REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

AGUTHI SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

NYERI COUNTY

Revised 30th June 2023.

AGUTHI 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 located in NYERI County, TETU Sub-County

The school was registered on 11/12/20 under registration number 19S00300168 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 135 numbers of students as at *30th June 2023*. It has 1 stream and 11 teachers of which 2 teacher is 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	John Muturi Karingithi	Chairman/Rep special need	04/03/2022
2	JohnWanyaga Muthoka	V/Chairman/Rep Sponsor	04/03/2022
3	Benson M.Mathenge	Co-opted-Member	04/03/2022
4	Irene Muthoni Ndumia	Member –Rep Parent/Local Community	04/03/2022
5	Jedidah Wambui Maina	Member –Rep Parent Local Community	04/03/2022
6	Salome W. Nderitu	Member –Rep Parent Local Community	04/03/2022
7	Reuben Gachanja	Member – Rep CEB	04/03/2022
8	Simon Kinogu Kamonde	Member -Rep Teachers	04/03/2022
9	Maurine Macharia	Co-opted-Member	04/03/2022
10	Irene Wanjiru Muchiri	Members – Rep Sponsor	04/03/2022
11	Jesee Wachira Kihia	Member –Rep Special Interest + Group	04/03/2022
12	Martin Gitau	Rep - Students	04/03/2022
13	Ann Wagaki	Member -Rep Parent Local Community	
14	Mark Marekia	Member -Re Parent Local Community	04/03/2022
15	Moses Mathenge	PTA Chairman	04/03/2022
16	Francis Njogu Ngumo	Members – Rep Sponsor	04/03/2022
17	Njaramba Wanjii	Member –Rep Parent Local Community	04/03/2022

The function of the School Board of Management include:

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the school
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the school.
- Determine cases of students' 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 paragraph 21 and 23 of the Basic Education Act, 2013.

(c.) Committees of the Board

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr John Karingithi Mr Paul Mwirigi Mr Moses Mathenge Mrs Salome w Nderitu Mrs Ann Wagaki	Chairman Secretary Member Member Member	5 out of 6
2	Audit Committee	Mr francis Ngumo Mr Paul Mwirigi Mr Moses Mathenge Mrs Salome Nderitu Mr.John Karingithi	Chairman Secretary Member Member Member	5 out of 6
3	Finance, procurement and general-purpose Committee	Mr francis Ngumo Mr Paul Mwirigi Mr Moses Mathenge Mrs Salome Nderitu Mr.John Karingithi	Chairman Secretary Member Member Member	5 out of 6
4	Development Committee	Mr Njaramba Wanjii Mr Paul Mwirigi Mr John Karingithi Mrs.Irene Ndumia Mr Moses Mathenge	Chairman Secretary Member Member Member	5 out of 6
5	Academic Committee	Mr.Simon Kamonde Mr Paul Mwirigi Miss Irene muchiri Mrs Anne Wagaki MR Njaramba Wanjii Dean Of Studies	Chairman Secretary Member Member Member Member	6 out of 6
6	Discipline and welfare Committee	Mr Jesse kihia Mr Paul Mwirigi Mr paul Kanori Mrs Jedidah Maina	Chairman Secretary Member Member	4 out of 6

(d.) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	PAUL MWIRIGI M'NGITI	374487
2	Deputy Principal	PAUL NDUNGU KANORI	253611
3	School Bursar	HELLEN WANJIRU BARAGU	27908003

(e.) Schools contacts

Post Office Box: 480 NYERI
Telephone: 0769284537
E-mail: aguthisecondary@gmail.com

(f.) School Bankers

The school operated EIGHT bank accounts and 1 paybill Number as follows:

1. Name of Bank: KCB BANK
   Branch: NYERI
   Account Number: 1101833645

2. Name of Bank: KCB BANK
   Branch: NYERI
   Account Number: 1101836784

3. MPESA Pay Bill No. Business No. 522123
   A/C NO 40026K
   Attached to bank account 1101833645

4. Name of Bank: KCB BANK
   Branch NYERI
   Account Number 1101837020

5. Name of Bank KCB BANK
   Branch NYERI
   Account Number 1101732571

6. Name of bank TAIFA SACCO
   Branch NYERI
   Account Number 01-0502-001-07563

7. Name of Bank FAMILY BANK
   Branch NYERI
   Account Number 055000029836

8. Name of Bank KCB BANK
   Branch NYERI
   Account Number 1291017208

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

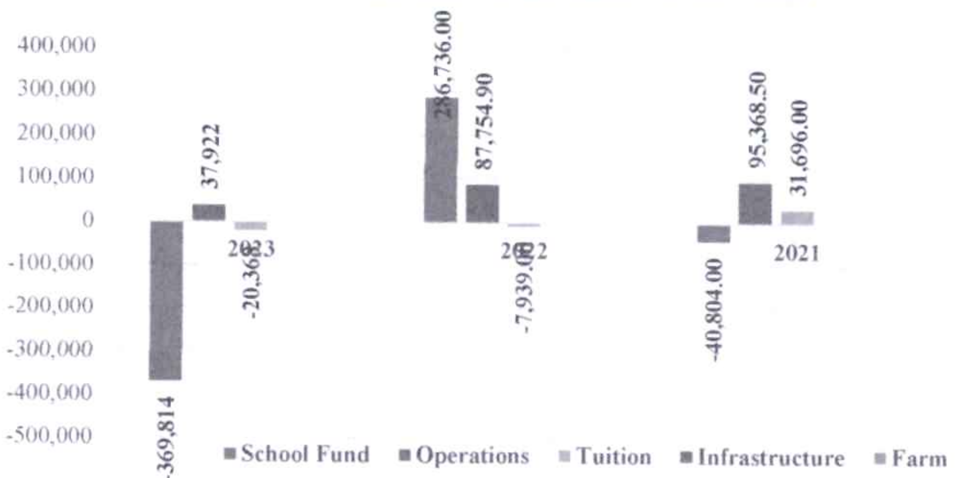
The following is a summary report of the performance of the school against the set performance evaluation criteria:

(a)Financial performance:

Under this section, it reflects the actual financial performance trend for the last Three years period between 1st January 2021 to 30th June 2023 which covers a period of 48 month and is summarised as follows.

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	
		Kshs	**Kshs**	**Kshs**	
1	School Fund Account	(369,814)	286,736.00	(40,804.00)	
2	Operations Account	37,923	87,754.90	95,638.50	
3	Tuition Account	(20,368)	(7,939.00)	31,696.00	
4	Infrastructure Account				
5	Farm Account				
	TOTAL	**(352,259)**	366,551.90	86,530.50	
	Increase/Decrease	**(718,812)**	**280,021.40**	**130,638.50**	

Trend over the Last Three Years

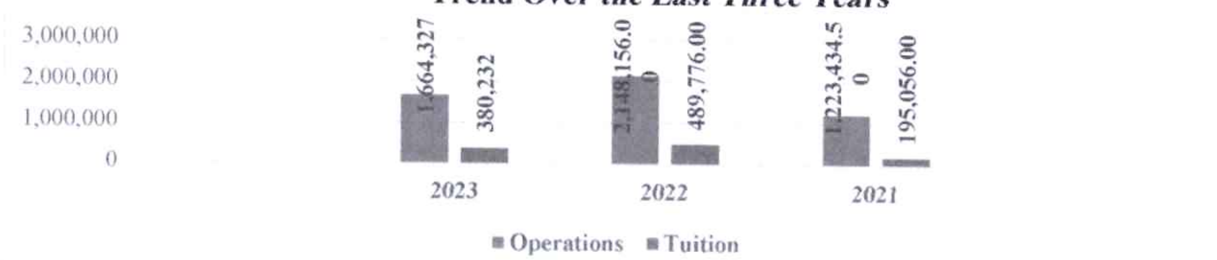


The surplus for the year 2022 increased by Ksh280,021.40 from surplus of Ksh 86,530.50 due to increase in academic year and current period covering 12 month as compared to financial year 2021covering 6 month. The deficit decreased by 718,812 for the year 2023 due to reduction in government grants.

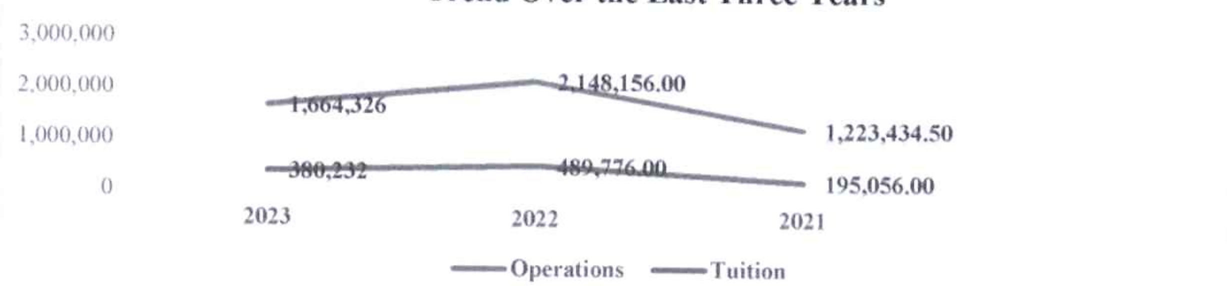
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	
			KSH	**KSH**	
1	Operations Account	1,664,327	2,148,156.00	1,223,434.50	
2	Tuition Account	380,232	489,776.00	195,056.00	
	Total	**2,044,558**	**2,637,932.00**	**1,418,490.50**	
	Increase/Decrease	**(593,374)**	**1,219,442.50**	**(1,384.50)**	
	No of Students	134	144	145	
	Ratio of Capitation per student	**1.14500**	**1.8129.60**	**1.9456.60**	

Trend Over the Last Three Years



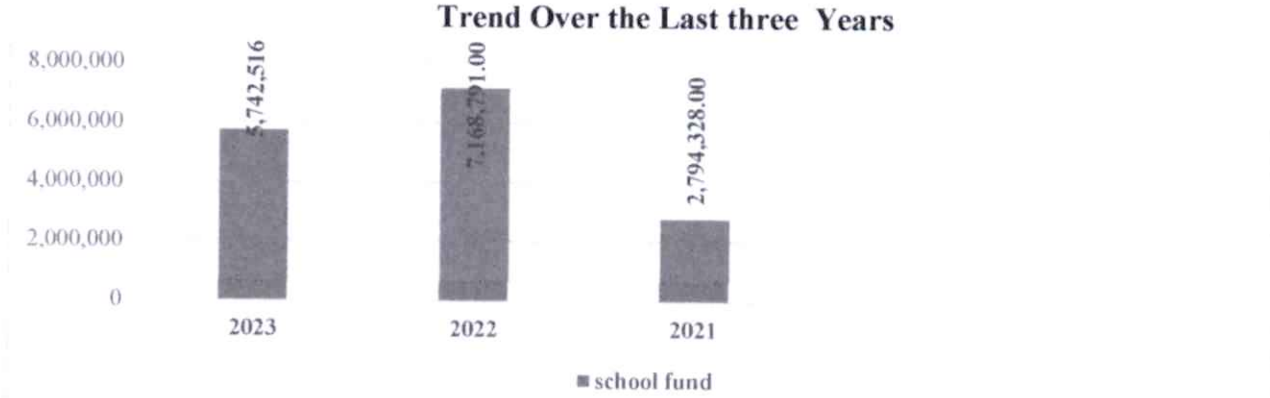
Trend Over the Last Three Years

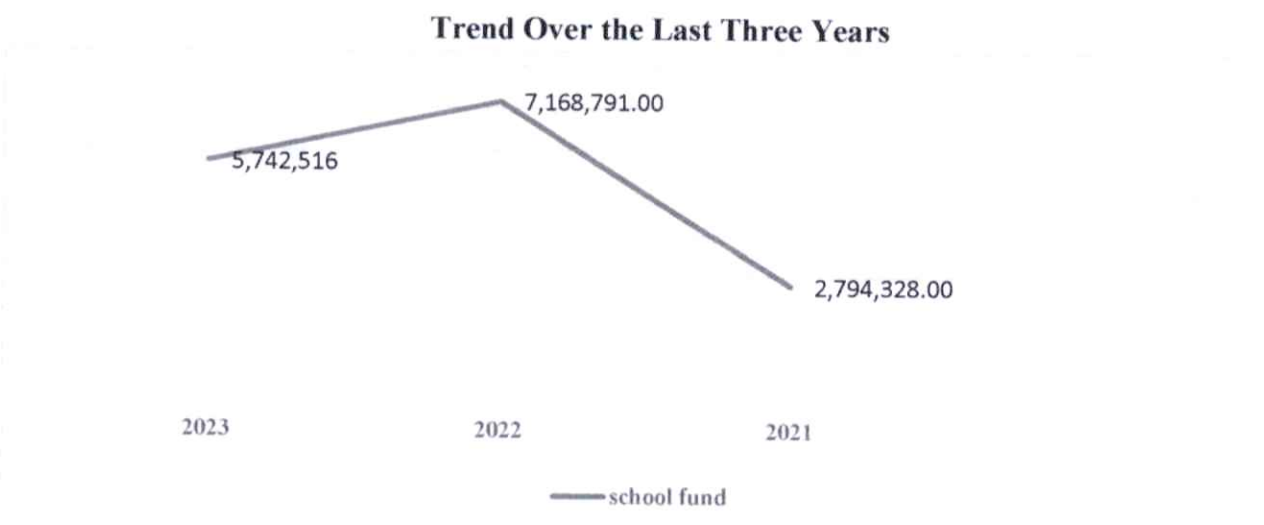


The capitation grant for the financial year 2022 was Ksh 2,637,932.00 year as compared to Ksh1,418,490.50 for the financial year 2021 representing an increase of Ksh 1,219,441.50.The net increase is mainly contributed by the current period covering a period of 12 month and extension of academic year . The capitation grant for the financial year 2023 was Ksh2,044,558 compared to Kshs 2,637,932.00 in the financial year 2022 representing a decrease of Kshs 593,374 due to decrease of fdse disbursement.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF NET GROWTH OF OTHER INCOME(S))					
SNO	ACCOUNTS	2023	2022	2021	
			KSHS	KSHS	
1	School fund	5,742,516	7,168,791.00	2,794,328.00	
2					
3					
4					

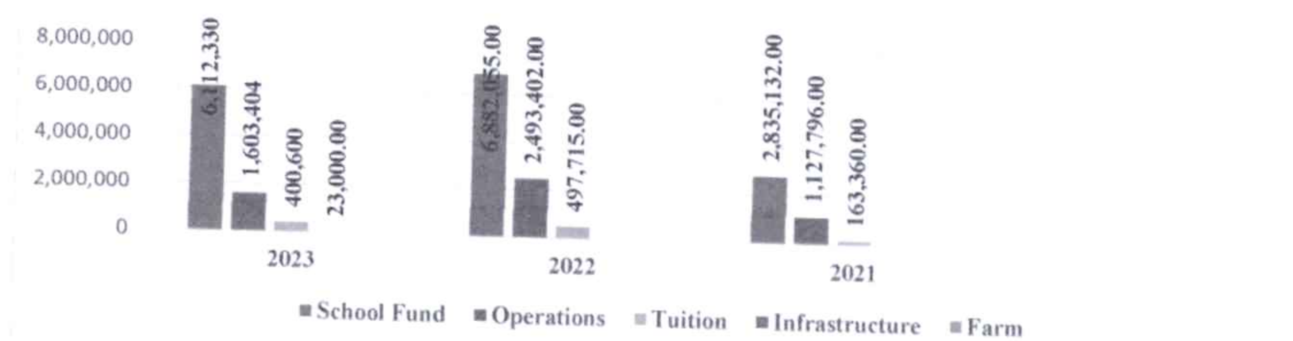




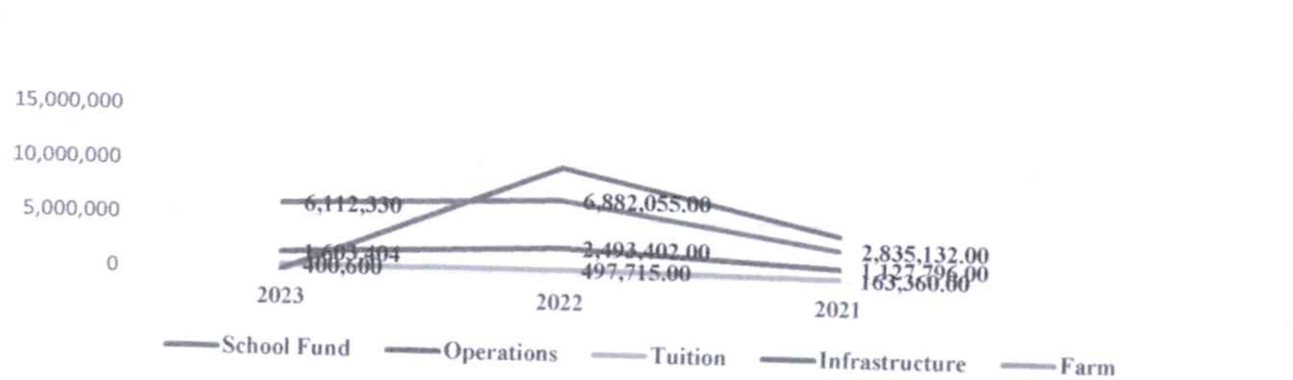
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2023	2022	2021	
				Kshs	
1	School Fund Account	6,112,330	6,882,055.00	2,835,132.00	
2	Operations Account	1,603,404	2,493,402.00	1,127,796.00	
3	Tuition Account	400,600	497,715.00	163,360.00	
4	Infrastructure Account	23,000		-	
5	Farm Account			-	
	Total	**8,139,334**	**9,873,172.00**	**4,126,288.00**	
	Increase/Decrease	**(1,733,838)**	**5,746,884.00**	**(302,325.00)**	

Trend Over the Last Three Years



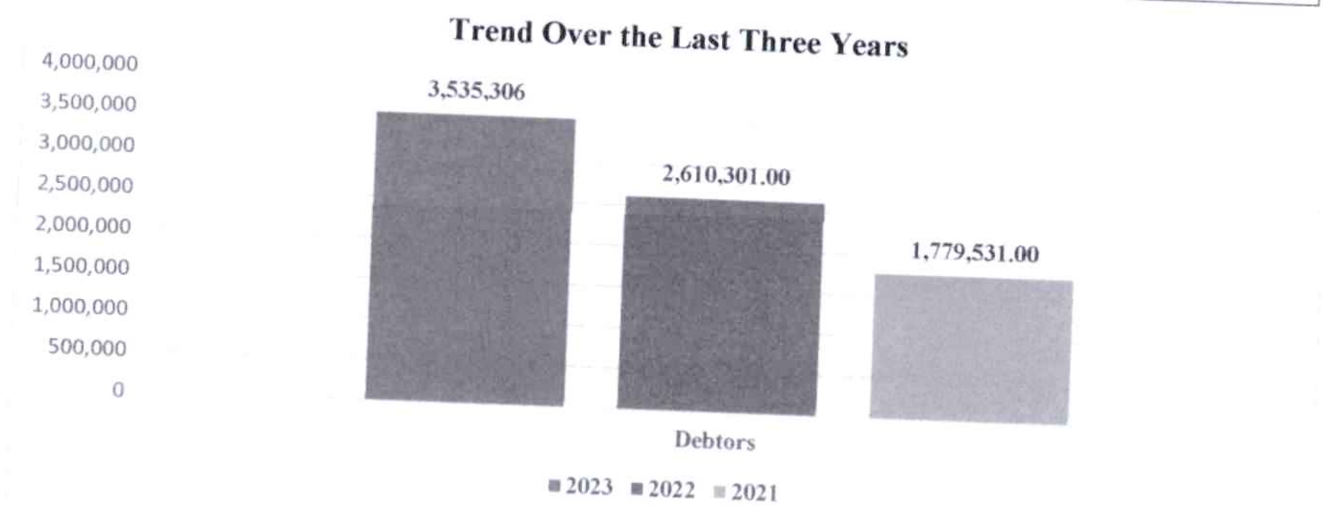
Trend Over the Last Three Years



In the financial year 2022 shows a increase of growth in expenditure which has resulted from the current year covering a period of 12 months, even though the financial year 2021 covers a period of 6 month.In the financial year 2023 show a decrease of growth in expenditure due to decrease in collection of school fee and grant.

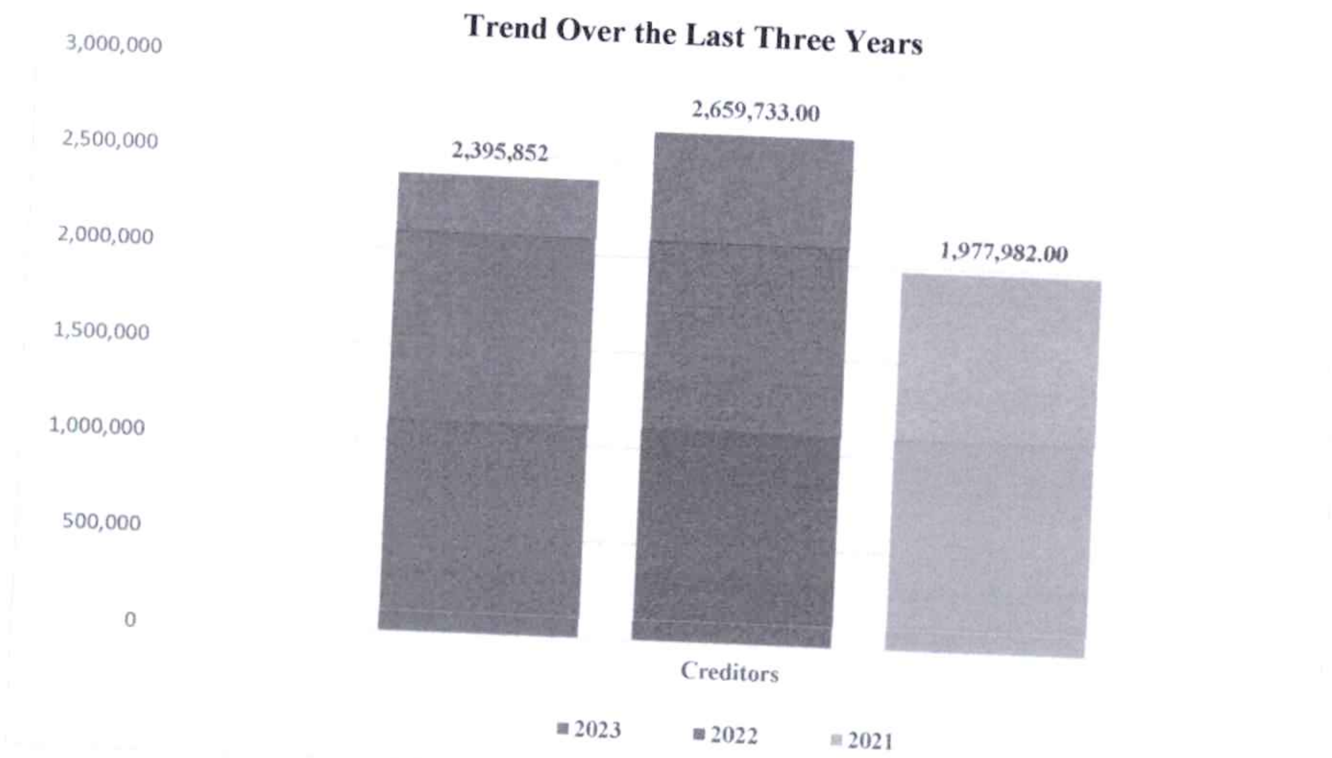
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2023	2022	2021	
1	**School Fund Account**			**KSHS**	
a	Debtors	3,535,306	2,610,301.00	1,779,531.00	
	Total	**3,535,306**	**2,610,301.00**	1,779,531.00	
	Increase/Decrease	**925,005.00**	**830,770.00**	**(1,130,692.00)**	



Total debtors as at 30th June 2023 increased by 35.44% to Kshs 3,535,306.00 compared to Kshs 2,610,301 .00 as at the end of the financial year 2022. The main contributors to the increase in total debtors is the students' having unpaid fees balances due to academic year and financial year covering 12 month compared to 2022.

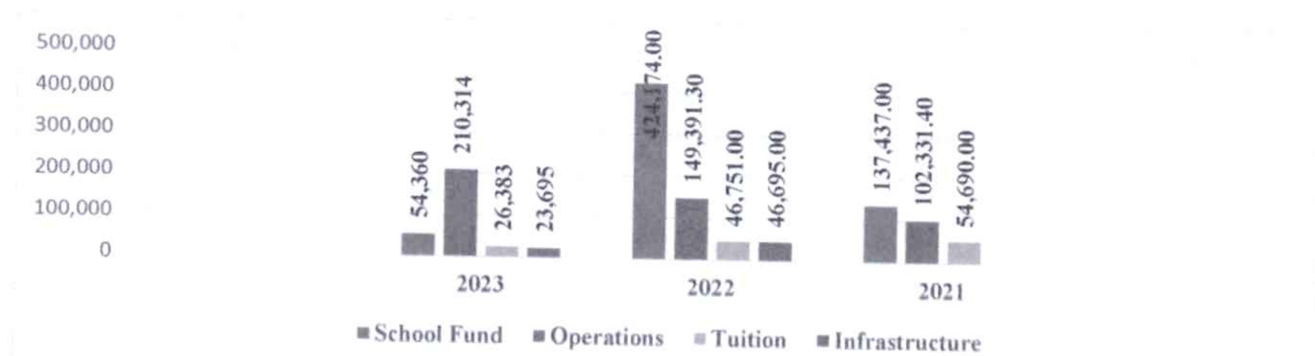
MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	
1	**School Fund Account**				
a	Creditors	2,395,852	2,659,733.00	**KSHS** 1,977,982.00	
	Total	2,395,852	2,659,733.00	1,977,982.00	
	Increase/Decrease	**(263,881)**	**681,751.00**	**(870,454.00)**	



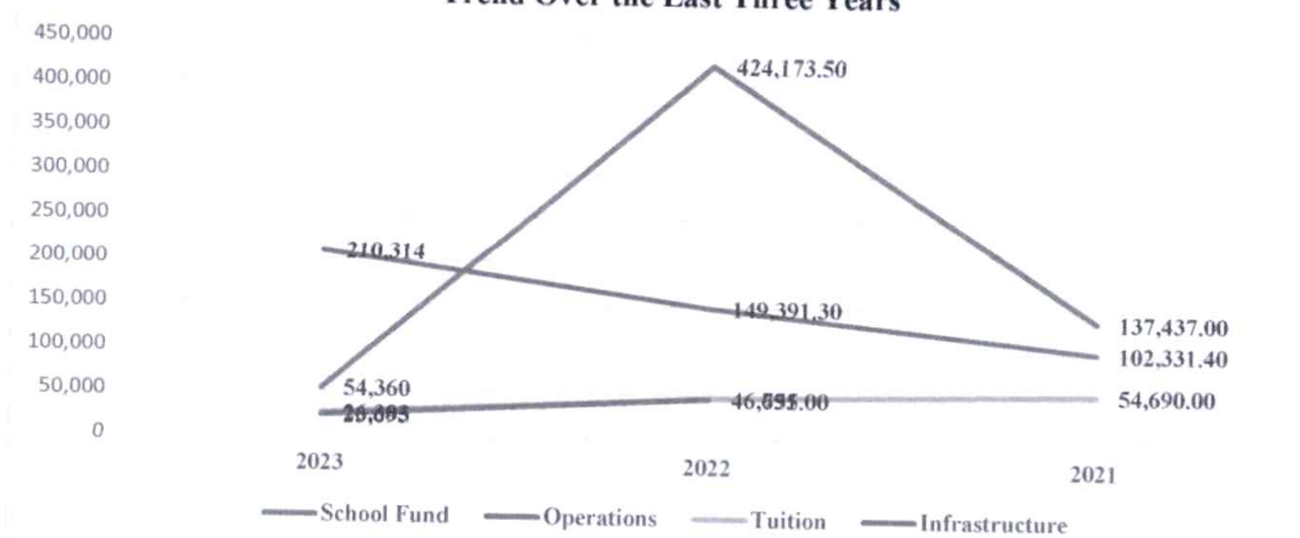
Total creditors as at 30th June 2023 decreased by Kshs 263,881 compared to Kshs 681,751.00 as at the end of the financial year 2022. The main contributors to the decrease in total creditors are due to payment of offsetting of creditors.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

	MOVEMENT OF CASH AND BANK BALANCES				
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	
			KSHS	**KSHS**	
1	School Fund Account	54,360	424,173.50	137,437.00	
2	Operations Account	210,314	149,391.30	102,331.40	
3	Tuition Account	26,383	46,751.00	54,690.00	
4	Infrastructure Account	23,695	46,695.00		
5	Farm Account				
	Total	**314,752**	**667,010.80**	**294,458.40**	
	Increase/Decrease	**(352,259)**	**372,552.40**	**80,530.00**	



Trend Over the Last Three Years



In the financial year 2023 the total cash and bank balances shows an decrease by ksh352,259 compared to ksh.372,552.40 in the financial year 2022, the decrease has resulted due to reduction in collection of fees and reduction in capitation.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

(b) Teacher Student ratio:

Between the month of July 2022 and June 2023, the status of the teaching staff is as follows:

There are 11 teachers posted by the Teachers Service Commission and 2 recruited by the Board of Management.

Although the teacher student ratio lies at 1: 14, we have a shortage of 2 teachers. Although as the CBE the number appears enough, we take extra technical subjects: French and Home science.

(c)Mean score in the year 2021 and 2022 2023 KCSE:

YEAR	ENROLMENT	MEAN SCORE	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2023	44		30	68		
2022	45	2.607	30	67	3.0	
2021	45	2.179	30	62	2.5	

(d) Number of candidates kcse 2023

YEAR	2023	2022	2021		
No of student	30	30	30		

(e) Capacity of the school

(i) The total number of students **400**
400÷5 dormitories **80**
(ii) One Dinning hall with capacity of students **500**
(iii)3 laboratories for the total population
iv4 Urinal and **20** toilets for the entire population.
(v)8 classrooms with capacity of 400 students

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

(f)Development projects carried out by the school:

Sno.	Project	Year	Status	Amount	Fund Source
1	Gravelling of the runway from the gate to administration block	2021	COMPLETE	200,000	School fund
2	Chain link fence	2022	INCOMPLETE	781,800	INFRASTRUCTURE
3					

Sign..

School Principal

4.Statement of School Management Responsibility

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

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

The Board of Management of *AGUTHI 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.

For

....

Name:

Designation: Chairman, School Board of Management

Date: 30/7/2024

....

Name: PAUL MURIUKI M.

Designation: School Principal & Secretary to Board of Management

Date: 30/7/2024

....

Name: HELLEN WANJIRU

Designation: Bursar/ Finance Officer

Date: 30/7 /2024

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

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON AGUTHI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NYERI 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 the 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 Aguthi Secondary School - Nyeri County set out on Pages 1 to 19 which comprise the statement of assets and liabilities for the 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 Aguthi Secondary School - Nyeri 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. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.3,535,306 which includes fees arrears of Kshs.3,451,446 as disclosed in Note 13 to the financial statements. However, the fees areas include receivables amounting to Kshs.1, 253,965 which had been outstanding for more than three (3) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.1,253,965 could not be confirmed.

2. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.380,232 and Kshs.1,664,327 respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, the National Education Management Information System (NEMIS) reported a total number of one hundred and thirty-seven (137) students while the enrolment records provided by the School indicated a total number of one hundred and twenty-eight (128) students, resulting to an unexplained variance of nine (9) students. As a result of the variances, the school was over-funded by Kshs.134,307.

In the circumstances, the accuracy and completeness of capitation grants for tuition and capitation grants for operations amounting to Kshs.380,232 and Kshs.1,664,327 respectively could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.13,886,200 and Kshs.7,743,119 respectively, resulting to an under-funding of Kshs 6,143,081 or 44% of the budget. However, the School spent a balance of Kshs 6,998,344 against actual receipts of Kshs 7,743,119 resulting to an under-utilization of Kshs 744,775 or 11 % of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

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 are 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 procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.6,112,330 as disclosed in Note 9 to the financial statements. Included in the expenditure is the administration costs of Kshs.84,974 which further includes

Kshs.60,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money realized from the transfer to KESSHA amounting to Kshs.60,000 could not be confirmed.

2. Excess Supply of Books

During the year 2022/2023, the Ministry of Education distributed set books to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed three hundred and seventy-six (376) set books to the School, while four hundred and sixty-four (464) set books were issued to the students resulting to an unexplained excess eighty-eight (88) set books in the school store.

In the circumstances, value for money on the excess text books could not be confirmed

3. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.2,395,852. However, included in the balance are trade payables balance of Kshs.954,885 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

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

4. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement plan. This is contrary to Paragraph 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 Ministry of Education Operation Manual.

5. Failure to Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.1,664,327 which was received from the Ministry of Education and credited in the operations bank account as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.556,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, no amount was transferred to infrastructure account, leaving the balance of Kshs 556,000 as at 30 June, 2023. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education Circular.

6. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.7,787,075 and Kshs.8,139,334 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

The audit was conducted in accordance with the (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Effectiveness in 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 of Conclusion

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) Regulations, 2015 which requires 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.

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accruals Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the School or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 School's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of 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 sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

30 September, 2024

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

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	380,232	489,776.00
Government grants for operations	2	1,664,327	2,148,156.90
Government Grants for infrastructure	3		433,000.00
School fund income- parents' contributions	4	5,663,116	7,058,091.00
Miscellaneous incomes	5	79,400	110,700.00
Total Receipts		**7,787,075**	**10,239,723.90**
		+	
Payments			
Tuition	6	400,600	497,715.00
Operations	7	1,603,404	2,493,402.00
Infrastructure	8	23,000	
Boarding and school fund	9	6,112,330	6,882,055.00
Total Payments		**8,139,334**	**9,873,172.00**
Surplus/Deficit		**(352,259)**	**366,551.90**

The school financial statements were approved on __________ 2023 and signed by:

....

Name: John Wanyaga

Chair BOM

Date: 30/7/2024

....

Name: PAUL MWIRIGI

School Principal/ Secretary to BOM

Date: 30/7/2024

....

Name: HELLEN WANJIRU

Bursar/ Finance Officer

Date: 30/7/2024

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

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	313,559	663,547.80
Cash balances	11	1,193	3,463.00
Short term investments	12		
Total cash and cash equivalent		**314,752**	**667,010.80**
Account's receivables	13	3,535,306	2,610,301.00
Total financial assets		**3,850,058**	**3,277,311.80**
Financial liabilities			
Accounts payables	14	(2,395,852)	(2,659,733.00)
Net financial assets		**1,454,206**	**617,578..80**
Represented by			
Accumulated fund b/fwd	15	617,579	102,007.90
Surplus/deficit for the year		(352,259)	366,551.90
Add increase/decrease account receivables		925,005	830,770.00
Less increase/decrease account payables		**(263,881)**	**(681,751.00)**
Net financial position		**1,454,206**	**617,578.80**

The school's financial statements were approved on ___________ 2023 and signed by:

....	....	....
Name: John Wanyaga	**Name:** PAUL MWERIA **School Principal/ Secretary to BOM**	**Name:** HELLEN WANJIRU
Chair BOM		**Bursar/ Finance Officer**
Date: 30/7/2024	**Date:** 30/7/2024	**Date:** 30/7/2024

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

8.Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	380,232	489,776.00
Government grants for operations	2	1,664,327	2,148,156.90
Government grants for infrastructure	3		433,000.00
School fund income- parents contributions/ fees	4	5,663,116	7,058,091.00
Miscellaneous incomes	5	79,400	110,700.00
Total receipts		**7,787,075**	**10,239,723.90**
Payments			
Cash outflows for tuition	6	400,600	497,715.00
Cash outflows for operations	7	1,603,404	2,493,402.00
Csh outflow for infrastructure	8	23,000	
Cash outflows Boarding/lunch and school fund payments	9	6,112,330	6,882,055.00
Total payments		**8,139,334**	**9,873,172.00**
Net cash inflow/outflow from operating activities		**(352,259)**	**366,551.90**
Cash flow from investing activities			
Acquisition of assets			
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		**(352,259)**	**366,551.90**
Cash and cash equivalent at beginning of the FY		667,011	300,458.90
Cash and cash equivalent at end of the FY		**314,752**	**667,010.80**

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

The school's financial statements were approved on ____________ 2023 and signed by:

....	....	....
Name: John Wanyaga	**Name:** PAUL MURIUKI N.	**Name:** HELLEN WANJIRU
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 30/7/2024	**Date:** 30/7/2024	**Date:** 30/7/2024

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

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

STATEMENT OF BUDGETED VERSUS AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023						
Receipt/Expenses Item	**Original Budget**	**Adjustments**	**Final Budget**	**Actual on Comparable Basis**	**Budget Utilization Difference**	**% of Utilization**
	a	b	c = a+b	d	e = c - d	f = d/c
RECEIPTS	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**	
(1) CAPITATION GRANT ON TUITION						
Exercise Books	181,000.00	-	181,000.00	-	181,000.00	0.00%
Lab. Equipment	200,000.00	-	200,000.00	-	200,000.00	0.00%
T/L Materials	169,200.00	-	169,200.00	380,232.00	(211,032)	0.00%
Stationery	300,000.00	-	300,000.00	-	300,000.00-	0.00%
Ref/Lib (Textbooks)	103,000.00	-	103,000.00	-	103,000.00-	0.00%
		-				
SUB-TOTAL	**953,200.00**	-	**953,200.00**	**380,232.00**	**572,968.00**	**39.89%**
(2) CAPITATION GRANT ON OPERATIONS						-
Local, Transport & Travelling	304,000.00	-	304,000.00	140,985.00	163,015.00	46.38%
Electricity, Water & Conservancy	287,800.00	-	287,800.00	133,472.00	154,328.00	0.46%
Repair, Maintenance & Improvement	1,150,000.00	-	1,150,000.00	556,000.00	594,000.00	0.48%
Activity (i)	345,000.00	-	345,000.00	77,863.00	267,137.00	0.23%
Othervoteheads		-				
Personal Emoluments	1,323,600.00	-	1,323,600.00	613,842.00	709,758.00	0.46%
Administration Costs	246,600.00		246,600.00	114,365.00	132,235.00	0.46%
Medicine	460,000.00		460,000.00	27,800.00	432,200.00	0.06%
SMASSE	46,000.00		46,000.00		46,000.00	**0.00%**
SUB-TOTAL	**4,163,000.00**	-	**4,163,000.00**	**1,664,327.00**	**2,498,673.00**	

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023 (Continued)						
(3) FEES CHARGED ON PARENTS						-
Boarding, Equipment & Stores	6,274,600.00		6,274,600.00	3,656,534.00	2,618,066.00	58.27%
Local, Transport & Travelling	235,200.00		235,200.00	134,390.00	100,810.00	57.00%
Electricity, Water & Conservancy	966,000.00		966,000.00	567,100.00	398,900.00	58.71%
Repair, Maintenance & Improvement	512,000.00		512,000.00	333,309.00	178,691.00	65.10%
Activity (ii)	69,600.00		69,600.00	130,062.00	(60,462.00)	0.00%
Personal Emoluments	392,400.00		392,400.00	604,470.00	(212,070.00)	0.00%
Administration Costs	320,200.00		320,200.00	193,295.00	126,905.00	60.37%
SUB-TOTAL	**8,770,000.00**		**8,770,000.00**	**5,619,160.00**	**3,150,840.00**	64.07%
OTHER INCOME						
EXAM				10,100.00		
RENT				30,000.00		
UNIFORM				39,300.00		
SUB-TOTAL				**79,400.00**		
SUB-TOTAL				**5,698,560.00**		
GRAND-TOTAL INCOME	**13,886,200**		**13,886,200**	**7,743,119.00**	**6,222,482.00**	

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023 (Continued)

EXPENDITURE FOR:						
(1) TUITION						
Exercise Books	181,000.00	-	181,000.00			0.00%
Lab. Equipment	200,000.00	-	200,000.00	40,000.00	160,000.00	20%
Textbooks and reference materials	169,200.00	-	169,200.00	20,000.00	149,200.00	11.82%
Stationery	300,000.00	-	300,000.00	52,474.00	247,526.00	17.5%
Exam and Assessment	103,000.00	-	103,000.00	10,000.00	93,000.00	9.7%
SMASSE		-				
Bank Charges		-		600.00		0.00%
SUB-TOTAL	**953,200.0**	-	**953,200.0**	**123,074.00**	**830,126.00**	**12.91%**
(2) OPERATIONS						
Local, Transport & Travelling	304,000.00	-	304,000.00	119,725.00	184,275.00.00	39.4%
Electricity, Water & Conservancy	287,800.00	-	287,800.00	129,290.00	158,510.00	44.9%
Repair, Maintenance & Improvement	1,150,000.00	-	1,150,000.00	124,525.00	1,025,475.00	12.14%
Activity (i)	345,000.00	-	345,000.00	551,315.00	(206,315.00)	0.00%
Medical/Insurance	460,000.00	-	460,000.00		-	0.00%
Personal Emoluments	1,323,600.00	-	1,323,600.00	478,264.00	845,336.00	36.00%
Administration Costs	246,600.00		246,600.00	103,695.00	142,905.00	42.1%
SMASSE	46,000.00		46,000.00		-	0.00%
SUB-TOTAL	**4,163,000.00**	-	**4,163,000.00**	**1,506,814.00**	**2,656,186.00**	**36.20%**
(3) SCHOOL FUND						
Boarding, Equipment & Stores	6,274,600.00	-	6,274,600.00	2,766,610.00	3,507,990.00	54.3%
Local, Transport & Travelling	235,200.00	-	235,200.00	215,250.00	19,950.00	91.50%
Electricity, Water & Conservancy	966,000.00	-	966,000.00	112,832.00	853,168.00	11.7%
Repair, Maintenance & Improvement	512,000.00	-	512,000.00	62,270.00	464,490.00	9%
Exam				34,900.00		0.00%
Activity (ii)	69,600.00	-	69,600.00	488,440.00	(418,840.00)	0.00
Personal Emoluments	392,400.00	-	392,400.00	1,575,790.00	(1,203,390.00)	0.00%

Medicine				4,390.00	-	0.00%
Administration Costs	320,200.00	-	320,200.00	84,974.00	235,226.00	26.5%
Expenditure from Income Generating Activities						
SUB-TOTAL	**8,770,000.00**	-	**8,770,000.00**	**5,345,456.00**	**3,419,304.00**	60.95%
INFRASTRUCTURE						
Repair ,Maintenance& Improvement				23,000.00		-
TOTAL EXPENDITURE	**13,886,200**		**13,886,200**	**6,998,344.00**	**6,905,616.00**	
						-

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

i. The school has only received 64.07% of the expected revenue from 1st July 2022 to 30th June 2023
ii. The school has only utilized 60.95% of the fees collected from 1st July 2022 to 30th June 2023

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 Grants for Tuition

Description	2022-2023	2022-2021
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	380,232	489,776.00
Others *(specify)**		
Total	**380,232**	**489,776.00**

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments		
Repairs Maintenance improvement	556,000	1,063,196.00
Local Transport / Travelling		
Electricity And Water		
Medical	27,800	
Administration Costs		
Activity	77,863	
Other Vote Heads (specify)*	1,002,664	1,084,960.90
Total	**1,664,327**	**2,148,156.90**

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement		433,000.00
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other *(specify)(NGCDF and County govt.*		
Total		**433,000.00**

4. School Fund Income - Parents Contribution/Fees .

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	604,470	735,726.00
Repairs and maintenance	333,309	377,635.00
Local transport / travelling	134,390	155,202.00
Electricity and water	567,100	643,761.00
Medical		
Administration costs	193,295	209,791.00
Activity	130,062	42,471.00
Arrears	43,956	26,030.00
Fee on Boarding Equipment and stores	3,323,964	4,708,626.00
A Levies*		
Prepaid fees	332,570.00	158,849.00
Others (specify)		
Total	**5,663,116**	**7,058,091.00**

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

5. Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	30,000	67,150.00
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Uniform	39,300	31,250.00
Exam	10,100	12,300.00
Loans/Borrowings*		
Other Income *(specify)**		
Total	**79,400**	**110,700.00**

(Include an explanation on the kind and source of grants/ donations received by the school.)
**Ensure proper authorization from MOE before obtaining loans/borrowings.*
**Indicate what other income relates to including income arising from writebacks if any.*

Notes to the Financial Statements (continued)

6.Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials	20,000	
Laboratory Equipment	40,000	100,000.00
Teaching / Learning Materials		33,500.00
Exams And Assessment	10,000	
Teachers Guides		
Creditors	277,526	145,971.00
Bank Charges	600	840.00
Stationery	52,474	217,404.00
Others *(specify)*		
Total	**400,600**	**497,715.00**

7.Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	478,264	623,368.00
Service Gratuity		
Administration Cost	103,695	113,549.00
Repairs And Maintenance & Improvements	124,525	208,370.00
Local Transport / Travelling	119,725	149,300.00
Electricity And Water	129,290	105,742.00
Medical		
Activity Expenses	551,315	324,300.00
Insurance Cost		
SMASSE/INFRASTUCTURE		386,305.00
CREDITORS	96,590	149,468.00
Transfer to infrastructure account		433,000.00
Others (specify)		
TOTAL	**1,603,404**	**2,493,402.00**

8.Infrastructure

Description	2022-2023	2021-2022
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Construction of chain link fence	23,000	
Total	**23,000**	

9. Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,575,790	1,948,402.00
Service Gratuity		
Repairs And Maintenance & Improvements	62,270	421,803.00
Local Transport / Travelling	215,250	313,050.00
Electricity And Water	112,832	247,808.00
Medical Expenses	4,390	13,208.00
Administration Costs	84,974	258,440.00
Exam	34,900	
Bank Charges		
CREDITORS	766,874	712,301.00
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores	2,766,610	2, 419,913.00
Rent Expenses		
Insurance Cost (*Life Property*)		
Loan Interest Repayment		
Acquisition Of Assets		
Activity fund	488,440	547,130.00
Others (specify)		
Total	**6,112,330**	**6,882,055.00**

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account		1101837020	26,383	46751.00
Operations Account		1101836784	210,277	147,244.30
School Fund Account/Boarding		1101833645	53,204	422,857.50
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account		1291017208	23,695	46,695.00
Total			**313,559**	**663,547.80**

11.Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition		
Operation Account	37	2,147.00
School Fund account	1,156	1,316.00
Infrastructure Account		
TOTAL	**1,193**	**3,463.00**

12.Short Term Investments

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

13.Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	3,451,446	2,532,441.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)	83,860	77,860.00
Total	**3,535,306**	**2,610,301.00**

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023 Kshs		2021-2022 Kshs	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year				
Between 1- 2 years	962,961	28%	849,750.00	34%
Between 2-3 year	1,278,476	37%	428,726.00	17%
Over 3 years	1,253,965	36%	1,279,995.00	51%
Less fee recovery	(43,956)		(26,030.00)	
Total (should tie to note 13 a)	**3,451,446**		**2,532,441.00**	

14.Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,986,065	2,327,163.00
Prepaid Fees	30,353	332,570.00
Retention Monies		
Unpaid salaries and statutory deductions	379,434	
Caution money		
Other payables *(specify)*		
Total	**2,395,852**	**2,659,733.00**

14b. Ageing Analysis of Accounts Payable

Description	2022-2023 Kshs		2022-2021 Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years	1,031,180	51.92%	1,515,770.00	57%
Between 2-3 years	440,500	22.18%	1,819,133.00	68%
Over 3 years	514,385	25.90%		
Trade Creditors paid	0		1,007,740.00	
Total (should tie to note 14)	**1,986,065**	**100%**	**2,327,163.00**	**88%**

15.Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	663,548	205,369.40
Cash Balances	3,463	95,089.50
Short Term Investments		
Receivables	2,610,301	1,779,531.00
Payables	2,659,733	(1,977,982.00)
Total	**617,579**	**102,007.9**

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	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17.Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cow	2	100,000	100,000
Goats			
Bull	1	40,000	40,000
Calves	1		20,000
Trees	190	5,000	5,000
Coffee Or Tea Plantation	200	1,000	1,000
Poultry	-		
Others (specify)			
Total		**146,000**	**166,000.00**

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		

19.Stock/ Inventory

Description	2022-2023 Kshs	2021-2022 Kshs
Food stuffs	213,088	260,100
Lab consumables	14,941	86,711
Farm produce		
Medication		
Construction Materials		
Others (specify)		
TOTAL	**228,029**	**346,811**

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

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)

Sign and Date 30/7/2024
Principal

21.ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

S/no	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2023	Outstanding Balance comparative FY	comment
		Kshs	Kshs	Kshs	Kshs		
		a	b	c	d=a-c		
A	**CONSTRUCTION OF BUILDING**						
1	MURANGA UNIVERSITY	35,000	01/07/2022	-	35,000	35,000	
	Sub-Total (A)	**35,000**		-	**35,000**	**35,000**	
B	**SUPPLY OF GOODS**						
2	WILTEX	138,130	01/07/2022	20,000	118,130	118,130	
3	FELISHINAH WAMUYU	22,500	01/07/2022	-	22,500	22,500	
4	KNIGHT BOOK CENTRE	19,000	01/07/2022	-	19,000	19,000	
5	HABEL NGATIA	81,360	01/07/2022	19,500	61,860	19,500	
6	DAVID MUTERU	192,730	01/07/2022	84,270	108,460	84,270	
7	PHYLIS MUNENE	364,200	01/07/2022	80,600	283,600	80,600	
8	DPL FESTIVE	168,938	01/07/2022	95,344	73,594	95,344	
9	JOHN KAMARA NDIRANGU	586,525	01/07/2022	428,260	158,265	428,260	
10	JAWA STORE	35,415	01/07/2022	11,590	23,825	11,590	
11	GRYPSY ENTERPRISE	45,000	01/07/2022	-	45,000	45,000	
12	KHIMJI DEVSHI BOOKSHOP	53,801	01/07/2022	25,000	28,801	53,801	
13	PETER GITHINJI	6,500	01/07/2022	-	6,500	6,500	
14	NICHOLUS MITHIGI	76,400	01/07/2022	-	76,400	76,400	
15	GEOFREY THIONGO	23,768	01/07/2022		23,768	23,768	
16	GEORGE NDIRANGU	51,000	01/07/2022	-	51,000	51,000	
17	STETAMX ENTERPRISE	24,570	01/07/2022	-	24,570	24,570	

18	BEATRICE WAMBUI KIMANI	13,200	01/07/2022	-	13,200	13,200	
19	MOSES NDEGWA	24,000	01/07/2022	-	24,000	24,000	
20	NGAWAI INVESTMENT	503,372	01/07/2022	277,526	225,846	277,526	
	Sub-Total (B)	**2,430,409**		**1,042,090**	**1,388,319**	**1,474,959**	
C	**SUPPLY OF SERVICE**						
21	FRANCIS NDUGO	30,000	01/07/2022		30,000	30,000	
22	UMOJA VET	3,650	01/07/2022	720	2,930	3650	
23	TEAWASCO	19,800	01/07/2022	18,900	900	18,900	
24	KPLC	33,000	01/07/2022	-	33,000	33,000	
25	PETER MARANGA	6,530	01/07/2022	-	6,530	6,530	
26	NOBLE VET SERVICES	1,300	01/07/2022	-	1,300	1,300	
27	INTERACTIVE DIGITAL SOLUTION	19,000	01/07/2022	-	19,000	19,000	
28	LUCY IRUNGU	7,500	01/07/2022	-	7,500	7,500	
29	KHMJO SUPPLY AGENCIES	18,530	01/07/2022	-	18,530	18,530	
30	JOSEPH GICHUKI	105,000	01/07/2022	10,000	95,000	105,000	
31	AGELINAH WACHIRA	272,000	01/07/2022	20,000	252,000	272,000	
32	LYDIAH MUTHONI&OTHER	52,800	01/07/2022	-	52,800	52,800	
33	BRYFIX ENGINEERING	19,280	01/07/2022	19,280	0	0	
34	JOHN WANJUKI	39,756	01/07/2022	20,000	19,756	39,756	
35	COMPUTER SCHOOL OF KENYA	2,500	01/07/2022	-	2,500	2,500	
36	MATLEON SERVICES	10,000	01/07/2022	10,000	0	0	
37	GEORGE NDIRANGU	21,000	01/07/2022	-	21,000	21,000	
	Sub-Total (C)	**661,646**		**98,900**	**562,746**	**631,466**	
	GRAND TOTAL	**3,506,489**		**1,140,990**	**1,986,065**	**2,141,425**	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	51,000,000.00			51,000,000.00
Buildings And Structures	61,800,000.00			61,800,000.00
Motor Vehicles	-			-
Office Equipment, Furniture And Fittings	710,000.00			710,000.00
Textbooks	3,968,000.00			3,968,000.00
ICT Equipment	527,000.00			527,000.00
Tools And Apparatus	759,000.00			759,000.00
Other Machinery And Equipment	2,453,600.00			2,453,600.00
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	25,000.00			25,000.00
Total	**121,242,600**			**121,242,600**

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

AGUTHI SECONDARY SCHOOL

P.o box 480 nyeri 0769284537:Aguthisecondary@gmail.com

AGUTHI SEC. SCHOOL FUND TRIAL BALANCE

CURRENT PERIOD: ISTJuly-22-TO 30TH JUN 23

COMPARE WITH JUL-21-TO 30 JUN 22

	CURRENT PERIOD		PREVIOUS PERIOD	
	Debit balance	Credit balance	Debit balance	Credit balance
	kshs	kshs	kshs	kshs
OPENING BALANCES				
Cash in hand		1,316.00		95,056.50
Cash at Bank		422,858.00		42,381.00
Booarding Equipment &Store	2,766,610.00	3,323,964.00	2,419,913.00	4,708,626.00
Local Transport &Travel	215,250.00	134,390.00	313,050.00	155,202.00
Electricity and water	112,832.00	567,100.00	247,808.00	643,761.00
Repair maintance& improvement	62,270.00	333,309.00	421,803.00	377,635.00
activity fund	488,440.00	130,062.00	547,130.00	42,471.00
administration cost	84,974.00	193,295.00	258,440.00	209,791.00
fee arrears		43,956.00		26,030.00
Personal emolument	1,575,790.00	604,470.00	1,948,402.00	735,726.00
creditor	766,874.00		712,301.00	
Rent		30,000.00		67,150.00
sacco deduction	192,699.00	192,699.00	163,036.00	163,036.00
Welfare	132,300.00	132,300.00	188,100.00	188,100.00
Union	9,300.00	9,300.00	8,200.00	8,200.00
Nssf	72,748.00	72,748.00	57,990.00	57,990.00
nhif	31,100.00	31,100.00	23,900.00	23,900.00
Exam	34,900.00	10,100.00		12,300.00
Medicine	4,390.00		13,208.00	
Uniform		39,300.00		31,250.00
Prepayment		332,570.00		158,849.00
CLOSING BALANCE				
CASH	1,156.00		1,316.00	
BANK	53,204.00		422,857.50	
TOTAL	6,604,837.00	6,604,837.00	7,747,454.50	7,747,454.50

Prepared by: Hellen Wanjiru date 30/7/2024

Approved by: PAUL Mwangi M. date 30/7/2024

AGUTHI SECONDARY SCHOOL
P.o box 480 nyeri 0769284537:Aguthisecondary@gmail.com
AGUTHI SEC. OPERATION A/C TRIAL BALANCE
CURRENT PERIOD: ISTJuly-22-TO 30TH JUN 23
COMPARE WITH JULY-21-TO 30 JUN 2022

			CURRENT PERIOD		PREVIOUS PERIOD	
			Debit balance	Credit balance	Debit balance	Credit balance
			kshs	kshs	kshs	kshs
OPENING BALANCES						
Cash in hand				2,147		33
Cash at Bank				147,244.00		108,298.4
Activity fund			551,315	77,863.00	324,300	
Repair maintance& improvement			124,525	556,000	208,370	1,063,196
Electricity and water			129,290		105,742	
Local Transport &Travel			119,725		149,300	
Medical				27,800		
administration cost			103,695		113,549	
Personal Emolument			478,264		623,368	
Other votehead				1,002,664.00		1,084,960.90
nssf			16,328	16,328	33,028	33,028
Nhif			5,600	5,600	12,100	12,100
Sacco dedduction			34,457	34,457	95,889	95,889
union			2,000	2,000	4,700	4,700
Welfare			57,900	57,900	74,900	74,900
PAYEE						
Sundry Creditors			96,590		149,468	
Smasse						
INFRASTRUCTURE A/C					433,000	
CLOSING BALANCE						
CASH			37		2,147	
BANK			210,277.00		147,244.30	
TOTAL			**1,930,003.00**	**1,930,003.00**	**2,477,105.30**	**2,477,105.30**

Prepared by: Hellen Wanjiru date 30/7/2024

Approved by: Paul Mwangi M date 30/7/2024

AGUTHI SECONDARY SCHOOL
P.o box 480 nyeri 0769284537:Aguthisecondary@gmail.com
AGUTHI SEC. TUITION A/C TRIAL BALANCE
CURRENT PERIOD: ISTJuly-22-TO 30TH JUN 23
COMPARE WITH JULY-21-TO 30 JUN 2022

		CURRENT PERIOD		PREVIOUS PERIOD	
		Debit balance	Credit balance	Debit balance	Credit balance
		kshs	kshs	kshs	kshs
OPENING BALANCES					
Cash in hand					
Cash at Bank			46,751.00		54,690.00
TUITION					
TEXTBOOKS					
EXERCISE BOOKS					
LAB EQUIPMENT		40,000.00		100,000.00	
LEARNING MATERIAL/TEACHING			380,232.00	33,500.00	489,776.00
CHALK					
REFERENCE MATERIAL		20,000.00			
EXAM&ASSESSMENT		10,000			
STATIONERY		52,474.00		217,404.00	
BANK CHARGES		600		840	
CREDITORS		277,526		145,971	
CLOSING BALANCE					
CASH					
BANK BALANCE		26,383.00		46,751.00	
TOTAL		**426,983.00**	**426,983.00**	**544,466.00**	**544,466.00**

Prepared by: Hellen wanjiru date 30/7/2024

Approved by: PAUL Murray M. date 30/7/2024

AGUTHI SECONDARY SCHOOL

P.o box 480 nyeri 0769284537:Aguthisecondary@gmail.com

AGUTHI SEC. INFRASTRUCTURE A/C TRIAL BALANCE

CURRENT PERIOD:JULY-22-TO JUN 23

COMPARE WITH JULY 21-JUNE 22

OPENING BALANCE			Debit balance	Credit balance	Debit balance	Credit balance
			kshs	kshs	kshs	kshs
Cash						
Bank				46,695.00		
R M I			23,000.00		386,305.00	
OPERATION ACCOUNT						433,000.00
CLOSING BALANCE						
CASH						
BANK			23,695.00		46,695.00	
TOTAL			**46,695.00**	**46,695.00**	**433,000.00**	**433,000.00**

Prepared by Helen Wanjiru date 30/7/2024

Approved by Paul Mwangi M date 30/7/2024

AGUTHI SECONDARY SCHOOL

	SCHOOL FUND ACCOUNT					
	BANK RECONCILIATION STATEMENT					
	AS AT 30 JUNE 2023					
Balance as per bank statement					232,213.26	
	Less:	unPresented bank slips			69,910	
	Less: Unpresented Cheques					
				4971	3100	
				4980	45000	
Bank balance as per the cash book					53,203.50	

I Certify that I have verified the bank balance in cash book with bank statement and that the above is correct.

prepared by:

Name;...Hellen Wanjiku...signature.............designation...A/C Clerk...Date...30/7/2024

verified by:

Name;...Mwirigi P.M...signature.............designation...PRINCIPAL... Date...30/7/2024

AGUTHI SECONDARY SCHOOL

	OPERATION ACCOUNT					
	BANK RECONCILIATION STATEMENT					
	AS AT 30 JUNE 2023					
Balance as per bank statement					144,955.35	
uncleared effect					24,895.40	
ADD unpresented cheque						
				1293	9426	
				1296	1000	
				1300	30000	
Bank charges						
Bank balance as per the cash book					210,276.75	

I Certify that I have verified the bank balance in cash book with bank statement and that the above is correct.

prepared by:

Name; Hellen Wanjiru signature .... designation A/C Clerk Date 30/7/2024

verified by:

Name; Mwiriki P.M signature .... designation PRINCIPAL Date 30/7/2024

AGUTHI SECONDARY SCHOOL

	TUITION ACCOUNT					
	BANK RECONCILIATION STATEMENT					
	AS AT 30 JUNE 2023					
Balance as per bank statement					25,647.30	
	Less: Unpresented Cheques					
		Bank charges			735.70	
Bank balance as per the cash book					26,383.00	

I Certify that I have verified the bank balance in cash book with bank statement and that the above is correct.

prepared by:

Name;...Hellen Wanjiri....signature..........designation...A/C Clerk... Date...30/7/2024

verified by:

Name;...Murrell P.M....signature..........designation...Principal... Date...30/7/2024

AGUTHI SECONDARY SCHOOL

	INFRASTRUCTURE ACCOUNT						
	BANK RECONCILIATION STATEMENT						
	AS AT 30 JUNE 2023						
Balance as per bank statement						23,695.00	
	Less: Unpresented Cheques						
Bank balance as per the cash book						23,695.00	

I Certify that I have verified the bank balance in cash book with bank statement and that the above is correct.

prepared by:

Name;......Hellen Wanjiru......signature..........designation..Accountant........ Date..30/7/2024

verified by:

Name;..Mwangi P.M.....signature..........designation..PRINCIPAL........ Date..30/7/2024

	AGUTHI SEC SCHOOL						
PREPAID AND ARREARS FOR THE MONTH JULY 2022- JUNE 2023							
	FORM 1		FORM 2	FORM 3	FORM 4	TOTAL	
PREPAID	8,518		3,840	6,230	11,765	30,353	
ARREARS	154,550		153,800	342,919	311,692	962,961	

		HOUSE RENT ARREARS		2023
1	JOHN MURAGURI			30,660
2	EVAN MUCHIRA			53,200
	TOTAL			83,860