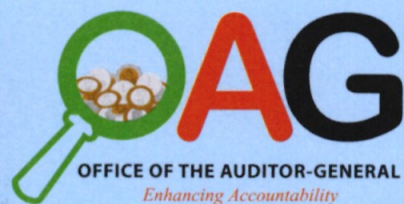


REPUBLIC OF KENYA



REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

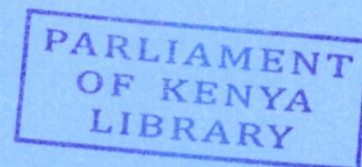
ON

RABAI SECONDARY SCHOOL

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

KILIFI COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 JUN 2026	DAY: WED
TABLED BY:	HON. NAOMI WALED, MP
CLERK-AT THE-TABLE:	DEPUTY MAJORITY PARTY WHIP V. WAMBUI





Revised 30th June 2023.



Rabai Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. Acronyms and Glossary of Terms

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

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

2. Key School Information and Management**(a) Background information**

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

The school was registered in 01/08/2008 under registration number GPA/5055/08 and is currently categorized as a Sub county public school established, owned or operated by the Government.

The school is a day school and had 1032 number of students as at 30th June 2023. It has 4 streams and 34 teachers of which 22 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	George Gona Kuza	Chairman	25/08/2022
2	Anderson Munga	Secretary - Principal	25/08/2022
3	Rev. Christine Chengo	Member	25/08/2022
4	Rev. Titus M. Lwambi	Member	25/08/2022
5	Washe Lewa Washe	Member	25/08/2022
6	George G. Chitsava	Member	25/08/2022
7	Eric Tinga Nyae	Member	25/08/2022
8	Ndune M. Hamisi	Member – Rep CEB	25/08/2022
9	Saumu Said	Member Rep Teachers	25/08/2022
10	Nancy Musundi	3 Members - Sponsor	25/08/2022
11	Bakari Saha	Member - Community	25/08/2022
12	Nzinga Saha	Member Special Needs	25/08/2022
13	Michael Bosco Kalama	Rep Students	25/08/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

(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	1.George Kuza 2.Anderson Munga 3.Pingano Ngome 4.Christine Chengo	Chairperson Secretary PA Chairperson Member	3 out of 3
2	Audit Committee	Rev. Titus Lwambi Anderson Munga Nancy Munga	Chairperson Secretary PA Chairperson	3 out of 3
3	Finance,procurement and general purposes Committee	Rev. Titus Lwambi Anderson Munga Nancy Munga	Chairperson Secretary Member	3 out of 3
4	Academic Committee	Bakari Saha Saumu Said	Chairperson Secretary Member	3 out of 3

RABAI SECONDARY SCHOOL

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

		Hassan Nzinga		
5	Development Committee	Hassan Nzinga Dzuya Chiringa George Kuza Saumu Mnyazi George Gonzi Anderson Munga	Chairperson Secretary Member Member Member	3 out of 3
6	Discipline and welfare Committee	Eric Tinga Dzuya Chiringa	Chairperson secretary	3 out of 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Anderson Munga	352669
2	Deputy Principal	Dzuya Chiringa	433959
3	School Bursar	Arthur Kazikazi	23001160
4	Other (specify)		

(e) Schools contacts

Post Office Box: 17 Mazeras
 Telephone: 0113559145
 E-mail: rabaisc@gmail.com
 Website: n/a
 Facebook:
 Twitter:

(f) School Bankers

The following school operated 5 number of banks accounts in the following banks

Name of Bank: Family Bank
 Branch: Mombasa Nkrumah
 Account Number: 095000010959
 Tuition account:

Name of Bank: KCB Bank
 Branch: Mombasa Mvita
 Account Number: 1107933595
 Operation account:

Name of Bank: KCB Bank
 Branch: Mombasa Mariakani
 Account Number: 1125694661
 Main account:

Name of Bank: KCB Bank
 Branch: Mombasa Mariakani
 Account Number: 1276712286
 Maintenance account:

Name of Bank: KCB Bank
 Branch: Mombasa Mariakani
 Account Number: 114628333
 Savings account:

(g) Independent Auditors

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

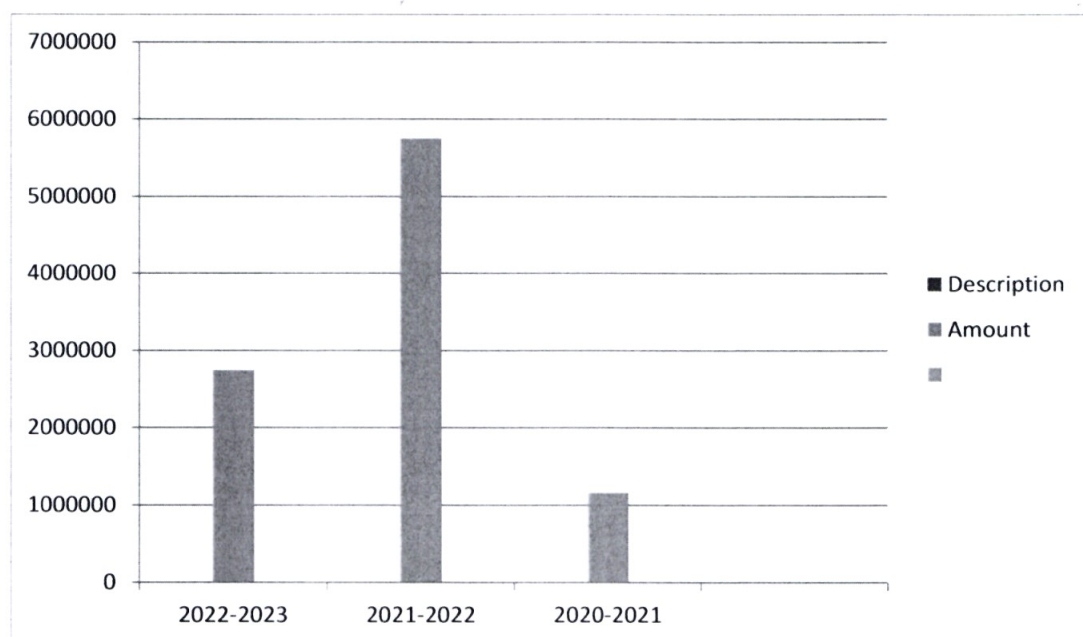
3. Summary Report of Performance of The School

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

a) Financial performance:

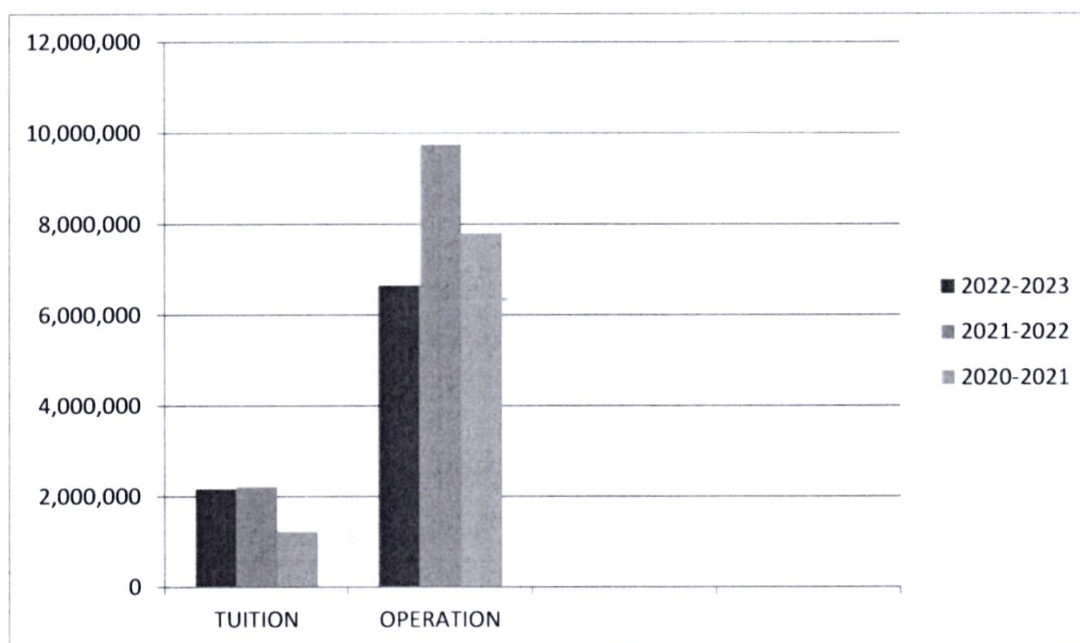
i. Surplus/ deficit for the year and a comparison of the same for the last three years

<i>Year</i>	<i>Description</i>	<i>Amount</i>
2022-2023	Surplus	2,744,665
2021-2022	Surplus	5,747,620
2020-2021	Surplus	1,159,524



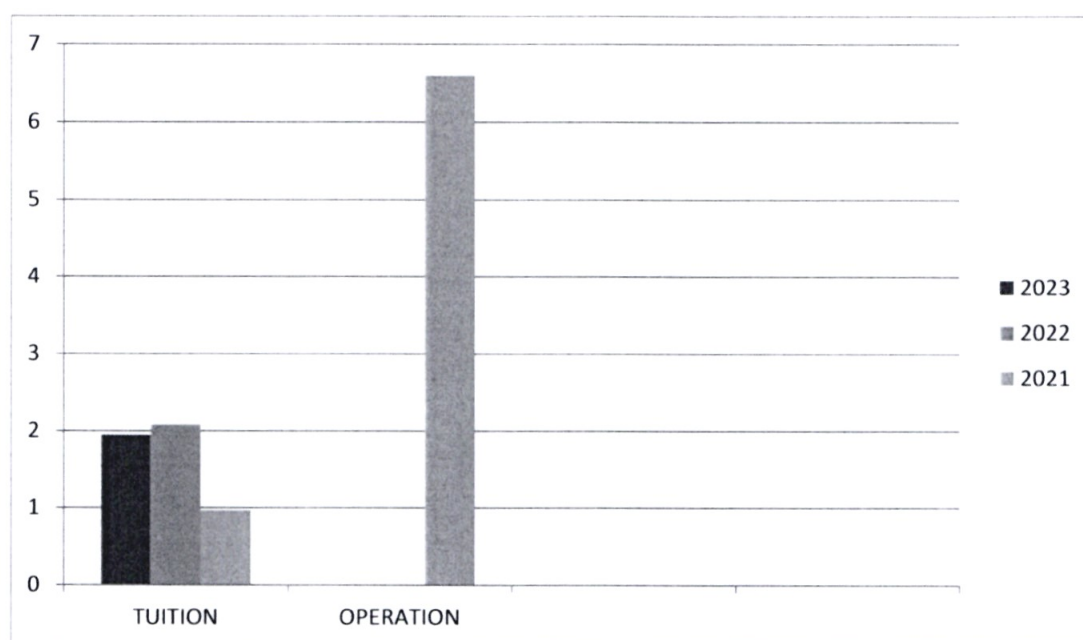
ii. Capitation grants from the Ministry of Education for the last three years

ACCOUNT	2022-2023	2021-2022	2020-2021
TUITION	2,157,514	2,211,925	1,216,421
OPERATION	6,646,200	9,746,698	7,801,977



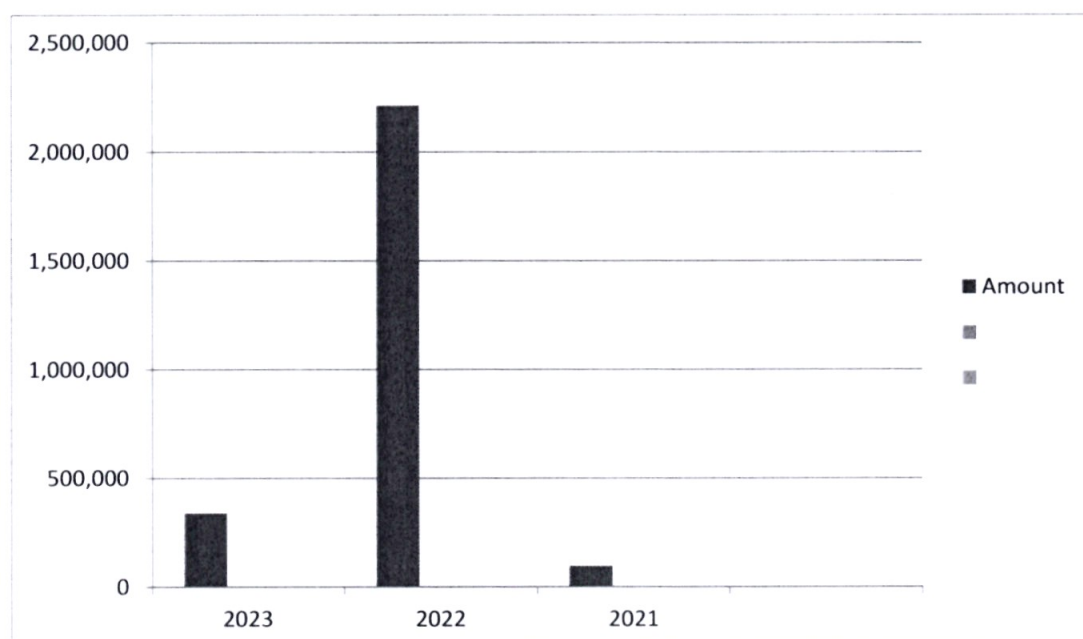
iii. Capitation growth per Student Ratio

ACCOUNT	2023	2022	2021
TUITION	1:2738	1:2930	1:1331
OPERATION	1:12462	1:12910	1:9435



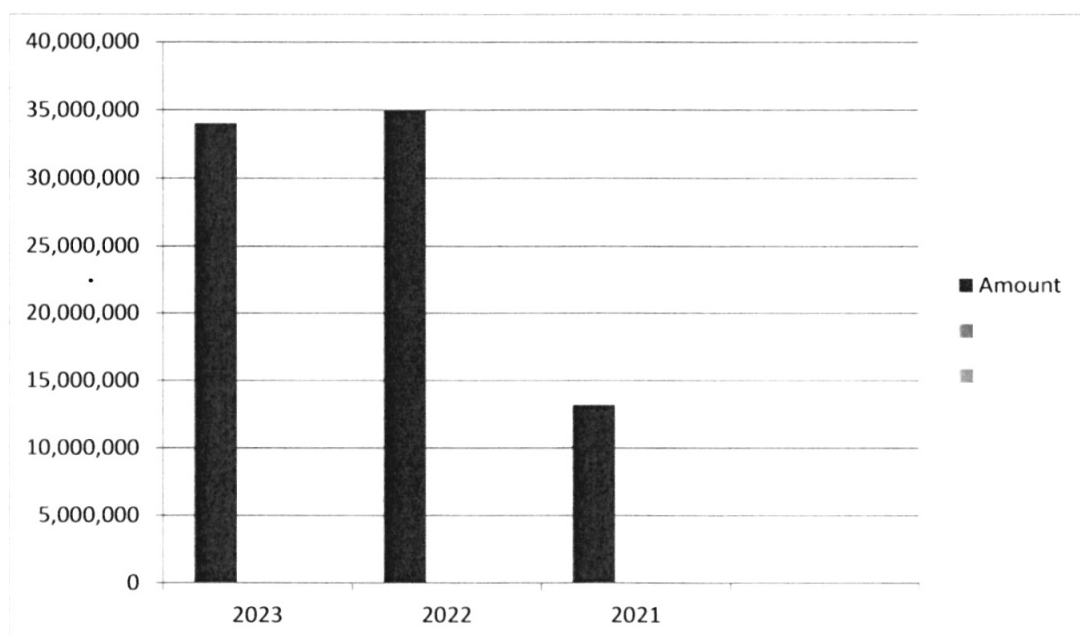
iv. A three-year overview of growth of other income(s) earned by the school.

Year	Amount
2023	337,500
2022	2,211,350
2021	95,455



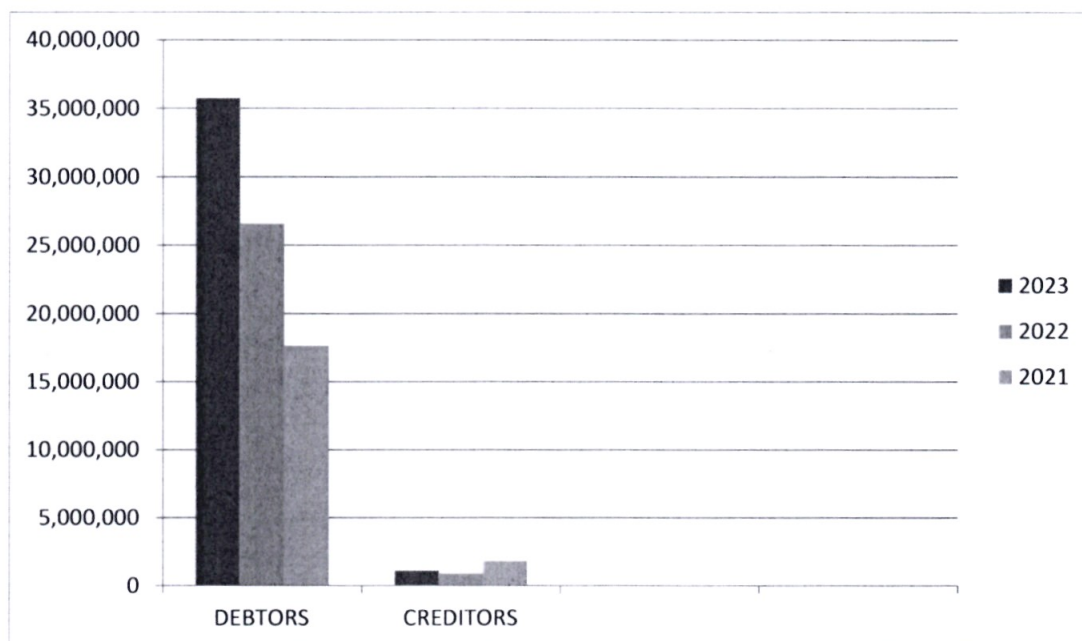
v.A three-year overview of growth in expenditure of the school

<i>Year</i>	<i>Amount</i>
2023	34,021,671
2022	34,945,603
2021	13,213,397



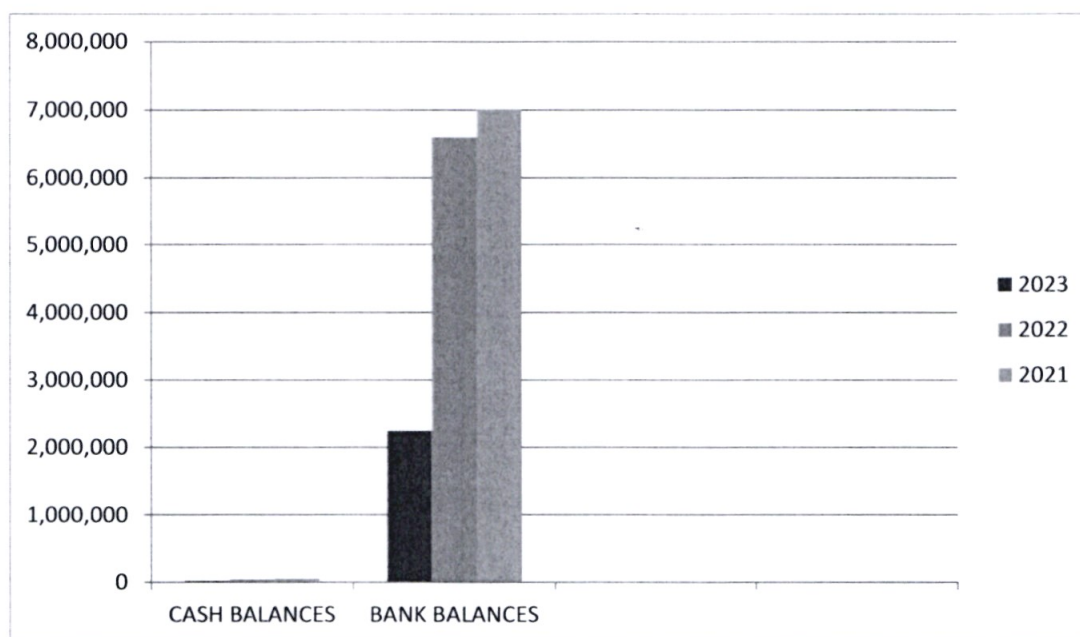
vi. Movement of debtors and creditors of the school over the last three years

DESCRIPTION	2023	2022	2021
DEBTORS	35,707,931	26,582,463	17,626,241
CREDITORS	1,089,806	907,442	1,838,948



Vii) Movement of cash and bank balances over the last three years

DESCRIPTION	2023	2022	2021
CASH BALANCES	19,412	42,568	47,842
BANK BALANCES	2,241,505	6,598,904	7,005,842



b) Teacher Student ratio:

<i>Title</i>	<i>No.</i>
<i>Number of teachers</i>	32
<i>Number of students</i>	1150
<i>Ratio</i>	1:36
<i>Number of teachers transferred</i>	0
<i>Number of teachers employed by TSC</i>	14
<i>Number of teachers employed by B.O.M</i>	18

NUMBER OF TEACHERS PER SUBJECT

<i>Subject</i>	<i>No.</i>
<i>Agriculture</i>	2
<i>Biology</i>	4
<i>Mathematics</i>	7
<i>Physics</i>	3
<i>Chemistry</i>	4
<i>English</i>	4
<i>Kiswahili</i>	5
<i>Business studies</i>	4
<i>Geography</i>	4
<i>History</i>	5
<i>C.R.E</i>	4
<i>I.R.E</i>	3

c) Mean score in the 2022 KCSE:

<i>Year</i>	<i>No of candidates</i>	<i>Mean score</i>	<i>School's set score</i>	<i>No of students to university</i>	<i>Comments</i>
2022	208	3.317	4.0 (D+)	5	Improved performance but 5

					<i>students proceeded to university.</i>
<i>2021</i>	<i>146</i>	<i>3.2011</i>	<i>4.0 (D+)</i>	<i>5</i>	<i>A drop in performance but 5 students proceeded to university.</i>
<i>2020</i>	<i>137</i>	<i>3.3548</i>	<i>4.0 (D+)</i>	<i>4</i>	<i>Improved performance schools set score almost achieved. 4 students proceeded to university.</i>

d) Number of Candidates in the 2021 KCSE:

<i>Year</i>	<i>No. of candidates</i>
<i>2022</i>	<i>174</i>
<i>2021</i>	<i>146</i>
<i>2020</i>	<i>137</i>

e) Capacity of the school:

<i>No. of students</i>	<i>Facility</i>	<i>Quantity</i>
<i>1032</i>	<i>Dining Hall</i>	<i>0</i>
<i>1032</i>	<i>Laboratory</i>	<i>3</i>
<i>1032</i>	<i>Library</i>	<i>0</i>
<i>1032</i>	<i>Toilets</i>	<i>50</i>
<i>1032</i>	<i>Dormitories</i>	<i>0</i>

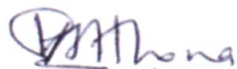
4. Statement of School Management Responsibility

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 *Rabai 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).

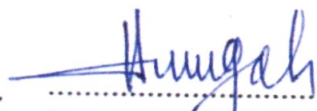
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
Name: George Kuza

Designation: Chairman, School Board of Management

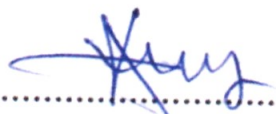
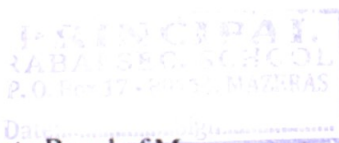
Date: 12/04/2026



.....
Name: Anderson Munga

Designation: School Principal & Secretary to Board of Management

Date: 12/04/2026



.....
Name: Arthur Kazikazi

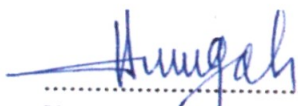
Designation: Bursar/ Finance Officer

Date: 12/04/2026

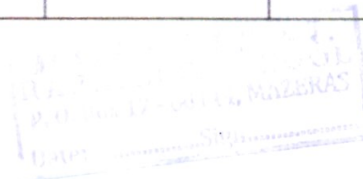
f) Development projects carried out by the school:

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

LIBRARY	MOE	ON- GOING	5,445,820	4,215.549	31 st Dec 2024



School Principal



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON RABAI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KILIFI COUNTY

PREAMBLE

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

- A. Report on 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 the 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; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Rabai Secondary School set out on pages 1 to 28, which comprise of the statement of assets and liabilities as at

30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rabai Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act.

Basis for Qualified Opinion

1. Variances in the Financial Statements

- i) The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects school fund income-parent's contributions/fees of Kshs.24,451,122 which differs with the schedule provided of Kshs.22,005,197 resulting to a variance of Kshs.2,445,925.
- ii) The statement of assets and liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents of Kshs.2,260,917 and Kshs.6,641,472 as at 30 June, 2023 and 30 June, 2022 respectively. However, the statement of cash flows reflects cash and cash equivalents of Kshs.18,912,301 and Kshs.11,952,087 as at 30 June, 2023 and 30 June,2022 respectively resulting to variances of Kshs.16,651,384 and Kshs.5,310,615. Further, the cash flow statement does not include the cash outflow from infrastructure of Kshs.4,215,549.
- iii) The statement of assets and liabilities and as disclosed in Note 15 to the financial statements reflects fund balance brought forward of Kshs.34,131,377 and Kshs.26,568,873 as at 30 June 2023 and 30 June,2022 respectively while the recomputed totals amount to Kshs.32,316,493 and Kshs.22,890,977 as at 30 June 2023 and 30 June, 2022 respectively resulting to variances of Kshs.1,814,884 and Kshs.3,677,896.
- iv) Further Note 15 reflects fund balance forward of Kshs.26,568,873 in the 2021/2022 comparative column in the financial statements for 2022/2023 financial year which includes trade receivables of Kshs.27,626,241. However, the financial statements for 2021/2022 financial statements reflects accounts receivables of Kshs.17,626,241 in the fund balance brought forward resulting to variance of Kshs.10,000,000.
- v) The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivable of Kshs.26,582,463 in the 2021/2022 financial year column while Note 13 b reflects ageing analysis of accounts receivable balance of Kshs.25,814,063 in the 2021/2022 comparative column resulting to a variance of Kshs.768,400.

- vi) The statement of cash flows reflects total payments of Kshs.29,806,122. However, the statement of budgeted versus actual amounts and statement of receipts and payments reflects actual payments of Kshs.34,016,599 and Kshs.34,021,671 resulting to a variance of Kshs.4,210,477 and 4,215,549 respectively. Further, the statement of cash flows does not include infrastructure payments of Kshs.4,215,549 included in the statement of receipts and payments.

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

2. Unsupported Accounts Payables and Variances

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.1,089,806. However, trade creditors of Kshs.589,861 was not supported with ledgers. Further, Note 14 to the financial statements reflects accounts payable of Kshs.1,089,806 and Kshs.907,442 as at 30 June, 2023 and 30 June, 2022 respectively which differs with the ageing analysis of accounts payable amount of Kshs.589,861 and Kshs.465,835 respectively resulting to a variance of Kshs.499,945 and Kshs.441,607 respectively.

In the circumstances, the accounts payables balance could not be confirmed.

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

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iii to xviii which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit

or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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 and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments amount of Kshs.18,063,933. Included in the amount was administration costs of Kshs.3,759,981 which included Kshs.728,390 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.728,390 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects government grants for infrastructure of Kshs.3,174,000. However, an amount of Kshs.2,366,000 was transferred to the infrastructure account more than fifteen (15) days after receipt in the operations account. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which states that infrastructure grants as well as maintenance and improvement funds shall be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

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

3. Under Funding of Capitation Grants

The statement of receipts and payments and as disclosed in Note 1 and Note 2 to the financial statements reflects government grants for tuition and government grants for operations of Kshs.2,157,514 and Kshs.6,646,200 respectively. During the financial year under review, NEMIS reported a total number of three thousand one hundred and seventy-three (3,173) students while the enrolment records provided by the school reflect a total number of four thousand and thirty-six (4,036) students, resulting in a variance of eight hundred and sixty-three (863) students which led to underfunding of the school by Kshs.3,178,731. This was contrary to, paragraph 3.2 of The Ministry of Education Circular Ref. MOE.HQS/3/10/18/ (112) dated 15 November, 2022 that states that it's the responsibility of the Principal to ensure accuracy of the data available on NEMIS where every eligible learner is fully registered on the platform.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

4. Non-Compliance with the Law of Affirmative Action

During the 2022/2023 financial year, the School had twenty two (22) teachers and twelve (12) non-teaching staff employed by Board of Management. However, none of them was a person with disabilities contrary to Section B23 (2) of Public Service Commission Human Resource Policy and Procedures Manual for Public Service, 2016 which states that the Government shall implement the principle that at least five (5) percent of all appointments shall be for persons with disabilities.

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

5. Irregularities in Human Resource Management

The statement of receipts and payments and as disclosed in Note 7 and Note 9 to the financial statements reflects payments for operations and boarding and school fund payments of Kshs.9,541,485 and Kshs.18,063,933 respectively which includes personnel emoluments of Kshs.9,796,376. The personnel emoluments was paid to twenty-two (22) Board of Management teachers and twelve (12) non-teaching staff. However, management did not provide for audit the approved staff establishment contrary to Section 4.8.1 of Norms and Standards for Management of Human Resource in the Public Service, June 2017 which states that staff recruitment and selection will be based on human resource plans, authorized staff establishment and clear job descriptions and specifications.

Further Management did not provide terms and conditions of service contrary to Section 13 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management may, upon such terms and conditions of service as the County Education Board may determine, employ such staff or hire the services of such consultants or experts as may be necessary for the proper performance of its functions.

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

6. Irregularities in Procurement of Goods and Services

The statement of receipts and payments and as disclosed in Note 6 and Note 9 to the financial statements reflects tuition and boarding and school fund payments amounts of Kshs.2,200,704 and Kshs.18,063,933 respectively. Included in this is expenditure of Kshs.4,094,383 incurred on seven suppliers for supply of various goods and services. Review of the payment vouchers and supporting documentation revealed the following procurement anomalies:

- i) The School did not have a procurement plan and need analysis report as required by Section 53(2) of the Public Procurement and Asset Disposal Act, 2015.
- ii) The School did not maintain a list of pre-qualified suppliers as required under Section 57(1) of the Public Procurement and Asset Disposal Act, 2015.
- iii) There was no evidence that the goods were inspected after delivery to confirm if what was requested is what was delivered. This is contrary to Section 48(1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer of a procuring entity to establish an ad hoc committee known as the inspection and acceptance committee and the committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.
- iv) There were no signed contracts between the School and the suppliers contrary to Section 134(1) of the Public Procurement and Asset Disposal Act, 2015 and Section 3 of the Ministry of Education operation manual for utilization of learner capitation grant and other school funds, 2020 which requires the school to prepare a contract for supply of goods, works or services, and arrange for the signing between the selected supplier and the school Head teacher before lapse of fourteen days from the date of award notification.
- v) The value of levy to be paid by the suppliers on all procurement contracts could not be determined since there were no signed contracts. This is contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of 0.03% of the value of the signed contract, exclusive of applicable taxes.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Students' Debtors

The statement of financial assets and liabilities as disclosed in Note 13 to the financial statements reflects accounts receivables of Kshs.35,704,931. However, included in the balance is an amount of Kshs.23,312,726 which has been outstanding for more than three (3) years. Management did not provide evidence of the efforts being made towards recoverability of the long outstanding fees arrears.

In the circumstances, the recoverability of fees arrears from students, who have since left the school is doubtful.

2. Ineffectiveness in Audit Committee and Internal Audit Function

The Key School Information and Management section of the financial statements indicates the School had an audit committee that held three (3) meetings. However, no minutes or reports were provided to confirm the audit committee was operational contrary to Section 73(5) of Public Finance Management Act, 2012 which states that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

Further, no reports were provided to confirm internal audit work was carried out during the year under review contrary to Section 73(1)(a) of Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of oversight and independent assurance that the risk management, governance and internal control processes are operating effectively could not be confirmed.

3. Failure to Prepare Fixed Assets Register

The School did not maintain a fixed assets register for its assets to record necessary information such as date of acquisition, type of asset, condition and cost. This is Contrary

to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, controls over management of assets were not adequate and lack of ownership documents could lead to misappropriation and physical loss of assets.

4. Weaknesses in the Board of Management

During the 2023/2024 financial year the School Board of Management constituted thirteen (13) members. However, appointment letters, Board charter and Board annual work plan were not provided for audit.

In the circumstances, weakness in the governance mechanism may hinder the management achievement of the School's strategic objectives.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

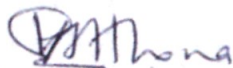
29 April, 2026

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

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	2,157,514	2,211,925
Government grants for operations	2	6,646,200	9,746,698
Government Grants for infrastructure	3	3,174,000	0
School fund income- parents' contributions	4	24,451,122	26,523,250
Miscellaneous incomes	5	337,500	2,211,350
Total Receipts		36,766,336	40,693,223
Payments			
Tuition	6	2,200,704	2,650,556
Operations	7	9,541,485	11,626,183
Infrastructure	8	4,215,549	0
Boarding and school fund	9	18,063,933	20,668,864
Total Payments		34,021,671	34,945,603
Surplus/Deficit		2,744,665	5,747,620

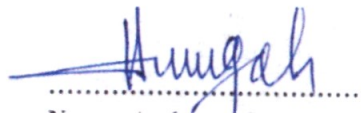
The school financial statements were approved on 12/04/2026 and signed by:



Name: George Kuza

Chair BOM

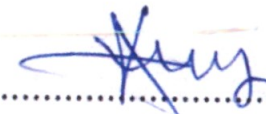
Date: 12/04/2026



Name: Anderson Munga

School Principal/ Secretary to BOM

Date: 12/04/2026



Name: Arthur Kazikazi

Bursar/ Finance Officer

Date: 12/04/2026

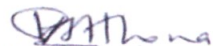


7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,241,505	6,598,904
Cash balances	11	19,412	42,568
Short term investments	12	0	0
Total cash and cash equivalent		2,260,917	6,641,472
Account's receivables	13	35,704,931	26,582,463
Total financial assets		37,965,848	33,223,935
Financial liabilities			
Accounts payables	14	1,089,806	907,442
Net financial assets		36,876,042	32,316,493
Represented by			
Accumulated fund b/fwd	15	34,131,377	26,568,873
Surplus/deficit for the year		2,744,665	5,747,620

Net financial position		36,876,042	32,316,493

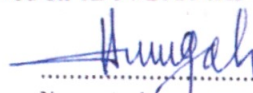
The school's financial statements were approved on 12/04/2026 and signed by:



Name: George Kuza

Chair BOM

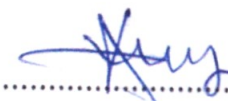
Date: 12/04/2026



Name: Anderson Munga

School Principal/ Secretary to BOM

Date: 12/04/2026



Name: Arthur Kazikazi

Bursar/ Finance Officer

Date: 12/04/2026



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	2,157,514	2,211,925
Government grants for operations	2	6,646,200	9,746,698
Government grants for infrastructure	3	3,174,000	0
School fund income- parents contributions/ fees	4	24,451,122	26,523,250
Other income	5	337,500	2,211,350
Total receipts		36,766,336	40,693,223
Payments			
Cash outflows for tuition	6	2,200,704	2,650,556
Cash outflows for operations	7	9,541,485	11,626,183
Cash outflows Boarding/lunch and school fund payments	8	18,063,933	20,668,864
Total payments		29,806,122	34,945,603
Net cash inflow/outflow from operating activities		6,960,214	5,747,620
Cash flow from investing activities			
Acquisition of assets		0	0
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		0	0
Cash flow from Financing activities			

RABAI SECONDARY SCHOOL

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

Proceeds from borrowings/ loans	18	0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		0	0
Net increase/decrease in cash and cash equivalents		6,960,214	5,747,620
Cash and cash equivalent at beginning of the FY		11,952,087	6,204,447
Cash and cash equivalent at end of the FY		18,912,301	11,952,087

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 12/04/ 2026 and signed by:

.....

Name: George Kuza

Chair BOM

Date: 12/04/2026

.....

Name: A. MUNGA

School Principal/ Secretary to BOM

Date: 12/04/2026

.....

Name: A KAZIKAZI

Bursar/ Finance Officer

Date: 12/04/2026



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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	2,053,040	0	2,053,040	0	0% Retained by the government
Exercise Books	625,680	0	625,680	841,431	134% The enrolment differed from the no.budgeted
Laboratory Equipment	440,000	0	440,000	604,105	137% The enrolment differed from the no.budgeted
Internal Exams	0	0	0	0	0%
Teaching / Learning Materials	176,000	0	176,000	237,327	135% The enrolment differed from the no.budgeted
Exams And Assessment	264,000	0	264,000	345,240	131% The enrolment differed from the no.budgeted
Chalks	88,000	0	88,000	129,411	147% The enrolment differed from the no.budgeted
(2) Capitation Grant on Operations					
Personnel Emoluments	4,400,000	0	4,400,000	3,138,065	71% The enrolment differed from the no.budgeted
Repairs And Maintenance	0	0	0	0,	72% 0
Local Transport / Travelling	880,000	0	880,000	655,325	74% The enrolment differed from the no.budgeted
Electricity And Water	1,232,000	0	1,232,000	893,625	73% The enrolment differed from the no.budgeted
Medical	1,760,000	0	1,760,000	78,900	4%

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
					The enrolment differed from the no.
Administration Costs	1,760,000	0	1,760,000	1,275,785	72% The enrolment differed from the no.budgeted
Activity	1,320,000	0	1,320,000	604,500	46% The enrolment differed from the no.budgeted
Gratuity	-	-	-	-	-
SMASSE	176,000	0	176,000	0	-
3) FDSE for infrastructure					
Maintenance &Improvement MoE	4,400,000	0	4,400,000	3,174,000	72% The enrolment differed from the no.budgeted
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	7,040,000	0	7,040,000	10,221,685	145% The enrolment differed from the no.budgeted
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	2,445,925	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-

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
Fee On Boarding Equipment and Stores	7,480,000	0	7,480,000	11,783,512	158% The enrolment differed from the no.budgeted
5) Miscellenous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	83,500	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	254,000	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	34,094,720	0	34,094,720	36,766,336	108% The enrolment differed from the no.budgeted
(6) Expenditure For Tuition					
Textbooks	2,053,040	0	2,053,040	0	0%
Reference Materials	-	-	-	-	-
Exercise Books	625,680	0	625,680	978,464	156% The enrolment differed from the no.budgeted
Laboratory Equipment	440,000	0	440,000	139,855	32% The enrolment differed from the no.budgeted
Internal Exams	0	0	0	0	-
Teaching / Learning Materials	176,000	0	176,000	294,605	167% The enrolment differed from the no.budgeted

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
Chalks	88,000	0	88,000	161,320	183% The enrolment differed from the no.budgeted
Exams And Assessment	264,000	0	264,000	618,260	234% The enrolment differed from the no.budgeted
Teachers Guides	0	0	0	0	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	8,200	-
(7) Expenditure For Operations					
Personnel Emoluments	4,400,000	0	4,400,000	3,289,489	75% The enrolment differed from the no.budgeted
Repairs, Maintenance & Improvements	0	0	0	0	0
Local Transport / Travelling	880,000	0	880,000	737,765	100%
Electricity, Water and Conservancy	1,232,000	0	1,232,000	1,230,730	100%
Medical	1,760,000	0	1,760,000	10,185	1% The enrolment differed from the no.budgeted
Administration Costs	1,760,000	0	1,760,000	2,871,736	163% The enrolment differed from the no.budgeted
Activity Expenses	1,320,000	0	1,320,000	1,189,698	90%
Gratuity	-	-	-	206,810	-
SMASSE	176,000	-	176,000	-	-
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-

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
Construction of Library	4,400,000	0	4,400,000	4,215,549	96%
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	7,040,000	-	7,040,000	6,506,887	92%
Repairs, Maintenance and Improvements	-	-	-	682,783	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	3,759,981	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	7,480,000	-	7,480,000	6,504,388	87% The enrolment differed from the no.budgeted
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	576,280	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	33,614	-

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
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	34,094,720	-	34,094,720	34,016,599	100%

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

- i. The no. of students differed from the no. budgeted
- ii.

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	2021-2022
	Kshs	Kshs
Reference Materials	0	0
Exercise Books	841,431	813,811
Laboratory Equipment	604,105	584,274
Internal Exams	0	0
Teaching / Learning Materials	237,327	244,536
Chalks	129,411	125,232
Exams and Assessment	345,240	444,072
Teachers Guide	0	0
-	-	-
-	-	-
Others (specify)*	-	-
Total	2,157,514	2,211,925

*Include others as per MOE circulars

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,138,065	3,257,541
Repairs And Maintenance	0	3,386,000
Local Transport / Travelling	655,325	584,382
Electricity And Water	893,625	840,985
Medical	78,900	151,600
Administration Costs	1,275,785	1,526,190
Activity	604,500	0
Other Vote Heads (specify)*	-	-
Total	6,646,200	9,746,698

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	3,174,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	3,174,000	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	10,221,685	12,667,458
Repairs and maintenance	-	13,512,772
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	2,445,925	343,020
Activity	-	-
Fee on Boarding Equipment and stores	11,783,512	-
PA Levies*	-	-
Others (specify)	-	-
Total	24,451,122	26,523,250

*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	-	-
Income From Farming Activities	83,500	218,140
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	254,000	1,993,210
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	337,500	2,211,350

(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	978,464	904,534
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	139,855	966,096
Teaching / Learning Materials	294,605	52,315
Exams And Assessment	618,260	624,830
Teachers Guides	0	0
Bank Charges	8,200	10,400
Others (specify) Chalks	161,260	92,740
Total	2,200,704	2,650,556

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,289,489	3,251,996
Service Gratuity	206,810	0
Administration Cost	2,871,736	2,102,953
Repairs And Maintenance & Improvements	0	3,961,604
Local Transport / Travelling	737,765	877,385
Electricity And Water	1,230,730	1,139,311
Medical	10,185	214,120
Activity Expenses	1,189,698	72,890
Insurance Cost	0	0
Others (specify) Bank charges	5,272	5,924
Total	9,541,485	11,626,183

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of library	4,215,549	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	4,215,549	-

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	6,506,887	6,583,006
Service Gratuity	-	-
Repairs And Maintenance & Improvements	682,783	6,468,770
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	3,759,981	1,280,778
Lunch Programme	6,504,388	6,285,036
Bank Charges	33,614	17,064
Expenses On Income Generating Activities**	576,280	34,410
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	18,063,933	20,668,864

(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).

RABAI SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account		095000010959	33,763	16,126
Operations Account		1107933595	2,384	359,440
School Fund Account/Boarding		1125694661	120,905	535,560
Savings Account		1146262833	21,339	2,281,455
Parent Association Development Account		-	-	-
Income Generating Activities Account		-	-	-
Infrastructural Account		1276712286	2,063,114	3,406,323
Total			2,241,505	6,598,904

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	19,412	42,568
Total	19,412	42,568

12 Short Term Investments

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

RABAI SECONDARY SCHOOL

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

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023 Kshs	2021-2022 Kshs
Fees Arrears	33,719,931	25,814,063
Other Non-Fees Receivables	1,985,000	520,000
Salary Advances (list/schedule attached)	-	248,400
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	35,704,931	26,582,463

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	9,473,923	%	10,579,249	%
Between 2-3 years	2,918,282	%	2,918,282	%
Over 3 years	23,312,726	%	12,316,532	%
Total (should tie to note 13 a)	35,704,931	%	25,814,063	%

14 Accounts Payable

Description	2022-2023 Kshs	2021-2022 Kshs
Trade Creditors (See Ageing Below and Appendix 1)	589,861	465,835
Prepaid Fees	499,945	441,607
Retention Monies	0	0
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	1,089,806	907,442

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	589,861	%	465,835	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (should tie to note 14)	589,861	%	465,835	%

15 Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Balances	6,598,904		7,055,842	
Cash Balances	42,568		47,842	
Short Term Investments	-		-	
Receivables	26,582,463		27,626,241	
Payables	907,442		1,838,948	
Total	34,131,377		26,568,873	

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
Cattle	1	28,000	28,000
Goats	18	90,000	165,000
Trees	-	-	-
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total		118,000	193,000

18 Borrowings

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

Other important disclosure notes**19 Stock/ Inventory**

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

(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)
1	Inaccuracies of the Financial Statements		Not resolved	2026
2	Variance in Capitation Grants for Operations		Not resolved	2026
3	Unsupported Cash Balances		Not resolved	2026
4	Unsupported Accounts Payables		Not resolved	2026
5	Non Compliance with Public Sector Accounting Standard Board Template		Not resolved	2026
6	Budgetary Control and Performance- Budget Under Funding		Not resolved	2026
7	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)	The management has taken note of the recommendation and will seek guidance from the M.O.E where contributions are to be made to the KESSHA. KESSHA is not a welfare organization but an association which brings principals together to share experiences and chat a way forward on how to improve performance in schools	Resolved	-

RABAI SECONDARY SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
8	Late Transfer of Infrastructure Funds from Operations Bank Account	The management in future will adhere to the 15 days compliance as we were previously unaware.	Resolved	-
9	Non Compliance with the Law of Affirmative Action	The law was complied with because no person with disability applied and was denied opportunity. We employ teachers and workers based on their qualification.	Resolved	-
10	Irregularities in Human Resource Management	The school management has taken note of the recommendation of OAG and will in future make sure to comply as such.	Resolved	-
11	Under Funding of Capitation Grants	The school management will update NEMIS records on time and communicate to the responsible stakeholders involved of the same	Resolved	-
12	Weakness in Procurement of Goods and Services	The school management will adhere to the procurement laws and regulations in future to ensure outmost compliance and inform all relevant parties	Resolved	-
13	Long Outstanding Students' Debtors	Measures taken to recover the long outstanding school fees arrears i) Parents meetings to be held regularly to sensitive parents on the need to pay fees in good time.	Not resolved	Second term 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		ii) Parents representatives to assist by talking to fellow parents who have difficult in payment of school fees. iii) Use of bursary for NG-CDF and the County Government iv) Parents are allowed to pay fees in kind i.e supply firewood, maize, goats e.t.c		
14	Lack of Audit Committee and Internal Audit Function	The Audit committee is in place but it was not functioning because the board members were not sensitized well on its function. We promise to sensitize them on their role and start work with immediate effect.	Not resolved	Second term 2026
15	Lack of Fixed Assets Register	The school management has taken action by introducing the fixed assets register which will be updated whenever an asset has been procured or disposed of	Not resolved	Second term 2026
16	Weaknesses in the Board of Management	i) Board charter: we were not aware of this document but in the way going forward we shall make sure the Board charter is availed. ii) Annual work plan The annual work plan was there but was not documented. The board	Not resolved	Second term 2026

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

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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance Current 2022-2023	Outstanding Balance Comparative 2021-2022	Comments
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings	-	-	-	-	-	-
1.	-	-	-	-	-	-
2.	-	-	-	-	-	-
3.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Supply Of Goods	-	-	-	-	-	-
4. DUARA DISCOVERIES ENTERPRISES	-	-	-	60,000	-	-
5. GENTRADE LTD	-	-	-	165,481	-	-
6. MAHEB BOOKS	-	-	-	349,380	-	-
Sub-Total	-	-	-	574,861	-	-
Supply Of Services	-	-	-	-	-	-
7. SALCOMM INVESTMENTS	-	-	-	15,000	-	-
8.	-	-	-	-	-	-
9.	-	-	-	-	-	-
Sub-Total	-	-	-	15,000	-	-

RABAI SECONDARY SCHOOL

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

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2022-2023	Outstanding Balance Comparative 2021-2022	Comments
Grand Total				589,861		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land	-	-	-	-
Buildings And Structures	-	-	-	-
Motor Vehicles	7,236,720	-	-	7,236,720
Office Equipment, Furniture And Fittings	696,000	-	-	696,000
Textbooks	-	-	-	-
ICT Equipment	-	-	-	-
Tools And Apparatus	-	-	-	-
Other Machinery And Equipment	-	-	-	-
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	-	-	-	-
Total	7,932,720			7,932,720

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