2021
Amount	23,861,771	15,989,713.65	17,652,755.20
Students			1014



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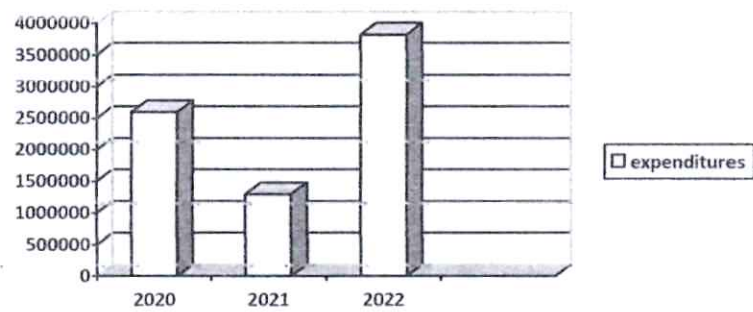
Ratio of capitation grant per student over the last three years

Year	2019	2020	2021
Ratio	1:20,958	1:16,831	1:18,445

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

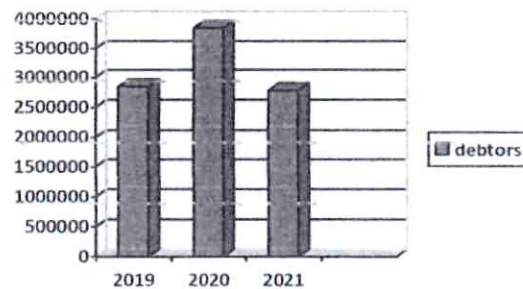
A three-year overview of growth in expenditure of the school

YEAR	2020	2021	2022
EXPENDITURE	34,221,489	27,598,364	65,751,349



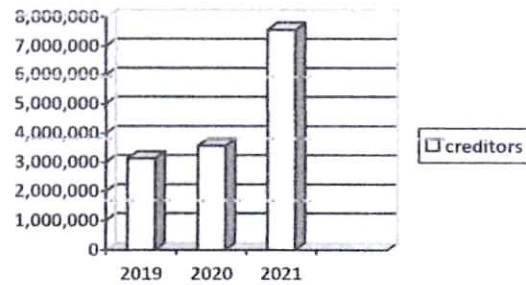
Movement of debtors and creditors of the school over the last three years

YEAR	2019	2020	2021
DEBTORS	2,848,337	3,845,100	2,781,651



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 PUBLIC SECONDARY SCHOOL
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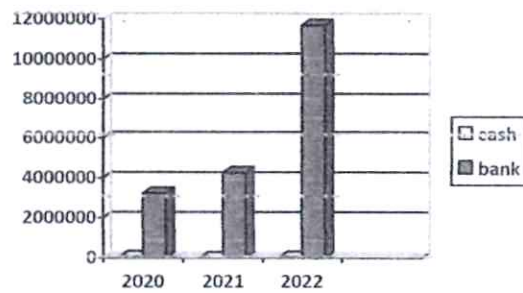
YEAR	2019	2020	2021
CREDITORS	3,132,031	3,571,540	7,560,528



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

YEAR	2020	2021	2022
CASH	39,945	3,787	24,911

YEAR	2020	2021	2022
BANK	3,238,047.44	4,264,086	11,692,707



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b) **Teacher Student ratio:**

<i>S/N</i>	<i>Teacher student Ratio</i>	<i>Teachers Employed by TSC</i>	<i>Teachers Employed by BOM</i>	<i>Teachers Transferred</i>	<i>Teachers posted to school</i>	<i>Teachers Retired</i>
	1:25	39	6	2	2	-

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

<i>Year</i>	<i>No. of students</i>	<i>Mean Score</i>	<i>Transitioned to higher learning</i>	<i>Comment</i>
2021	213	8.103	179c+ And Above	84% Transition
2020	147	8.308	134c+ And Above	91% Transition
2019	161	8.416	137 c+ And Above	85% Transition

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

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

<i>Year</i>	<i>No of Students</i>	
2022	239	
2021	147	
2019	161	

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e) Capacity of the school:

<i>No. of students</i>	<i>Dormitories</i>	<i>Dining hall</i>	<i>Laboratories</i>	<i>Toilets</i>
1114	8	<i>in progress</i>	5	68

Development projects carried out by the school:

<i>S/NO</i>	<i>ITEM</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i>
1.	<i>Multipurpose hall</i>	<i>M.O.E &RMI from Parents</i>	<i>80% completion</i>
2.	<i>Drilling and equipping bore hall</i>	<i>RMI From Parents</i>	<i>90% complete</i>
3.	<i>Construction of bio digester</i>	<i>M.O.E &RMI from Parents</i>	<i>95% complete</i>
4.	<i>Dormitory Extension</i>	<i>RMI From Parents</i>	<i>100% complete</i>

Sign




School Principal

II. 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 (*METKEI GIRLS*) 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, 2022, and of the school's financial position as at that date 30th June 2022

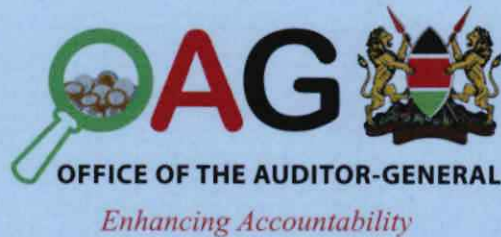
Name: Ms. Providence Kintoo
Designation: Chairman, School Board of Management
Sign:
Date:


Name: Ms. Rosemary Kuto
Designation: School Principal & Secretary to Board of Management
Sign:
Date:


Name: Ms. Hilda Sang
Designation: Bursar/ Finance Officer
Sign:
Date:


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 METKEI GIRLS' PUBLIC SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – ELGEYO/MARAKWET 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, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Metkei Girls' Public Secondary School – Elgeyo/Marakwet County - set out on pages 17 to 24, which comprises of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of

Report of the Auditor-General on Metkei Girls' Public Secondary School for the year ended 30 June, 2022 – Elgeyo Marakwet County

receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Metkei Girls' Public Secondary School as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Misstatement in the Financial Statements

The statement of receipts and payments reflects total receipts amount of Kshs.65,751,349 which includes school fund income parents' contribution amount of Kshs.45,714,548 as reflected in Note 3 to the financial statements. However, Note 3 to the financial statements revealed parents contribution amount of Kshs.11,861,362 leading to a variance of Kshs.33,853,186 which has not been explained.

Further, the statement of financial assets and financial liabilities reflects net financial assets balance of Kshs.16,157,240 which includes Accounts payables balance of Kshs.3,219,703 as reflected in Note 11 to the financial statements. However, Note 12 to the financial statements revealed Accounts Payables of Kshs.4,648,203 leading to a variance of Kshs.1,428,500 which has not been explained.

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

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.7,659,325 as disclosed in Note 10 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In addition, the School had long outstanding receivables of Kshs.2,78,651 and Kshs.1,238,637 which had been due for more than one (1) year and two (2) years respectively. No explanation was provided for the long outstanding receivable.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.7,659,325 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 7 July, 2024 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Failure to Prepare School Improvement Plan

During the year/period under review, the School did not have an approved School Improvement Plan. This was 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.

3. Non-Compliance with Public Sector Accounting Standards Requirements

Review of the financial statements revealed that the Note numbering in the financial statements did not conform to the note numbers in the Notes to the financial statements for the following components:

- a) Accounts Receivables
- b) Accounts Payables
- c) Accumulated fund brought forward

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board Requirements.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Inventory Management

Review of the store ledgers maintained by the School revealed that the School procured food items, office stationery and supplies, drugs and sports supplies for its operations. However, the annual stock take was not conducted as at 30 June, 2022 to confirm the closing stock balances of inventories.

In the circumstances, effectiveness of internal controls in management of inventory could not be confirmed.

2. Lack of Fixed Asset Register

Annex 2: summary of fixed assets register to the financial statements reflect a summary of fixed assets register with Nil values. However, review of records revealed that the School had various assets which include; land, buildings, motor vehicles, furniture, texts books, computers and lab equipment which were not valued. The assets listing provided for review did not indicate the date of acquisition, detailed serial and tagging numbers, cost or valuation amount, depreciation rates and amount, and net book values.

In the circumstances, these may lead to loss of assets and inaccurate disclosure in financial statements.

3. Lack of a Disaster Management Committee

Review of the School's Policies revealed that there is no disaster management committee in place. The Committees is mandated to oversee the implementation of disaster management initiatives and ensure that the School has a contingency plan in place.

In the circumstances, Management might not properly mitigate and cushion itself in case of an emergency situation or major disaster occurring.

4. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulation, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

5. Lack of Board of Management

During the year under review, the Board of Management that is supposed to direct the School in achieving its strategic objectives was not constituted.

In the circumstances, the School will not achieve its strategic objectives.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


18 September, 2024

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	3,792,300	1,260,497
Capitation grants for operations	2	16,244,501	7,936,189
School Fund Income- Parents' Contributions	3	45,714,548	18,401,678
TOTAL RECEIPTS		65,751,349	27,598,364
SS			
PAYMENTS			
Payments for Tuition	5	5,610,774	2,179,330
Payments for operations	6	18,090,792	6,031,071
Boarding and school fund payments	7	38,229,072	18,093,539
TOTAL PAYMENTS		61,930,638	26,303,940
SURPLUS/DEFICIT		3,820,711	1,294,423

The school financial statements were approved on ----- and signed by:

Sign: 

Sign 

Sign.....

Name Ms. Providence Kiptoo

Name Ms. Rosemary Tomno

Name Ms. Hilda Sang

Chair BOM

School Principal/
Secretary to BOM

Bursar/
Finance Officer

Date

Date

Date



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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022 kshs	2020-2021 kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	11,692,707	4,264,086
Cash Balances	9	24,911	4,380
Total Cash and cash equivalent		11,717,618	4,268,466
Account's receivables	10	7,659,325	8,061,663
TOTAL FINANCIAL ASSETS		19,376,943	12,329,284
FINANCIAL LIABILITIES			
Accounts Payables	11	3,219,703	7,560,859
NET FINANCIAL ASSETS		16,157,240	4,769,456
REPRESENTED BY			
Accumulated Fund b/fwd	12	12,336,529	3,475,033
Surplus/Deficit for the year		3,820,711	1,294,423
NET FINANCIAL POSITION		16,157,240	4,769,456

The School's financial statements were approved on _____ and signed by:

Name Ms. Prudence Mponoo
Chair BOM
Date: 04 SEP 2024
Sign

Name Ms. Rosemary Tombo
School Principal/
Date: 04 SEP 2024
Sign

Name Ms. Hilda Sang
Bursar
Date: 04 SEP 2024
Sign

VII STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021-2022 KSHS	2020-2021 KSHS
Receipts for operating income			
Capitation grants for tuition	1	3,792,300	1,260,497
Capitation grants for operations	2	16,244,501	7,936,189
School fund income- Parents contributions/ fees	3	11,861,362	5,328,286
School fund income- other receipts	4	33,853,186	13,073,392
Total receipts		65,751,349	27,598,364
Payments			
Payments for Tuition	5	5,610,774	2,179,330
Payments for operations	6	18,090,792	6,031,071
Boarding and school fund payments	7	38,229,072	18,093,540
Total payments		61,930,638	26,303,941
Net cash flow from operating activities	8	3,820,711	1,294,423
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	9		
CASHFLOW FROM BORROWING ACTIVITIES			
		0	
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,820,711	1,294,423
Cash and cash equivalent at BEGINNING of the year	10	4,268,466	2,974,043
Cash and cash equivalent at END of the year		8,089,177	4,268,466

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STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

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						
Teaching / learning materials	4,588,340	0	4,588,340	3,792,300	796,040	82.7%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	5,510,413	619,656	6,130,069	6,030,969	100,000	98.4%
Repairs and maintenance	1,805,845	0	1,805,845	1,571,451	234,394	87%
Local transport / travelling	1,755,098	0	1,755,098	1,605,098	150,000	91.5%
Electricity and water	3,017,083	0	3,017,083	2,357,176	659,907	78.0%
Medical	414,493	0	414,493	280,644	133,849	47%
Administration costs	2,607,810	1,606,800	4,214,610	4,400,063	(185,453)	10%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	2,570,888	880,600	3,451,488	3,351,407	100,081	97%
Repairs and maintenance	2,451,038	0	2,451,038	1,265,472	1,185,566	52%
Local transport / travelling	539,653	610,699	1,150,352	1,018,352	132,000	88.5%
Electricity and water	4,774,538	0	4,774,538	3,175,723	1,598,815	66.4%
Administration costs	1,533,865	0	1,533,865	3,036,900	(1,503,035)	0
Activity	73,184	0	73,184	13,508	59,676	18.5%
Fee on Boarding Equipment and Stores	38,623,500	0	38,623,500	33,853,186	4,770,314	99%
OTHER INCOME						
TOTAL INCOME	71,865,748		71,865,748	69,751,349	2,114,399	97%
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	4,069,380	0	4,069,380	5,610,774	(1,541,394)	137.9%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	8,261,960	0	8,261,960	6,202,237	2,059,723	89%
Repairs, maintenance & improvements	5,733,200	0	5,733,200	5,403,477	329,723	59.40%
Local transport / travelling	3,201,303	0	3,201,303	2,393,295	808,008	91.70%
Electricity, water and conservancy	1,791,621	0	1,791,621	1,134,372	657,249	63%
Medical	1,914,493	0	1,914,493	514,493	1,400,000	100%
Administration costs	6,994,487	1,275,804	8,270,291	7,442,918	827,373	105%
(3) EXPENDITURE FOR SCHOOL FUND						
Boarding Equipment and Stores	38,623,500	0	38,623,500	38,229,072	394,428	68%
TOTALS	71,865,748	1,275,804	71,865,748	68,930,638	2,935,110	95%

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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.

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 2022.

NOTES TO THE FINANCIAL STATEMENT

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	359,230	252,100
Exercise books	1,077,690	252,099
Laboratory equipment	1,636,920	352,940
Internal exams	179,615	75,630
Teaching / learning materials	143,692	25,210

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	2021-2022	2020-2021
	Kshs	Kshs
Chalks	0	289,914
Reference Materials	395,153	0
Teachers guides		12,604
Total	3,792,300	1,260,497

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	6,030,069	2,500,000
Repairs and maintenance	1,571,451	2,676,900
Local transport / travelling	1,885,742	890,000
Electricity and water	2,357,176	900,089
Medical	0	368,500
Administration costs	4,400,063	500,700
Activity	0	100,000
Total	16,244,501	7,936,189

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,351,407	1,101,466
Repairs and maintenance	1,265,472	385,434
Local transport / travelling	1,018,352	171,526
Electricity and water	3,175,723	1,487,986
Medical	0	0
Administration costs	3,036,900	2,150,598
Activity	13,508	31,276
Total	11,861,362	5,328,286

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	26,628,442	11,379,392
Infrastructure (RMI)	7,224,744	1,694,000
Dividends income		
Total	33,853,186	13,073,392

5 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	396,777	80,000

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Exercise books	1,730,332	570,000
Laboratory equipment	2,322,671	1,134,417
Internal exams	198,389	112,000
Teaching / learning materials	524,176	242,320
Chalks	0	40,0000
Exams and assessment	317,422	0
Teachers guides	119,033	0
Bank Charges	1,974	593
Total	5,610,774	2,179,330

6 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	4,195,387	2,250,000
Administration Cost	4,550,799	813,250
Repairs and maintenance & improvements	557,962	372,900
Local transport / travelling	1,328,511	103,783
Electricity and water	1,396,737	566,034
Medical	0	160,000
Insurance Cost	277,396	68,558
Bank Charges	0	2546
Transfer to infrastructure	5,784,000	1,694,000
TOTAL	18,090,792	6,031,071

7 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	kshs	kshs
Personnel emoluments	3,006,850	966,386
Repairs and maintenance & Improvements	2,845,515	1,632,480
Local transport / travelling	1,608,220	219,030
Electricity and water	1,737,635	1,370,900
Administration costs	3,892,119	1,486,330
Bank Charges	0	3,946
Fee on Boarding Equipment and Stores	17,090,744	8,614,373
Transfer to RMI	870,744	0
Transfer to Infrastructure account	7,177,245	3,800,094
TOTAL	38,229,072	18,093,539

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		kshs	kshs
Tuition Account		231,178	408,625
Operations Account		305,283	1,561,220
School Fund Account/Boarding		8,791,243	1,073,190
Savings Account		1,398,651	296,624

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Infrastructural Account		966,352	924,427
Total		11,692,707	4,264,086

9 CASH IN HAND

Description	2021-2022 kshs	2020-2021 kshs
Tuition Account	0	0
Operation Account	601	3,244
School Fund account	24,310	543
Total	24,911	3,787

10 ACCOUNTS RECEIVABLE

Description	2021-2022 Kshs	2020-2021 Kshs
Fees arrears	7,659,325	7,981,518
Salary advances	0	80,000
Total	7,659,325	8,061,663

Description	2021-2022 kshs	2020-2021 kshs
Fees arrears for current year	3,639,037	2,781,651
Fees arrears for the previous year	2,781,651	1,238,637
Fees arrears for prior periods (over two years)	1,238,637	4,041,230
Total	7,659,325	8,061,518

11 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
Trade creditors (See ageing below and appendix 1)	4,648,203	7,560,859
Total	4,648,203	7,560,859

Description	2021-2022 kshs	2020-2021 kshs
Trade creditors for current year	3,219,703	0
Trade creditors for the previous year	1,428,500	7,560,859
Total	4,648,203	7,560,859

12 FUND BALANCE BROUGHT FORWARD

Description	2021-2022 kshs	2020-2021 kshs
Bank balances	11,692,707	2,934,429
Cash balances	4,380	39,945
Receivables	7,659,325	8,061,663
Payables	(7,019,883)	7,560,859
Total	12,336,279	3,475,033

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13 Stock/ Inventory

Description	2021-2022 kshs	2020-2021 kshs
Stock/Inventory		
Stock/ inventory at beginning of the year	326,000	1,281,600
Stock/ inventory purchased during the year	62,352,600	8,704,400
Stock/ inventory issued during the year	61,004,900	9,660,000
Balance at end of the year	1,673,700	326,000

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 2022	Outstanding Balance 2022-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings					664,920	
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. BOARDING A/C					2,697,736	
5. OPERATION A/C					587,700	
6. TUITION A/C					1,641,027	
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total					5,591,383	
Grand Total					5,591,383	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1						1
Land 2						0
Buildings and structures						50
Motor vehicles						2
Office equipment, furniture and fittings						3000
ICT Equipment, and Other ICT Assets						50
Tools and apparatus						2,000
Textbooks						7,000
Other Machinery and Equipment						3
Heritage and cultural assets						0
Intangible assets- soft ware						2
Total						

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