

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 20 NOV 2024

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REPORT

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BY:

Deputy Leader of
Majority Party

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WILLIS OBIERO

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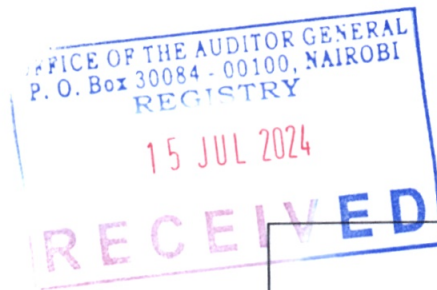
THE AUDITOR-GENERAL

ON

CHOGORIA GIRLS' HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

THARAKA NITHI COUNTY



**CHOGORIA GIRLS' HIGH SCHOOL
PUBLIC 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)**

CHOGORIA GIRLS' HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

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

The school was registered in 10/2019 under registration number 13S00300417 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a day/boarding school and had 1495 number of students as at 30th June 2023 It has 7 streams and 64 teachers of which 9 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. Humphrey Kirimi	Chairman	
2	Ms Winnie Wainaina	Secretary - Principal	
3	Eng. Godfrey Mawira	Member	
4	Mr. Phineas Murungi	Member	
5	Mrs. Joan Rima	Member	
6	Mrs. Risper Ananda	Member	
7	Ms Elosy Gatakaa	Member	
8	Mr. Morris Kibaara	Member – Rep CEB	
9	Mr. Peter Lunani	Member Rep Teachers	
10	Dr. Grace Murithi Mr. Joseph Mung'ara Dr. Elijah Mwaura	3 Members - Sponsor	
11	Mr. Gerald Mutegi	Member - Community	
12	Ms Naomi Kiragu	Member Special Needs	
13	Miss Kezziah Kioko	Rep Students	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr.Humphrey Kirimi Dr. Grace Murithi Ms winnie Wainaina Mr. Patrick Murithi MrMorris Njagi	Chairperson Vice Chairperson Principal/Secretary P.A Chairperson Member	4
2	Audit Committee			
3	Finance,procurement and general purposes Committee			
4	Academic Committee	Ms Elosy Gatakaa Mr. Peter Lunani Mr. Joseph Mung'ara Eng. Godfrey Mawira Ms Joan Rima	Convener Member Member Member Member	1
5	Development Committee	Mr. Gerald Mutegi Mrs. Kimaru Charity Ms Winnie Wainaina Mr. Morris Njagi Dr. Humphrey Kirimi Mr. Patrick Murithi	Conener Member Member Member Member Member	6
6	Discipline and welfare Committee	Mrs Risper Ananda Mr. Phineas Ngaku Dr. Grace Murithi Dr. Elijah Mwaura Ms Naomi Kiragu	Convener Member Member Member Member	1
7	Adhoc Committee (if any during the year)			

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(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	Ms Winnie Wainaina	304022
2	Deputy Principal	Mrs. Kimaru Charity	315802
		Mrs. Nyaga Alice	234229
3	School Bursar	Mr. Jasper Kimathi	I.D NO. 12407139

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 76 - 60401
Telephone: 0720071917
E-mail: chogoriagirls@yahoo.com/chogoriagirlshigh@gmail.com
Website: chogoriagirls.ac.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 7 bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. School fund A/C
Name of Bank KCB Bank
Branch Chogoria
Account Number 1103758039

2. School fund A/C
Name of Bank Cooperative Bank
Branch Chogoria
Account Number 01129057899500

3. Operations A/C
Name of Bank Cooperative Bank
Branch Chogoria
Account Number 01139057899502

4. Tuition A/C
Name of Bank Cooperative Bank
Branch Chogoria
Account Number 01139057899500

5. Infrastructure A/C
Name of Bank Cooperative Bank
Branch Chogoria
Account Number 01139057899501

6. School fund A/C
Name of Bank Equity Bank
Branch Chuka
Account Number 0210262044068

7. Income Generating A/C
Name of Bank Southern Star Sacco
Branch Chogoria
Account Number 5020060008

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MPESA Pay Bill No. 522123 attached to KCB bank account

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

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*
- *Capitation grants from the Ministry of Education for the last three years*
- *Ratio of capitation grant per student over the last three years*
- *A three-year overview of growth of other income(s) earned by the school.*
- *A three-year overview of growth in expenditure of the school*
- *Movement of debtors and creditors of the school over the last three years*
- *Movement of cash and bank balances over the last three years*

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

1. SURPLUS/DEFICIT

2023	2022	2021
3607197 (18%)	17038953 (82.28%)	-59441 (-0.28%)

2. CAPITATION

2023	2022	2021
19785442.30 (38%)	21522111 (41%)	10940756.40 (21%)

3. CAPITATION RATIO

2023	2022	2021
1:13711.30 (37%)	1:15340.05 (42%)	1:7581 (21%)

4. INCOME

2023	2022	2021
143476854 (44%)	139633592 (43%)	43849346.06 (13%)

5. EXPENDITURE

2023	2022	2021
147084051 (47%)	122594639 (39%)	43908787 (14%)

6. SUNDRY DEBTOTRS

2023	2022	2021
9296472 (27%)	9669705 (29%)	14901703 (44%)

7. CREDITORS

2023	2022	2021
3912498 (27%)	5079847 (34%)	5759496 (39%)

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8. CASH & BANK BALANCES

2023	2022	2021
14981890 (30%)	24040768 (48%)	10996639 (22%)

b) Teacher Student ratio:

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ al location of resources.

Teacher/Student Ratio	1:24
Agriculture/Biology	4
Agriculture	1
B/Studies/Maths	3
Biology/Chemistry	2
Biology/Geography	2
Maths/Chemistry	5
Chemistry/Physics	2
Computer/English	1
English/B.Studies	1
English/Literature	8
English/CRE	1

French/English	1
Geography/B/Studies	1
Geography/CRE	1
Geography/History	1
Geography/Kiswahili	1
German/Geography	3
H/Science/CRE	1
Home Science	1
History/CRE	5
History/Kiswahili	6

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Kiswahili/CRE	4
Kiswahili/Literature	1
Maths/Geography	1
Maths/Physics	6
Music	1
Recruited Teachers	4
Transferred Teachers	1
Retired Teachers	0
TSC Teachers	55
B.O.M	9
Teacher shortage	8

c) Mean score in the 2020 -2022 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

Year	Entry	Mean Score	Deviation	Transition
2022	348	8.0865	-0.5412	249
2021	338	8.6445	-0.1771	258
2020	266	8.8722	+0.567	166

d) Number of Candidates in the 2020 -2022 KCSE:

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

Year	Entry
2022	348
2021	338
2020	266

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e)| Capacity of the school:

Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

S/N	PARTICULARS	NUMBER	CAPACITY	STATUS
1	Dormitories	5	1500	Inadequate
2	Dining Hall	1	1000	Inadequate
3	Laboratories	4	1500	Inadequate
4	Toilets	54	1500	Adequate
5	Administration Block	1		Inadequate
6	Staff Room	1	64	Adequate
7	Store	3	3	Adequate
8	Board Room	1	22	Inadequate

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e) Development projects carried out by the school:

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

S/N	Project	Source of funds	Amount	Status
1	Dormitory- Ground Floor	G.O.K	12,500,000.00	Complete
2	2 CBC Classrooms	G.O.K	1,550,321.00	Complete
3	Perimeter Wall	Parents	11,858,859.00	Complete

Sign



School Principal

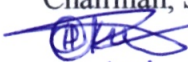
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

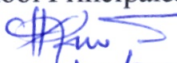
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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


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

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

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

Name: Prof. Humphrey K. Iyeri
Designation: Chairman, School Board of Management
Sign: 
Date: 12/7/2024

Name: Lucy K. MUGENZI
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 12/7/2024

Name: JASDHED L. SMITH DING'AY
Designation: Bursar/ Finance Officer
Sign: 
Date: 11/7/2024

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON CHOGORIA GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – THARAKA NITHI 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Chogoria Girls' High School – Tharaka Nithi County set out on pages 14 to 36, which comprise of the statement of financial assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of budgeted and actual amounts for

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chogoria Girls' High School – Tharaka Nithi 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

Misstated and Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and Note 13 to the financial statements reflects account receivables balance of Kshs.13,954,037. However, the supporting schedule provided reflect a balance of Kshs.20,330,821 for students' debtors resulting to understatement of the reported balance by Kshs.6,376,784. Further, the accounts receivables include Kshs.4,657,565 being fee arrears which have been outstanding for over three (3) years

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.13,954,037 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Chogoria Girls' High 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 budget versus actual amounts reflects final revenue budget and actual on comparable basis of Kshs.122,907,860 and Kshs.131,866,953 respectively, resulting to an over-funding of Kshs.8,959,092 or 7% of the approved budget. However, the School spent a balance of Kshs.137,225,192 against the budget of Kshs.122,907,860. The over expenditure of Kshs.14,317,331 was not supported by Board of Management approval.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report for the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and 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 and 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. Proposed Construction of Storey Dormitory Block (Phase 1)-Tender No. CGHS/RMI/GF/PHS1/2022

Review of the contracts administration and implementation of the infrastructure works for the construction of storied Dormitory block (Phase 1) revealed the following anomalies:

- (i) No professional opinion was issued prior to signing of the contract contrary to Section 84(2), (3) of the Public Procurement and Asset Disposal Act, 2015.
- (ii) The School entered into a contract with a local contractor on 9 September, 2022 for the construction of storied Dormitory block (Phase 1) at a contract sum of Kshs.12,500,380 including provisional sums of Kshs.300,000 with project start date of 9 September, 2022 and completion date of 30 December, 2022. However, it was noted that the contract was extended to revised completion date of 7 March, 2023 (Contract period extended by ten (10) weeks) but no evidence was provided; that the School infrastructure and evaluation committee team reviewed request for variation of contract period and recommended for contract period extension.

(iii) That the accounting officer approved in writing extension of the contract period.

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

2. Construction of Perimeter Walls

2.1 Construction of Proposed Perimeter Wall- Phase I

The School entered into a contract with a contractor on 3 August, 2022 for the construction of perimeter wall -Phase 1 at a contract sum of Kshs.6,746,328 for a period of twenty-four (24) weeks. The following observations were noted during the audit:

- (i) Individual evaluator report by appointed evaluation committee was not provided for the evaluation of mandatory requirements and technical requirements of the tender.
- (ii) Notification of award of the tender was communicated by the accounting officer to the successful bidder on 20 July, 2022 but the contractor acceptance letter for the award was not dated. In addition, regret letters to unsuccessful bidders were not provided.
- (iii) The project manager carried out project re-measurement No.1 dated on 23 August, 2022 (Ref No. MOPW/PROJ/VOL.1/2021-22/21) which reduced the contract sum to Kshs.3,869,644. Later re-measurement No.2 dated 30 September, 2022 (Ref No. MOPW/PROJ/VOL.1/2021-22/30) increased the contract sum to Kshs.6,862,676 resulting to contract variation of Kshs.116,348. No evidence was provided that the School infrastructure team reviewed the contract variation and the accounting officer of the School approved in writing the variation of the contract.

2.2 Proposed Perimeter Wall-Phase II

The School entered into a contract with a local contractor on 25 November, 2022 for the construction of Perimeter wall -Phase II at a contract sum of Kshs.3,576,048 with project start date of 25 November, 2022. The following observations were noted:

- (i) Individual evaluator report by appointed evaluation committee were not provided for the evaluation of mandatory requirements and technical requirements of the tender.
- (ii) Notification of award of the tender was communicated by the accounting officer on 23 November, 2022 to the successful bidder but the contractor acceptance letter for the award was not dated. In addition, regret letters to unsuccessful was not provided
- (iii) The project managers carried out project re-measurement No. 1 on 16 December, 2022 which reduced the contract sum to Kshs.3,083,048. In addition, extra works on proposed wall were paid totalling to Kshs.456,460 on 19 December, 2022 to the existing contractor which includes builder's works of Kshs.333,500 provisional sums of Kshs.60,000 and VAT amount of Kshs.62,960 as per bills of quantities. However, no evidence was provided that the School

infrastructure committee reviewed the contract variation for the extra works and recommended to the accounting officer for approval.

In the circumstances, the value for money utilized for the construction of the perimeter walls could not be confirmed.

3. Proposed Construction of CBC Classrooms (Phase II)

The contract was procured by the Ministry of Education at contract sum of Kshs.788,220. The following observations were noted on review of the implementation and administration of the contract.

- (i) According to Summary of valuation based on re-measurement No. 1 dated 25 October, 2022 ref: MOPW/PROJ/VOL.1/2022/48 from project managers from state department for public works appraised the works and proposed re measurement of works to Kshs.998,569 from the initial contract amount of Kshs.788,220 contracted by the Ministry of Education resulting to contract variation by Kshs.210,359. No evidence was provided that the School Infrastructure Committee reviewed the contract variation for the re measured works and recommended to the accounting officer for approval.
- (ii) Further, additional works were done for classroom block CBC at a cost of Kshs.519,297.20 paid on 26 October, 2022 vide cheque no. 3786 based on the estimate from Public Works, out of which Kshs.127,658 relate to costs of additional works for CBC classroom and Kshs.391,639 staircase works. No evidence was provided that the School Infrastructure Committee reviewed the contract variation for the additional works, recommended to the accounting officer for approval and subsequent approval by the accounting officer.

In the circumstances, Management did not comply with the Public Procurement and Asset Disposal Act, 2015 and Regulations 2020.

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 7 March, 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 which 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.

5. Transfer of Funds to Kenya Secondary Schools Heads Association

The School transferred co-curricular funds totalling Kshs.986,653 to Kenya Secondary Schools Heads Association (KESSHA) a private entity that is not subject to

PFM Act, 2012 or any other Public Finance Regulations. KESSHA is a welfare organization that draws its membership from School Principals only. This organization is not defined in Government Funding and there is no assurance that it has implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

Basis for Conclusion

1. Delay in Transfer of Repairs, Maintenance and Improvement Funds from Operations Accounts

The statement of receipts and payments reflects total capitation grant for operation of Kshs.11,048,226. In addition to this, Kshs.4,499,005 was disbursed but only Kshs.4,358,605 was received by the School on 27 February, 2023 leading to a variance of Kshs.140,400. A delay in transfer to infrastructure account was also observed for disbursed received in October, 2022 and February, 2023 contrary to Clause 3(2) Ministry of Education circular Ref. No. HQS/3/13/3.

In the circumstances, the delay in transfer of funds affected the maintenance of infrastructure within the School.

2. Unconfirmed Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.19,785,442. Comparison of data from the National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the year, NEMIS reflected various student numbers between 1,203 and 1,528. Review of students'

enrolment data of 1,495 revealed a variance between number of students enrolled in the financial year 2022/2023 and that of National Education Management Information System (NEMIS) resulting in underfunding.

In the circumstances, the efficiency and effectiveness of the controls in place in the enrolment of students could not be confirmed.

3. Virement of School Fund Budget

An amount of Kshs.5,268,582 was transferred from the School fund account to tuition account to clear outstanding payments to a supplier of Kshs.2,467,996 and another supplier Kshs.2,800,586. An unsigned Executive BOM minutes for a meeting held on 12 May, 2023 was provided as proof of authorization for the transfer on Minute 13/2023 clause 3 – request for virement of funds. It could not be confirmed whether authority was given since the minutes were not signed and there was no attendance register to confirm that the meeting took place.

Further, it was evident that the School had over committed capitation for tuition received from GOK in order to accrue such pending bills.

In the circumstances, the regularity of the transfer of Kshs.5,268,582 could not be confirmed.

4. Board of Management (BOM)

4.1 Lack of Minutes of BOM Meetings and Failure to Sign Attendance Registers

Minutes of full BOM were provided for review for meetings held on 1 September, 2022, 6 April, 2023 and 21 June, 2023. Executive BOM also held 3 meetings in the financial year on 6 January, 2023, 23 February, 2023 and 12 May, 2023. Attendance registers for these meetings were not available as well as an annual work plan for the BOM. We could therefore not confirm the attendance of the meetings.

BOM committees' meetings could not be confirmed as well since there were no minutes and attendance registers to ascertain whether the meetings took place.

In the circumstances, the effectiveness of the Board meetings controls and value for money could not be confirmed.

5. Shortage of Textbooks

During the year under review, the School did not receive text books in subjects of German, Music and French despite having students enrolled in the subjects. The shortages may have a negative impact on the performance of the students which is a key mandate of the School.

In the circumstances, the controls in place for distribution of books in accordance to the subject offered to students could not be confirmed.

6. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.193,861,580. The register was not updated and complete. The register included land disclosed at Kshs.145,500,000 and buildings and structures Kshs.28,895,780. However, there were no valuation reports for these assets and the assets were not tagged. Further, the School owns one parcels of land of 9.7 ha allocated by the defunct Meru County Council in 2009. However, only a green card was provided as evidence of ownership. The title deed for the same was yet to be processed.

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

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 (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 sustaining 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 follow the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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 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 judgment 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 the Management.

- Conclude on the appropriateness of the 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 ability 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 October, 2024

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V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023


Description Of Vote Head	Note	2023	2022
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	3,173,216	4,321,642
Capitation grants for operations	2	11,048,226	10,650,469
Capitation grants for Infrastructure	3	5,564,000	6,550,000
School Fund Income- Parents' Contributions	4	115,721,394	108,401,131
Miscellaneous Income- Other receipts	5	7,970,017	9,710,351
Total Receipts		143,476,854	139,633,592
Payments			
Payments for Tuition	6	6,866,568	4,787,660
Payments for operations	7	9,713,305	10,728,659
Payment for Infrastructure	8	13,515,533	2,799,593
Boarding and school fund payments	9	116,988,645	104,278,728
Total Payments		147,084,051	122,594,639
Surplus/Deficit		(3,607,197)	17,038,953

The school financial statements were approved on 11/7/24 2024 and signed by:

Sign: 
 Name Prof. Humphrey K. Ikeni


Chair BOM

Date xxxx 12/7/2024

Sign 
 Name Lucy K. Mugo

School Principal/
Secretary to BOM

Date 12/7/2024

Sign 
 Name Susanna Mwangi

Bursar/
Finance Officer

Date 11/7/2024

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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2023

Description	Note	2023 Kshs	2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	14,974,121	24,018,876
Cash balances	11	7,769	21,892
Short term investments	12	-	-
Total cash and cash equivalent		14,981,890	24,040,768
Account's receivables	13	13,954,037	18,216,878
Total financial assets		28,935,927	42,257,646
Financial liabilities			
Accounts payables	14	(3,912,498)	(5,079,847)
Net financial assets		25,023,429	37,177,799
Represented by			
Accumulated fund b/fwd	15	28,630,626	20,138,846
Surplus/deficit for the year		(3,607,197)	17,038,953
Net financial position		25,023,429	37,177,799

The School's financial statements were approved on 11/7/24 2024 and signed by:

Name: Prof. Humphrey K. Iper
 Chairman, BoM

Sign: 

Date: 12/7/2024

Name Lucy K Muscoda
 School Principal/Secretary
 to BoM

Sign: 

Date: 12/7/2024

Name: JUSTICE LONITHI DIG
 Bursar/Finance

Sign: 

Date: 11/7/2024

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

Description	Note	2023	2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Capitation grants for tuition		3,173,216	4,321,642
Capitation grants for operations		11,048,226	10,650,469
Capitation grants for Infrastructure		5,564,000	6,550,000
School Fund Income- Parents' Contributions		115,721,394	108,401,131
Miscellaneous Income- Other receipts		7,970,017	9,710,351
Total receipts		143,476,854	139,633,592
Payments			
Cash outflows for tuition		6,866,568	4,787,660
Cash outflows for operations		9,713,305	10,728,659
Cash outflows for Infrastructure		13,515,533	2,799,593
Cash outflows Boarding/lunch and school fund payments		116,988,645	104,278,728
Total payments		147,084,051	122,594,639
Net cash inflow/outflow from operating activities		(3,607,197)	17,038,953
Cash flow from investing activities			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
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		(3,607,197)	17,038,953
Cash and cash equivalent at beginning of the FY		28,035,591	10,996,639
Cash and cash equivalent at end of the FY		24,428,394	28,035,591

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.

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-		#DIV/0!
Exercise Books	-	-	-		
Laboratory Equipment	-	-	-		
Internal Exams	-	-	-		
Teaching / Learning Materials	5,844,480.00	-	5,844,480.00	3,173,216.25	54.29
Exams And Assessment	-	-	-		
	5,844,480.00	-	5,844,480.00	3,173,216.25	
(2) Capitation Grant on Operations					
Personnel Emoluments	6,140,080.00	-	6,140,080.00	4,774,213.05	77.75
Repairs And Maintenance	-	-	-	-	#DIV/0!
Local Transport / Travelling	1,868,720.00	-	1,868,720.00	1,453,022.00	77.75
Electricity And Water	3,470,480.00	-	3,470,480.00	2,698,469.00	77.75
Medical		-		140,400.00	-
Administration Costs	1,868,720.00	-	1,868,720.00	1,453,022.00	77.75
Activity	975,000.00	-	975,000.00	529,100.00	54.27
Gratuity		-	-		-

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				-	
SMASSE	284,000.00	-	284,000.00	-	-
	17,447,000.00	-	17,447,000.00	11,048,226.05	63.32
3) FDSE for infrastructure				-	
Maintenance & Improvement MoE	7,100,000.00	-	7,100,000.00	5,564,000.00	78.37
M&I parents' contribution	-	-	-	-	
Economic Stimulus Programs	-	-	-	-	
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
	7,100,000.00	-	7,100,000.00	5,564,000.00	78.37
(4) Fees Charged on Parents					-
Personnel Emoluments	11,426,527.00	-	11,426,527.00	17,693,466.40	154.84
Repairs And Maintenance	3,312,860.00	-	3,312,860.00	-	-
Local Transport / Travelling	3,264,722.00	-	3,264,722.00	4,421,998.00	135.45
Electricity And Water	10,120,638.20	-	10,120,638.20	13,778,194.00	136.14
Medical		-	-	-	
Administration Costs	7,835,332.80	-	7,835,332.80	11,892,795.00	104.08
Activity	2,515,360.00	-	2,515,360.00	2,195,230.00	87.27
SMASSE		-	-		
Fee On Boarding Equipment and Stores	54,040,940.00	-	54,040,940.00	54,129,810.00	100.16

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	92,516,380.00	-	92,516,380.00	104,111,493.40	788.92
5) Miscellenous Income					
Loans / Borrowing	-	-	-	-	
Rent income	-	-	-	-	
Income From Farming Activities	-	-	-	-	
Insurance Compensation	-	-	-	-	
Income From Posho Mill	-	-	-	-	
Income From Bus Hire	-	-	-	-	
Fee For Hire of Ground and Equipment	-	-	-	-	
Interest Income	-	-	-	-	
Income From Any Other Investment	-	-	-	7,970,017.23	#DIV/0!
	-	-	-	7,970,017.23	#DIV/0!
Total Income	122,907,860.00	-	122,907,860.00	131,866,952.93	#DIV/0!
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	
Reference Materials	-	-	-	-	
Exercise Books	-	-	-	-	
Laboratory Equipment	-	-	-	-	
Internal Exams	-	-	-	-	
Teaching / Learning Materials	5,844,480.00	-	5,844,480.00	6,866,568.00	117.49

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Chalks	-	-	-	-	
Exams And Assessment	-	-	-	-	
Teachers Guides	-	-	-	-	
Administration Costs	-	-	-	-	
Bank Charges	-	-	-	-	
	5,844,480.00	-	5,844,480.00	6,866,568.00	117.49
(7) Expenditure For Operations					
Personnel Emoluments	6,400,080.00	-	6,400,080.00	3,367,538.00	52.61
Repairs, Maintenance & Improvements	7,100,000.00	-	7,100,000.00	-	-
Local Transport / Travelling	1,868,720.00	-	1,868,720.00	1,024,903.00	54.85
Electricity, Water and Conservancy	3,470,480.00	-	3,470,480.00	-	-
Medical	2,840,000.00	-	2,840,000.00	1,024,903.00	36.09
Administration Costs	6,140,080.00	-	6,140,080.00	1,903,391.00	31.00
Activity Expenses	975,000.00	-	975,000.00	-	-
Gratuity		-	-	2,392,570.00	
SMASSE	284,000.00	-	284,000.00	-	
	24,547,000.00	-	24,547,000.00	9,713,305.00	302.14
(8) Expenditure For infrastructure					

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Construction of classrooms	-	-	-	-	#DIV/0!
Construction of LAB	-	-	-	-	
Construction of DORMS	-	-	-	13,515,533.10	
Purchase of furniture	-	-	-	-	
Purchase of equipment	-	-	-	-	
Purchase of machinery	-	-	-	-	
	-	-	-	13,515,533.10	#DIV/0!
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	16,835,332.80	-	16,835,332.80	15,403,350.80	91.49
Repairs, Maintenance and Improvements	3,312,860.00	-	3,312,860.00	2,920,167.20	-
Local Transport / Travelling	3,264,722.00	-	3,264,722.00	4,400,957.00	89.45
Electricity, Water and Conservancy	10,120,638.20	-	10,120,638.20	14,473,516.00	43.48
Medical Expenses		-	-		#DIV/0!
Administration Costs	11,426,527.00	-	11,426,527.00	10,562,296.00	92.43
Activity	2,515,360.00	-	2,515,360.00	1,778,522.00	70.7
Gratuity		-	-	-	
Lunch Programme	-	-	-		
Boarding Equipment and Stores	54,040,940.00	-	54,040,940.00	48,028,522.00	92.58
Expenditure For Income Generating Activity	-	-	-	7,562,477.19	#DIV/0!
Insurance Costs		-	-		-

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				-	
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	0	-
Bank Charges		-	-	0	-
Loan Interest Repayment		-	-	-	#DIV/0!
Loan Principal Repayment		-	-	-	#DIV/0!
Acquisition Of Assets		-	-	1,778,510.00	#DIV/0!
	92,516,380.00	-	92,516,380.00	107,129,786.19	#DIV/0!
Totals	122,907,860.00	-	122,907,860.00	137,225,192.29	#DIV/0!

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

Description	2023	2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books		
Laboratory Equipment	-	-
Internal Exams		
Teaching / Learning Materials	3,173,216.25	4,321,641.80
Others (<i>specify</i>) *	-	-
Total	3,173,216.25	4,321,641.80

2 CAPITATION GRANT FOR OPERATIONS

Description	2023	2022
	Kshs	Kshs
Personnel Emoluments	4,774,213.05	4,899,214.60
Repairs And Maintenance	-	-
Local Transport / Travelling	1,453,022.00	1,491,066.00
Electricity And Water	2,698,469.00	2,769,122.00
Medical	140,400.00	-
Administration Costs	1,453,022.00	1,491,066.00
Activity	529,100.00	-
Other Vote Heads (<i>specify</i>)*	-	-
Total	11,048,226.05	10,650,468.60

3 CAPITATION GRANTS FOR INFRASTRUCTURE

Description	2023	2022
	Kshs	Kshs
Maintenance & Improvement	5,564,000.00	6,550,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	5,564,000.00	6,550,000.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

Description	2023	2022
	Kshs	Kshs
Personnel emoluments	17,693,466.40	16,376,099.90
Repairs and maintenance	4,106,276.00	4,045,932.50
Local transport / travelling	4,421,998.00	4,768,885.00
Electricity and water	13,778,194.00	14,504,545.00
Medical		
Administration costs	11,892,795.00	11,229,325.00
Activity	2,195,230.00	1,338,506.34
Fee on Boarding Equipment and stores	54,129,810.00	50,458,864.16
PA Levies*		
Others (specify)-Perimeter Wall	7,503,625.00	5,678,973.00
Total	115,721,394.40	108,401,130.90

5 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	2023	2022
	Kshs	Kshs
Rent Income	-	-
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	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income <i>Generating Activities.</i>	7,970,017.23	9,710,350.73
Total	7,970,017.23	9,710,350.73

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR TUITION

Description	2023	2022
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	6,866,568.00	4,787,660.00
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others (<i>specify</i>)	-	-
Total	6,866,568.00	4,787,660.00

7 PAYMENTS FOR OPERATIONS

Description	2023	2022
	Kshs	Kshs
Personnel Emoluments	3,367,538.00	4,934,942.00
Service Gratuity	-	-
Administration Cost	1,024,903.00	1,501,886.00
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	1,024,903.00	1,501,886.00
Electricity And Water	1,903,391.00	2,789,945.00
Medical	-	-
Activity Expenses	2,392,570	-
Insurance Cost	-	-
Others (<i>specify</i>)	-	-
Total	9,713,305	10,728,659

8 PAYMENTS FOR INFRASTRUCTURE

Description	2023	2022
	Kshs	Kshs
Construction of classrooms	-	2,799,593
Construction of laboratory	-	-
Construction of dormitory	13,515,533	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (<i>specify</i>)	-	-
Total	13,515,533	2,799,593

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 BOARDING AND SCHOOL FUND PAYMENTS

Description	2023	2022
	Kshs	Kshs
Personnel Emoluments	15,403,350.80	16,248,276.24
Service Gratuity		
Repairs And Maintenance & Improvements	2,920,157.20	3,628,005.00
Local Transport / Travelling	4,400,957.00	4,642,365.00
Electricity And Water	14,473,516.00	14,391,331.00
Medical Expenses		
Administration Costs	10,562,296.00	11,141,676.00
Lunch Programme		
Bank Charges		
Expenses On Income Generating Activities**	7,562,477.19	9,504,912.39
Fee On Boarding Equipment and Stores	48,028,522.00	44,232,162.00
Rent Expenses		
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others (specify)-Activity	1,778,510.00	490,000.00
Others (specify)-Perimeter Wall	11,858,859.00	-
Total	116,988,645.19	104,278,727.63

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 BANK ACCOUNTS

Account Name & Currency	Status	Bank Account Number	2023	2022
	Active/Dormant		Kshs	Kshs
Tuition Account-Co-operative Bank	Active	1139057899500	151,403.10	49,702.85
Operations Account-Co-operative Bank	Active	1139057899502	2,005,706.55	668,925.50
School Fund Account/Boarding-Equity Bank	Active	210262044068	451,793.25	1,512,441.25
School Fund Account/Boarding-Kenya Commercial Bank	Active	1103758039	2,531,841.56	7,265,368.56
School Fund Account/Boarding-Co-operative Bank	Active	1129057899500	4,843,154.35	1,988,223.35
Income Generating Activities Account-Southern Star Sacco	Active	502006000800	619,423.64	211,883.60
Infrastructural Account	Active	1139057899501	4,370,798.20	12,322,331.13
Total			14,974,120.65	24,018,876.24

11 CASH IN HAND

Description	2023	2022
	Kshs	Kshs
Notes and Coins	7,769.25	21,892.25
Total	7,769.25	21,892.25

12 SHORT TERM INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 ACCOUNTS RECEIVABLE

Description	2023	2022
	Kshs	Kshs
Fees Arrears	13,954,037.00	18,216,878.00
Other Non-Fees Receivables		-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Loan Savings Provision Account		-
Total	13,954,037.00	18,216,878.00

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

Description	2023		2022	
	Kshs		Kshs	
	2023	% of the total	2022	% of the total
Less than 1 year	9,296,472.00	67.00	9,669,705.00	53.00
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	4,657,565.00	33.00	8,547,173.00	47.00
Total (should tie to note 13 a)	13,954,037.00	100.00	18,216,878.00	100.00

14 ACCOUNTS PAYABLE

Description	2023	2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,912,498.00	5,079,847.40
Prepaid Fees		-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)		-
Total	3,912,498.00	5,079,847.40

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Description	2023		2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,912,498.00	100.00	4,759,495.80	82.64
Between 1- 2 years	-	-	-	#DIV/0!
Between 2-3 years	-	-	-	#DIV/0!
Over 3 years		-	1,000,000.00	17.36
Total (should tie to note 14)	3,912,498.00	100.00	5,759,495.80	100.00

15 FUND BALANCE BROUGHT FORWARD

Description	2023	2022
	Kshs	Kshs
Bank Balances	24,018,876.24	10,932,687.39
Cash Balances	21,892.25	63,951.35
Short Term Investments	-	-
Receivables	9,669,705.00	14,901,703.45
Payables	(5,079,847.40)	(5,759,495.80)
Total	28,630,626.09	20,138,846.39

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Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2023	2022
	Kshs	Kshs
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision	2500000	2500000
Total	2500000	2500000

17 Biological assets

Description	Numbers	2023	2022
		Kshs	Kshs
Cattle		560000	400000
Pigs		60000	45000
Trees		5000000	3000000
Vegetables		80000	70000
Fish		165000	135000
Total		5865000	3650000

18 Borrowings

Description	2023	2022
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
Balance at end of the year		

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Other important disclosure notes

19 Stock/ Inventory

Description	2023	2022
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	2,230,000.00	172,350.00
Stock/ inventory purchased during the year	48,028,522.00	44,232,162.00
Stock/ inventory issued during the year	47,273,522.00	42,174,512.00
Balance at end of the year	2,985,000.00	2,230,000.00

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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)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land 1	1960		145,500,000.00			145,500,000.00
Land 2						
Buildings and structures	1960		2,986,600.00	25,909,180.00		28,895,780.00
Motor vehicles	2002		12,600,000.00			12,600,000.00
Office equipment, furniture and fittings	1968		258,000.00			258,000.00
ICT Equipment, and Other ICT Assets	2002		852,000.00			852,000.00
Tools and apparatus	2002		932,000.00			932,000.00
Textbooks	1968		432,800.00			432,800.00
Other Machinery and Equipment	2010		4,186,000.00			4,186,000.00
Heritage and cultural assets	1968		80,000.00			80,000.00
Intangible assets- soft ware	2010		125,000.00			125,000.00
Total			167,952,400.00	25,909,180.00		193,861,580.00

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