

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF


THE AUDITOR-GENERAL

ON

ICACIRI SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

KIAMBU COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	05 MAR 2025
DAY:	Wednesday
TABLED BY:	Hon. Naom Wago MP Deputy Majority Party
CLERK-AT THE-TABLE:	A. Shabuko



Icaciri Secondary School

ICACIRI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023.**

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

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1. Acronyms and Glossary of Terms

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 in Kiambu County, Gatundu south Sub-County.

The school was registered in 21/4/1983 under registration number H/A/418/83 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 472 number of students as at 30th June 2023. It has 2 streams and 23 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	DR ESTHER MARIMA	Chairperson	01/9/2023
2	MARTHA MBUGUA	Secretary - Principal	12/05/2023
3	GEORGE KIBIRU	Member	12/05/2023
4	DAVID MWIHIA	Member	12/05/2023
5	FRANCIS KARUGU	Member	12/05/2023
6	MARY WARIGIA	Member	12/05/2023
7	DR WAIRIMU MUOHI	Member	12/05/2023
8	BONFACE NGANGA	Member – Rep CEB	12/05/2023
9	ISAAC GICHUNA	Member Rep Teachers	12/05/2023
10	JOSEPH KARUGO	3 Members - Sponsor	12/05/2023
11	RUTH KAMAU	Member - Community	12/05/2023
12	ELIZABETH GITAU	Member Special Needs	12/05/2023
13	ESTHER WANGARI	Rep Students	01/01/2023

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	1.DR ESTHER MARIMA 2.ENG GEORGE KIBIRU 3.MARTHA MBUGUA 4.DAVID MWANIKI 5.DAVID MWIHIA	CHAIRPERSON VICE CHAIR BOMSECRETARY P.A CHAIR MEMBER.	3
2	Audit Committee	FRANCIS KARUGU JOSEPH KARUGO CAROLINE MUIBU DANIEL NGUGI	Members	3
3	Finance,procurement and general purposes Committee	GEORGE KIBIRU DAVID MWIHIA BONFACE NGANGA RACHAEL WANJIRU	members	3
4	Academic Committee	DAVID MWANIKI DR ESTHER MARIMA ELIZABETH GITAU RUTH NJERI	members	3

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

5	Development Committee	GEORGE KIBIRU MARY WARIGIA DAVID MWANIKI ESTHER MARIMA MARTHA MBUGUA	chairperson	3
6	Discipline and welfare Committee	FRANCIS KARUGU JOSEPH KARUGO CAROLINE MUIBU DANIEL NGUGI		3
7	Adhoc Committee (if any during the year)	MARTHA MBUGUA CAROLINE NYAGA PETER KARANJA DANIEL MILO RACHAEL OKUMU	chairperson	3

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Martha Mbugua	TSC No.347351
2	Deputy Principal	Ruth muteru	TSC No.372794
3	School Bursar	Peter karanja	30079561

(e) Schools contacts

Post Office Box: 66, 01030 GATUNDU
Telephone: 0702362895
E-mail: icacirisecondary66@gmail.com
Website: -
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: family bank-boarding acc.
Branch Gatundu.
Postal Address.66-01030.

Name of Bank: family bank-operation acc
Branch Gatundu
Postal Address 66-01030.

Name of Bank: family bank-tuition acc
Branch Gatundu.
Postal Address66-01030.

Name of Bank:kcb bank-infrastructure acc.
BranchGatundu.
Postal Address 66-01030.

(g) Independent Auditors

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

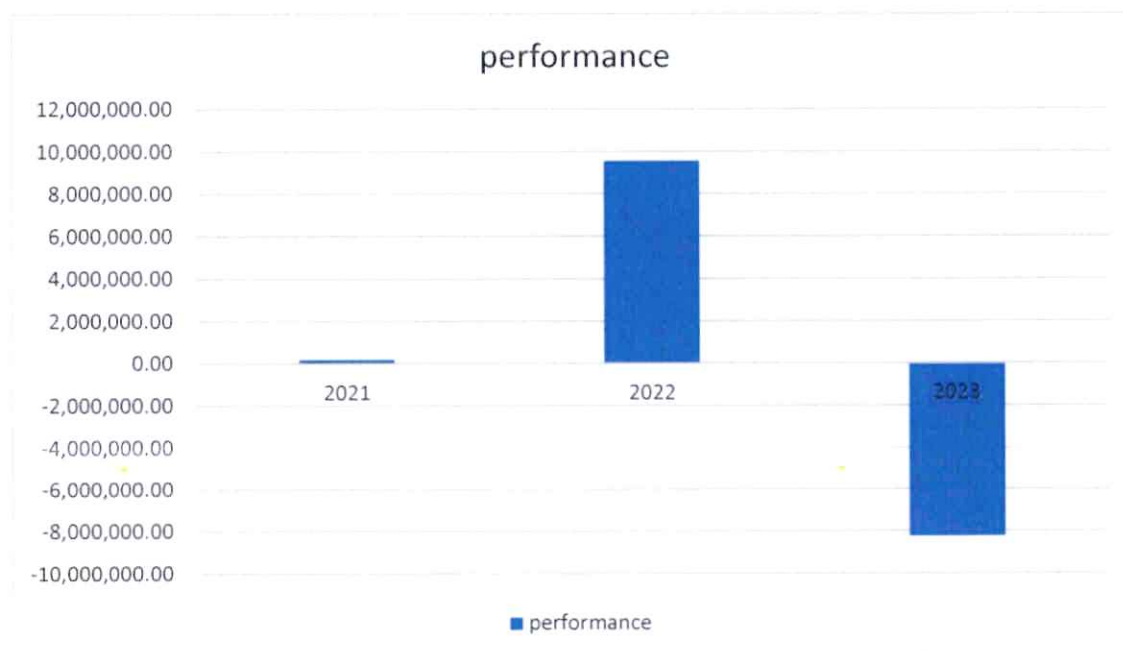
3. Summary Report of Performance of the School

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

a) Financial performance

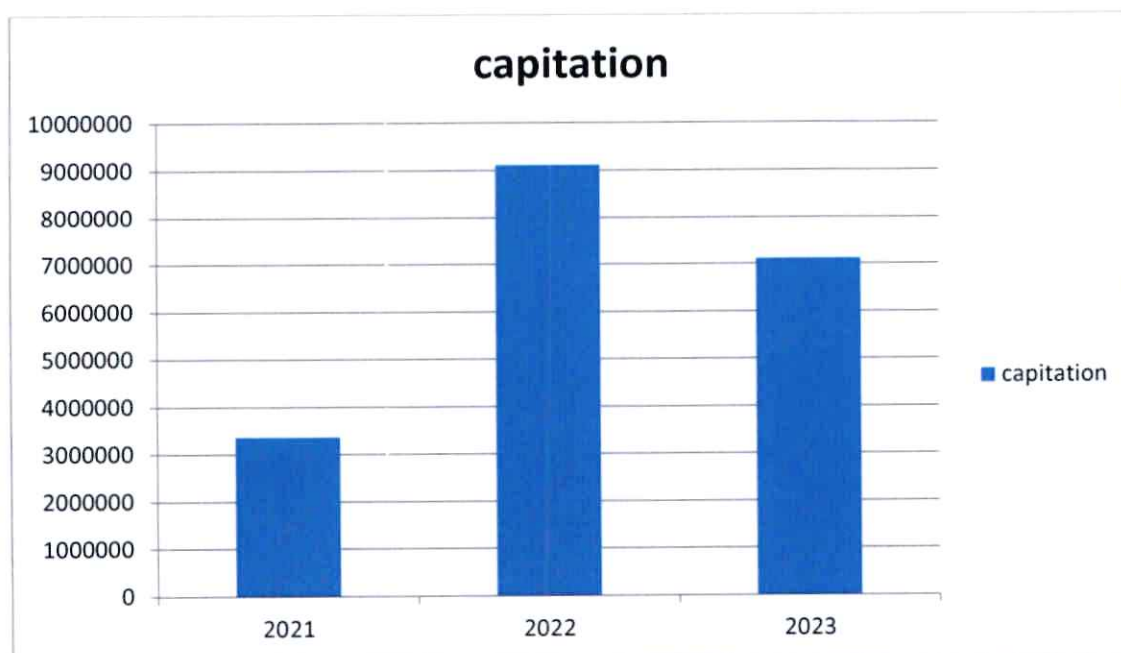
1. Surplus/deficit.

<u>Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Boarding A/c	(132,350)	9,482,412	(3,906,152)
Operation A/c	403,045	449,843	(3,298,064)
Tuition A/c	(61,766)	(368,957)	(1,039,733)
	208,929	9,563,298	(8,243,949)



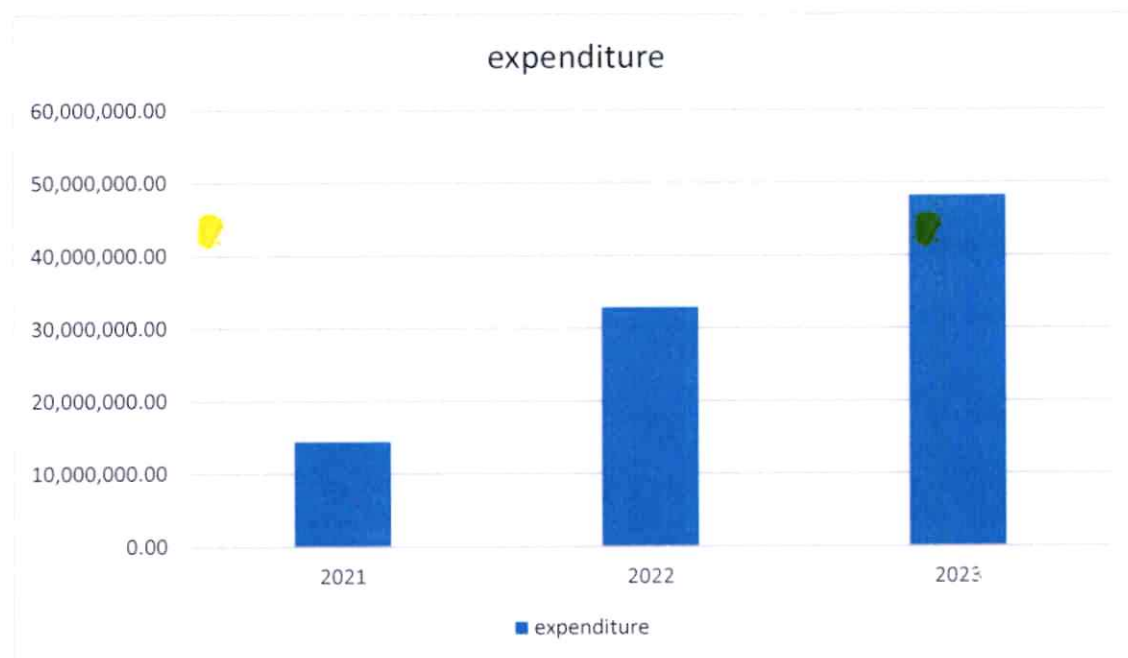
2.Capitation grant from M.O.E

<u>Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operation a/c	2,950,679	7,407,148	5,785,708
Tuition a/c	412,309	1,706,843	1,321,861
TOTAL	3,362,988	9,113,991	7,107,569



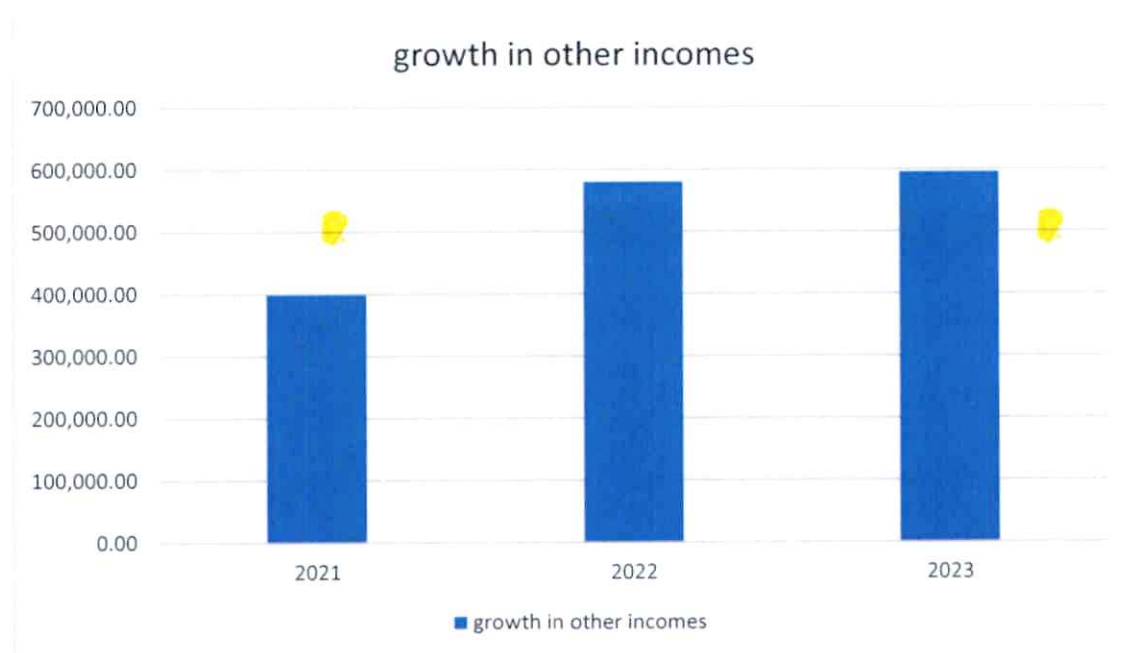
3.Growth in expenditure

<u>year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Boarding a/c	11,363,627	23,893,062	37,004,922
Operation a/c	2,547,634	6,957,305	9,083,772
Tuition a/c	544,659	2,075,800	2,361,594
total	14,455,920	32,926,168	48,450,295



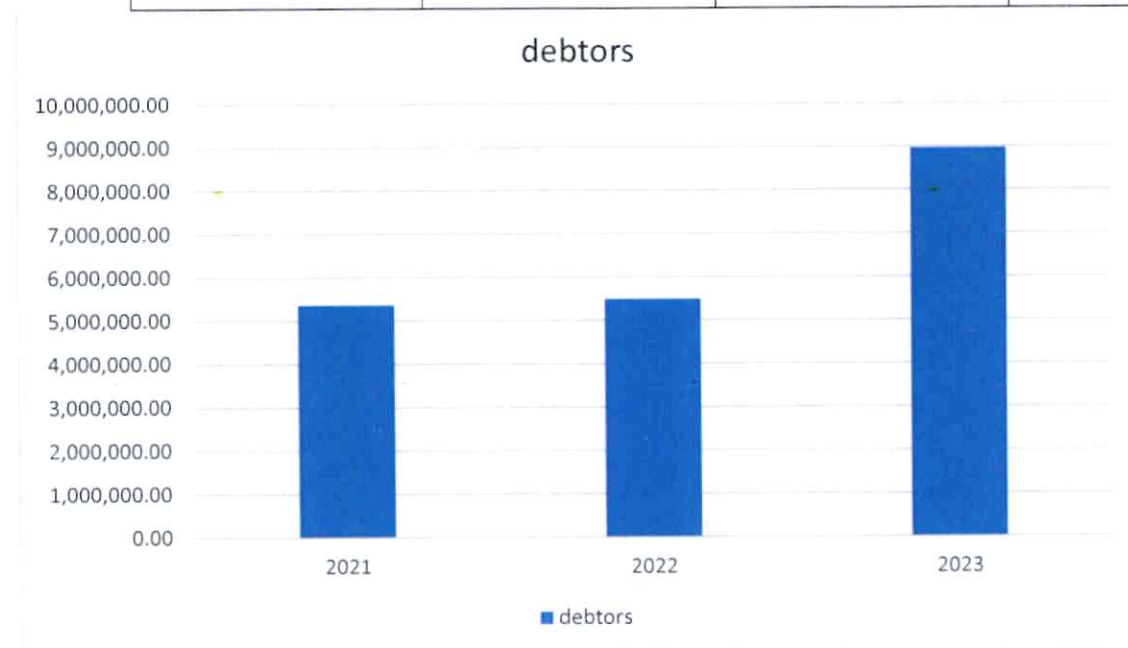
4. Growth of other incomes

<u>Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Farm account	399,028	526,150	563,208
Tender income.	-	27,000	32,000
	399,028	553,150	595,208



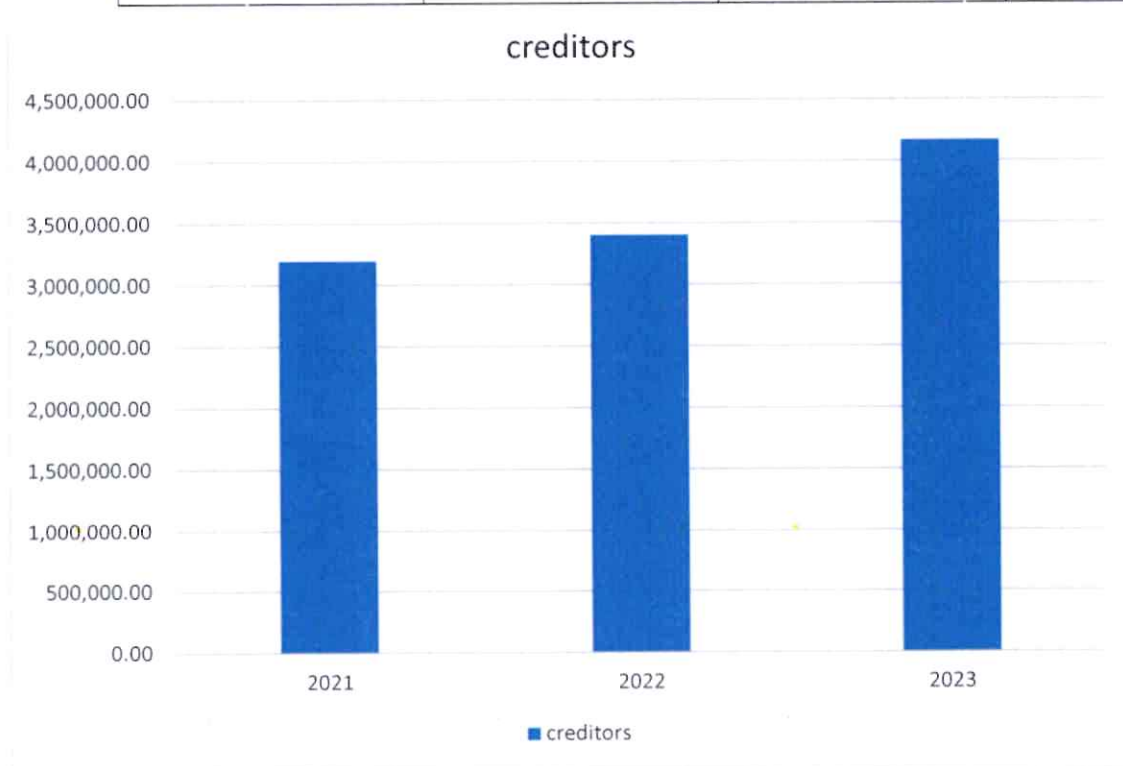
4.Movement in debtors

year	2021	2022	2023
Boarding account	5,368,762	5,503,534	8,967,086



5. Movement in creditors

<u>Year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Boarding	2,456,163	2,555,256	1,328,605
Operation a/c	213,936	378,881	1,576,440
Tuition a/c	529,039	469,744	1,263,860
Total	3,199,138	3,403,881	4,168,905



b) Teacher Student ratio:

<i>teachers</i>	<i>Tsc</i>	<i>bom</i>	<i>total</i>	<i>Ratio489/23</i>
<i>teachers</i>	18	5	23	1;22.
<i>students</i>			489	
<i>Recruited teachers BOM</i>	1			
<i>transferred</i>	0			

Teachers/subject data

<u>subject</u>	<u>Teachers</u>	<u>shortage</u>
MATHS	4	1
ENGLISH	2	1
KISWAHILI	2	1
GEOGRAPHY	3	0
BUSINESS STUDIES	2	0
CRE	2	1
HISTORY	2	1
BIOLOGY	3	1
PHYSICS	2	0
CHEMISTRY	3	0
AGRICULTURE	2	0
HOME SCIENCE	1	1

c) Mean score in the 2023KCSE:

d) <u>Mean score</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Mean	4.667	4.54	4.227
Higher learning transition	71	72	90
Set score.	5.0	5.0	5.5

The school did not attain the set scores but they are working to achieve mean of above 5.5

e) Number of Candidates in the 2023 KCSE:

<i>No.of students</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	95	126	95

f) Capacity of the school:

489 students	4 dormitories	Are adequate with current population
	1 dining hall	Are adequate with current population
	2 laboratories	Are adequate with current population
	35 toilets	Are adequate with current population

g) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
3 classrooms	Government &parents	complete	6,220,530	7,020,161	Complete.
kitchen	Government & parents	complete	1,934,301 974,000	2,759,947	Complete.



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

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

EWM
.....
Name: *ESTHER WI MARIMA*
Designation: Chairman, School Board of Management
Date: *01-2-24*

Idene Maima
.....
Name: *IDENE MAIMA*
Designation: School Principal & Secretary to Board of Management
Date: *01/2/2024*

Peter Karanja
.....
Name: *PETER KARANTA*
Designation: Bursar/ Finance Officer
Date: *01/21/2024*

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 ICACIRI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KIAMBU 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 Icaciri Secondary School – Kiambu County set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of

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

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

Basis for Qualified Opinion

1. Inaccurate Summary of Fixed Assets Register

Annex 2 to the financial statements on summary of fixed assets register reflects Kshs.152,877,076 in respect to historical cost carried forward. However, a re-computation resulted to Kshs.151,908,076 resulting to a variance of Kshs.969,000.

In the circumstances, the accuracy of the fixed assets balance could not be confirmed.

2. Inaccuracies in Capitation Grants

During the financial year 2022-2023, the NEMIS reported operations grant disbursements amounting to Kshs.5,833,908. However, the bank statements provided for audit reflected an amount of Kshs.5,785,708 resulting to a variance of Kshs.48,200.

In the circumstances, the accuracy of the Government grants for operations amounting to Kshs.5,785,708 could not be confirmed.

3. Biological Assets

Note 17 to the financial statements reflects Kshs.391,000 in respect to biological assets as at 30 June, 2023. It was noted that five cattle were disclosed, however, there were no supporting documents including the tags, register showing historical costs and dates the cows were purchased.

In the circumstances, the accuracy of the biological assets could not be confirmed.

4. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.8,967,086 as disclosed in Note 13 to the financial statements. However, included in the balance are receivables in respect to fees arrears amounting to Kshs.3,633,315 which had been outstanding for more than three (3) years.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.8,967,086 could not be confirmed.

5. Non-Disclosure of Income from Bursaries/Scholarships

It was observed that the School received bursaries from various National Government Constituencies Development Funds (NGCDF's) during the year under review. However, the list of all students issued with bursaries together with their admission numbers, status of the students whether active or dropped and acknowledgements by the School were not provided for audit review.

In the circumstances, the amount of money received as bursaries by the School during the year could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Icaciri 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts for the year ended 30 June, 2023 reflects final receipts budget and actual on comparable basis of Kshs.40,782,111 and Kshs.40,206,339 respectively resulting to an underfunding of Kshs.575,772 or 1% of the budget. However, the School spent Kshs.48,450,288 against actual receipts of Kshs.40,206,339 resulting to an over expenditure of Kshs.8,243,949 or 21% of the receipts.

There is need therefore for Management to review its budget making process with a view of formulating a realistic budget that would be actualized for service delivery to the stakeholders.

My opinion is not modified in respect of this matter.

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, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Adherence to School Fees Guidelines

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs.32,503,562 in respect to school fund income - parents contributions. However, during the year under review, there were deviations from the school fees structure issued by the Ministry of Education (MOE) as detailed below;

Class	Term 1 Fees (Kshs)	Term 2 Fees (Kshs)	Term 3 Fees (Kshs)	Annual Fees Charged (Kshs)	Fees as per MOE Guidelines (Kshs)	Variance (Kshs)
Form 1	24,175	14,480	9,880	48,535	40,535	8,000
Form 2	24,175	14,480	9,880	48,535	40,535	8,000
Form 3	24,175	14,480	9,880	48,535	40,535	8,000
Form 4	24,175	14,480	9,880	48,535	40,535	8,000

No written authority was provided from the Cabinet Secretary to allow the School charge an extra amount of Kshs.8,000. The School therefore acted contrary to Section 45 of the Basic Education Regulations, 2015 which states that no person or Board of Management of a public institution of basic education and training shall alter or increase fees without written authority from the Cabinet Secretary.

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

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

The statement of receipts and payments reflects payment for operations amount of Kshs.4,429,972 and as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.1,204,500 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.1,204,500 could not be confirmed.

3. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 8 April, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

4. Payments of School Fees to the Infrastructure Bank Account

Review of the infrastructure bank account statements for the year ended June, 2023 revealed that Kshs.43,700 was credited to the account held at Kenya Commercial Bank being fees from several students. This was contrary to Ministry of Education Circular which states that the School Infrastructure Bank Account is for banking Infrastructure Grants from GoK and Maintenance and Improvements (M&I) Funds. Further, evidence that the Kshs.43,700 was transferred to the School's boarding account for proper utilization was not provided for audit review.

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

5. Delayed Transfer of Infrastructure Funds from Operational Bank Account

The statement of receipts and payments reflects infrastructure grants amount of Kshs.1,933,000 as disclosed in Note 3 to the financial statements from the Ministry of Education credited in the operations bank account. However, Management did not transfer the infrastructure funds within fifteen (15) days after receipt contrary to the Ministry of Education Circular Ref: No.MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

6. Failure to Prepare School Improvement Plan

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Authority for Approving Rates for Board Allowances

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects Kshs.37,004,922 in respect to boarding and school fund payments which further includes Kshs.284,000 paid to Board members. However, no evidence was provided that the rate used to pay the Board allowances had been approved as required under Section 14 of the Basic Education Act, 2013 which provides that Members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the regularity of the expenditure amounting to Kshs.284,000 could not be confirmed.

2. Lack of an Approved Salary Structure and Scheme of Service

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.4,429,972 in respect to payment for operations which further includes Kshs.2,642,607 in respect to personnel emoluments. However, review of the payment vouchers and payrolls for the entire year revealed that the Management had not developed and approved a salary structure for the staff showing how much each employee should be paid based on how long the employee had worked at the School, their rank, merit and the type of work they did. In addition, the School did not have an approved staff establishment.

Further, the School had not developed an approved scheme of service for Board of Management teachers with a well-defined job description and standards for recruitment.

In the circumstances, the regularity and validity of the expenditure could not be confirmed.

3. Lack of Recoverability Policy on Trade Receivables

It was observed that the School had not developed a recoverability policy on trade receivables approved by the Board. It was therefore not possible to confirm how the School intended to recover the fee arrears of Kshs.8,062,086 or the course of action the Management had put in place in recovering the said fee arrears.

In the circumstances, the recoverability of the outstanding balances could not be confirmed.

4. Failure to Conduct Quarterly and Annual Stock Take

Note 19 to the financial statements reflects a balance of Kshs.2,052,691 in respect to stock/inventory. However, quarterly and annual stock take was not conducted as envisaged in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

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

5. Unsupported Text books Management

Audit of the textbooks carried out in June, 2024 revealed the following anomalies;

a) Lack of Text Books Register and Text Book Management Policy

It was observed that the School did not keep up to date text books register both in hard and soft copy, contrary to Regulation 140 of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer should be responsible for the proper custody, care and use of Government inventories under their control.

b) Students to Text Book Ratio

It was not possible to establish the number of text books issued to the students, the lost text books and those in the library in the financial year 2022/2023. Further, the students to textbook ratio could not be established.

6. Lack of a Risk Management Policy

Review of records maintained by the School revealed that Management had not developed a Risk Management Policy, including Fraud Management Policy to guide Management and the Board in dealing with instances of fraud or record falsification.

In the circumstances, the effectiveness of strategies instituted by Management to attain strategic, operational, reporting and compliance objectives could not be confirmed.

7. Lack of Data Backup System

Review of the records revealed that Management failed to secure a backup location to protect data from the risk of loss thus putting the School's data and information at great risk of loss in the event of a disaster or malicious damage. In addition, the School lacked policies on ICT and disaster recovery which are vital in effective and efficient management of the School's IT resources.

In the circumstances, the security of the School's data to safeguard confidential, financial and operational information could not be confirmed.

8. Failure to Open a Bank Account for Income Generating Activities

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects Kshs.595,208 in respect to miscellaneous income which includes Kshs.563,208 in respect to income from farming activities and Kshs.32,000 for tender income all amounting to Kshs.595,208. It was noted that the funds from the income-generating activities were banked at the school fund/boarding accounting. This was contrary to Ministry of Education Circular which states that schools with income generating activities shall open separate bank accounts for the same.

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

9. Summary of Fixed Asset Register

9.1 Lack of Land Ownership Documents

The summary of fixed assets register for the year ended 30 June, 2023 reflects nil balance on two pieces of land (Land 1 and Land 2) and Kshs.3,400,000. The same register did not indicate the acreages, locations, and cost and title numbers. Further, review of the documents provided revealed that the School was in the process of acquiring the land titles. However, the title documents had not been obtained as at the time of audit in June, 2024.

In the circumstances, the ownership of the land and motor vehicle could not be confirmed.

9.2 Disclosure of Assets

The fixed assets register provided for audit review lacked the information on the cost, date purchased, asset coding, location and serial numbers of the assets.

In the circumstances, the valuation and ownership of the assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

24 January, 2025

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023

Description Of Vote Head	Note	Insert Current FY Kshs	Insert Comparative FY Kshs
Receipts			
Government grants for tuition	1	1,321,861	1,706,843
Government grants for operations	2	3,852,708	7,407,148
Government Grants for infrastructure	3	1,933,000	-
School fund income- parents' contributions	4	32,503,562	32,822,324
Miscellaneous incomes	5	595,208	553,150
Total Receipts		40,206,339	42,489,466
Payments			
Tuition	6	2,361,594	2,075,800.0
Operations	7	4,429,972	6,957,306.0
Infrastructure	8	4,653,800	-
Boarding and school fund	9	37,004,922	23,893,062.0
Total Payments		48,450,288	32,926,168
Surplus/Deficit		(8,243,949)	9,563,299

The school financial statements were approved on 01/2_2024 and signed by:

EWM

Name: *ESTHER MARIMA*
Chair BOM

Date: *01-2-24*

WRENE MAINA

Name: *WRENE MAINA*
School Principal/ Secretary to
BOM

Date: *01/2/2024*

Peter Karanja

Name: *PETER KARANJA*
Bursar/ Finance Officer

Date: *01/2/2024*

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	3,400,733	14,403,218
Cash balances	11	83,097	23,089.30
Short term investments	12	-	-
Total cash and cash equivalent		3,483,830	14,426,307
Account's receivables	13	8,967,086	5,503,534
Total financial assets		12,450,916	19,929,841
Financial liabilities			
Accounts payables	14	(4,168,905)	(3,403,881.00)
Net financial assets		8,282,011	16,525,960
Represented by			
Accumulated fund b/fwd	15	16,525,960	6,962,662
Surplus/deficit for the year		(8,243,949)	9,563,298
Net financial position		8,282,011	16,525,960

The school's financial statements were approved on __01/2_2024 and signed by:

..... Name: ESTHER MARIMA Chair BOM Date: 01-2-24 Name: IDENE MAINA School Principal/ Secretary to BOM Date: 01/2/2024 Name: PETER KARANJA Bursar/ Finance Officer Date: 01/2/2024
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8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,321,861	1,706,843
Government grants for operations	2	3,852,708	7,407,148
Government grants for infrastructure	3	1,933,000	-
School fund income- parents contributions/ fees	4	32,503,562	32,822,324
Other income	5	595,208	553,150
Total receipts		40,206,339	42,489,466
Payments			
Cash outflows for tuition	6	2,361,594	2,075,800
Cash outflows for operations	7	4,429,972	4,079,106
Cash outflows Boarding/lunch and school fund payments	8	37,004,922	23,893,062
Total payments		43,796,488	30,047,968
Net cash inflow/outflow from operating activities		(3,590,149)	12,441,498
Adjusted for			
Change in receivables	13	(3,463,522)	(134,772)
Change in payables	14	765,024	204,743
Cash flow from investing activities			
Acquisition of assets	8	(4,653,800)	(2,878,200)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(4,653,800)	(2,878,200)
Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(10,942,477)	9,633,269
Cash and cash equivalent at beginning of the FY		14,426,307	4,793,038
Cash and cash equivalent at end of the FY		<u>3,483,830</u>	<u>14,426,307</u>

Icaciri Secondary School.

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

The school's financial statements were approved on 01/2_2024 and signed by:

EWM
.....
Name: *ESTHER MARIMA*
Chair BOM
Date: *01/2/24*

U. D. D. D.
.....
Name: *UDENE UDAINA*
School Principal/ Secretary to
BOM
Date: *01/2/2024*

P. K.
.....
Name: *PETER KARANJA*
Bursar/ Finance Officer
Date: *01/21/2024*

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	2,026,416	-	2,026,416	1,321,861	65%
Exams And Assessment	-	-	-	-	-
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	2,836,200	-	2,836,200	2,098,526	74%
Repairs And Maintenance					-
Local Transport / Travelling	489,000	-	489,000	384,300	79%
Electricity And Water	782,400	-	782,400	358,208	46%
Medical	978,000	-	978,000	-	-
Administration Costs	489,000	-	489,000	384,299.00	79%
Activity	733,500	-	733,500	627,375	86%
Gratuity	-	-	-	-	-
Smasse	97,800	-	97,800	-	-

Icaciri Secondary School.
Annual Report and Financial Statements For the year ended 30th 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 %	f Kshs	g Kshs	h=d/g %	i Kshs	j Kshs	
3) FDSE for infrastructure											
Maintenance & Improvement MoE	2,445,000	-	2,445,000	-	2,445,000	1,933,000	79%				
M&I parents' contribution	-	-	-	-	-	-	-				
Economic Stimulus Programs	-	-	-	-	-	-	-				
Transition Infrastructure Grants	-	-	-	-	-	-	-				
Administration Block	-	-	-	-	-	-	-				
(4) Fees Charged on Parents											
Personnel Emoluments	2,176,050	-	2,176,050	-	2,176,050	1,949,088	90%				
Repairs And Maintenance	1,271,400	-	1,271,400	-	1,271,400	1,375,461	108%				
Local Transport / Travelling	1,860,645	-	1,860,645	-	1,860,645	2,128,798	114%				
Electricity And Water	1,638,150	-	1,638,150	-	1,638,150	1,588,568	97%				
Medical	-	-	-	-	-	6,590	-				
Administration Costs	2,224,950	-	2,224,950	-	2,224,950	2,509,051	113%				
Activity	220,050	-	220,050	-	220,050	217,438	99%				
Bom teachers	-	-	-	-	-	868,382	-				
Fee On Boarding Equipment and Stores	15,012,300	-	15,012,300	-	15,012,300	16,119,922	107%				
Gratuity						581,893	-				
Parent association	5,501,250	-	5,501,250	-	5,501,250	5,158,371	94%				
5) Miscellaneous Income											
tender	-	-	-	-	-	32,000	-				
Rent income	-	-	-	-	-	-	-				
Income From Farming Activities	-	-	-	-	-	563,208	-				

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
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
P.A Projects	-	-	-	-	-
Total Income	40,782,111.00		40,782,111.00	40,206,339	99%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	2,026,416	-	2,026,416	2,361,594	117%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
					-
(7) Expenditure For Operations					
Personnel Emoluments	2,836,200	-	2,836,200	2,642,607	93%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	489,000	-	489,000	153,500	31%
Electricity, Water and Conservancy	782,400	-	782,400	419,160	54%
Medical	978,000	-	978,000	-	-
Administration Costs	489,000	-	489,000	90,030	18%
Activity Expenses	733,500	-	733,500	1,124,675	153%
Gratuity	-	-	-	-	-
SMASSE	97,800	-	97,800	-	-
					-
(8) Expenditure For infrastructure					-
Construction of classrooms	1,000,000	-	1,000,000	1,934,301	193%
Construction of kitchen	1,000,000	-	1,000,000	1,761,722	176%
Construction of other infrastructure	445,000	-	445,000	957,777	215%
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					-
Personnel Emoluments	2,176,050	-	2,176,050	103,956	5%
Repairs, Maintenance and Improvements	1,271,400	-	1,271,400	2,369,504	186%
Local Transport / Travelling	1,860,645	-	1,860,645	1,820,278	98%

Icaciri Secondary School.
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget		Adjustments		Final Budget		Actual On Comparable Basis		% Of Utilization	
	a	Kshs	b	Kshs	e=a+b	Kshs	d	Kshs	e=d/c %	Kshs
Electricity, Water and Conservancy	1,638,150		-		1,638,150		782,916		48%	
Medical Expenses	-		-		-		177,581		-	
Administration Costs	2,224,950		-		2,224,950		3,633,085		163%	
Activity	220,050		-		220,050		73,599		33%	
Gratuity	-		-		-		423,089		-	
Bom teachers	-		-		-		616,200		-	
Boarding Equipment and Stores	15,012,300		-		15,012,300		17,443,332		116%	
Expenditure For Income Generating Activity-farm tender	-		-		-		421,390		-	
Other Expenses On Investments	-		-		-		10000		-	
Rent Expenses	-		-		-		-		-	
Bank Charges	-		-		-		-		-	
Loan Interest Repayment	-		-		-		-		-	
P.A Project	5,501,250		-		5,501,250		9,129,992		166.6%	
Acquisition Of Assets	-		-		-		-		-	
Totals	40,782,111		-		40,782,111		48,450,288		119 %	

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To The Financial Statements

1 Government Grantsfor Tuition

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams		
Teaching / Learning Materials	1,321,861	1,706,843
Others (<i>specify</i>)*	-	-
Total	1,321,861	1,706,843

*Include others as per MOE circulars

2 Government Grantsfor Operations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personnel Emoluments	2,098,526	2,674,525
Repairs And Maintenance	-	2,587,000
Local Transport / Travelling	384,300	131,261
Electricity And Water	358,208	526,583
Medical	-	509,083
Administration Costs	384,299	395,772
Activity	627,375	487,124
Other Vote Heads-smasse	-	95,800
Total	3,852,708	7,407,148

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Maintenance &Improvement	1,933,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	1,933,000	-

4 School Fund Income -Parents Contribution/Fees

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personnel emoluments	1,949,088	4,481,078
Repairs and maintenance	1,375,461	1,638,297
Local transport / travelling	2,128,798	559,532
Electricity and water	1,588,568	2,568,580
Medical	6590	61,081
Administration costs	2,509,051	1,954,282
Activity	217,438	351,630
Fee on Boarding Equipment and stores	16,119,922	16,034,324
PA Levies*	5,158,371	5,173,520
gratuity	581,893	
Bom teachers	868,382	-
Total	32,503,562	32,822,324

*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

5 Miscellaneous Incomes

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	563,208	526,150
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From tender	32,000	27,000
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	595,208	553,150

Notes to the Financial Statements (continued)

6 Tuition

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	2,361,594	2,075,800
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others (specify)	-	-
Total	2,361,594	2,075,800

7 Operations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personnel Emoluments	2,642,607	2,324,797
Service Gratuity	-	88,000
Administration Cost	90,030	259,700
Repairs And Maintenance & Improvements	-	2,878,200
Local Transport / Travelling	153,500	48,000
Electricity And Water	419,160	511,140
Medical	-	437,589
Activity Expenses	1,124,675	409,880
Insurance Cost	-	-
Others (specify)	-	-
Total	4,429,972	6,957,306

Notes to the Financial Statements (continued)

8 Infrastructure

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Construction of classrooms	1,934,301	-
Construction of kitchen	1,761,722	-
Construction of ablution block	-	-
School development, classes , paths, toilets, renovation, drainage	957,777	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others constructions	-	-
Total	4,653,800	-

9 Boarding And School Fund

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personnel Emoluments	103,956	316,806
Service Gratuity	423,089	-
Repairs And Maintenance & Improvements	2,369,504	1,462,794
Local Transport / Travelling	1,820,278	1,456,224
Electricity And Water	782,916	974,967
Medical Expenses	177,581	196,292
Administration Costs	3,633,085	1,699,153
activity	73,599	192,857
tender	10,000	18,000
Farm account	421,390	483,640
Fee On Boarding Equipment and Stores	17,443,332	14,709,869
Bom teachers gratuity	616,200	685,400
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	9,129,992	1,697,060
Others (specify)	-	-
Total	37,004,922	23,893,062

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	Insert Current FY	Insert Comparative FY
	Active/Dormant		Kshs	Kshs
Tuition Account	active	004000016724	228,904	472,121
Operations Account	active	004000017602	1,527,241	1,716,241
School Fund Account/Boarding	active	004000002515	1,616,949	10,477,712
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account	active	1106754689.	27,639	1,737,144
Total			<u>3,400,733</u>	<u>14,403,218</u>

11 Cash In Hand

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Notes and Coins	83,097	23,089
Total	83,097	23,089

12 Short Term Investments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Fees Arrears	8,062,086	5,499,634
Other Non-Fees Receivables	-	3,900
Salary Advances (list/schedule attached)	5,000	-
Imprest (list/schedule attached)	-	-
Rent arrears(list/schedule attached)	-	-
Cbc refund	900,000	
Total	8,967,086	5,503,534

13 b Ageing Analysis of Accounts Receivable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,041,980	50.13%	1,866,319	33.93 %
Between 1- 2 years	386,791	4.79%	-	%
Between 2-3 years		0	3,633,315	66.06%
Over 3 years	3,633,315	45.06%		%
Total (should tie to note 13 a)	8,062,086	100%	5,499,634	100.0%

14 Accounts Payable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,864,545	2,183,827
Prepaid Fees	273,740	1,174,934
Retention Monies	30,620	43,620
Bursary	-	1,500
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	4,168,905	3,403,881

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,864,141	99.98%	2,181,023	99.87 %
Between 1- 2 years	-	%	2,804	0.12 %
Between 2-3 years	404	0.01%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	3,864,545	100 %	2,183,827	100 %

15 Fund Balance Brought Forward

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Bank Balances	14,403,218	4,653,460
Cash Balances	23,089	139,578
Short Term Investments	-	-
Receivables	5,503,534	5,368,762
Payables	(3,403,881)	(3,199,138)
Total	16,525,960	6,962,662

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle	5	328,000	300,000
Goats	-	-	-
Trees	8	63,000	56,000
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	13	391,000	356,000

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Food stuffs	887,448	289,935
Lab consumables	80,550	84,000
Stationeries	1,084,693	404,311
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	2,052,691	778,246

20 Progress On Follow Up Of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

 9/6/2023

Sign and Date
Principal

Icaqiri Secondary School.
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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d-a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Octopus builders	1,576,440	03/8/2022	-	1,576,440	1,576,440	To be paid in full when government disburses cbc classrooms fund.
Sub-Total	1,576,440			1,576,440		
Supply Of Goods						
2. James kiariendungu	20,995	01/6/2023	-	20,995	20,995	Paid in July 2023.
3. Grinta east africa	476,000	01/6/2023		476,000	476,000	Paid in July 2023.
4. Bensomania comms	527,250	01/6/2023		527,250	527,250	Paid in July 2023.
5. Dajohn enterprises	391,450	01/7/2022		391,450	391,450	To paid once capitacion is received.

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
6. Mutaraho books & stationers	872,410	01/7/2022		872,410	872,410	To paid once capitaton is received.
Sub-Total	2,288,105			2,288,105	2,288,105	
Supply Of Services						
7. Retention welfare fund	30,620	01/07/2022	-	30,620	30,620	To be paid end of year.
8. Prepaid fees	273,740	01/7/2020		273,740	273,740	To be receipted July 2023.
9. .						
Sub-Total	304,360			304,360	304,360	
Grand Total	4,168,905			4,168,905	4,168,905	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/T (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/T (Kshs) 30 th June 2023
Land	6,000,000	-		6,000,000
Buildings And Structures	126,871,715	7,994,161		134,865,876
Motor Vehicles	3,700,000	-	-	3,400,000
Office Equipment, Furniture And Fittings	1,361,000	400,000	-	1,401,000
Textbooks	6,395,700	154,500		6,241,200
Tools And Apparatus				

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Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Other Machinery And Equipment				
Total	144,328,415	8,548,661		152,877,076