

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

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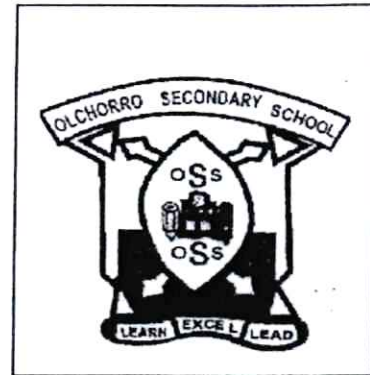
**THE AUDITOR-GENERAL**

**ON**

**OLCHORRO SECONDARY SCHOOL**

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

**NAROK COUNTY**



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**OLCORRO SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2023**

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**Prepared in accordance with the CashBasis 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

*[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 in Narok County, Narok Central Sub-County.

The school was fully registered in 09/2021 under registration number 33S39850985 and is currently categorized as a county school public school established, owned or operated by the Government.

The school is a day/boarding school and had 297 number of students as at 30<sup>th</sup> June 2021. It has 2 streams and 12 teachers of which 5 teachers are employed by the School Board of Management.

### (b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	JOSEPH LEKIWALE	Chairman	
2	MICHAEL KAMAU	Secretary- Principal	
3	William kilesi	Member	
4	Mary nkoriompai	Member	
5	Evans soyiantet	Member	
7	John topisia	Member	
8	Leina Kilesi	Member – Rep CEB	
10	Emmanuel Ikayo	3 Members - Sponsor	
11	Mary matheru		
12	Evaline kilesi		
12	Joel ikayo	Member Special Needs	
13	Kerema Joel		

**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. Michael Kimotho 2. Joseph Lekiwale 3. William Kilesi	<b>secretary.</b> <b>chairman.</b> <b>Treasure.</b>	X out of XX ..... .....
2	Audit Committee			X out of XX
3	Finance, procurement and general purposes Committee			
4	Academic Committee			
5	Development Committee			
6	Discipline and welfare Committee			
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	Micheal kamau kimotho	TSC No.
2	Deputy Principal	Job Cheruiyot	TSC No.
3	School Bursar	Phillip Kilesi	ICPAK No.
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 255-20500  
Telephone: 0722173954  
E-mail: olchorro41@gmail.com  
Website: XXXXXXXXX  
Facebook:  
Twitter:

**(f) School Bankers**

Provide details of the school bankers.

Name of Bank: Kenya Commercial Bank  
Branch: Narok.  
Postal Address.

Name of Bank: Equity Bank  
Branch: Narok.

Name of Bank: National Bank of Kenya  
Branch: Narok.

**(g) Independent Auditors**

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

**3. Summary Report of Performance of The School**

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

**a) Financial performance:**

*(Under this section, 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*
- *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*

*Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).*

**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/ allocation of resources).*

**c) Mean score in the 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.*

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

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

**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).*

**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).*

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

.....Michael Hamau Kimotho

**School Principal**

**4. Statement of School Management Responsibility**

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

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

The Board of Management of (OLCHORRO 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 30<sup>th</sup> June, 2023 and of the school's financial position as at that date.

.....

**Name:** Joseph Lekiwale

**Designation:** Chairman, School Board of Management

**Date:**

.....

**Name:** Michael Kamau Kimotto

**Designation:** School Principal & Secretary to Board of Management

**Date:**

.....  
Philip Naju Kilesi

**Name:**

**Designation:** Bursar/ Finance Officer

**Date:**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON OLCHORRO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NAROK COUNTY

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### PREAMBLE

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

1. 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.
2. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
3. 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.

A Disclaimer of Opinion is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements. 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.

### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

I have audited the accompanying financial statements of Olchorro Secondary School set out on pages 10 to 35, which comprise the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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*Report of the Auditor-General on Olchorro Secondary School for the year ended 30 June, 2023-Narok County*

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## **Basis for Disclaimer of Opinion**

### **1. Unaudited Comparative Balances**

The annual report and financial statements presented for audit reflect Nil comparative balances. However, according to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021, all public secondary schools in Kenya were required to prepare and submit for audit the first annual report and financial statements for the period ended 30 June, 2021 by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of financial statements and Section 47(1) of the Public Audit Act, 2015 on submission of the same to the Auditor-General. Section 47(1) of the Public Audit Act, 2015 requires all public entities to submit the financial statements for audit within three months after the end of fiscal year to which the accounts relate.

At the time of audit of 2022/2023 annual report and financial statements in May, 2024, Management had not submitted the financial statements for the two prior years for audit.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed and Management was in breach of the law.

### **2. Inaccuracies in the Financial Statements**

Review of the financial statements presented for audit revealed the following errors and inaccuracies: -

- i. The School Management did not provide for audit the Ledgers and Trial Balance to support the balances disclosed in the financial statements.
- ii. The statement of receipts and payments reflects deficit of Kshs.XXX instead of a recalculated deficit of Kshs.496,395.
- iii. The statement of assets and liabilities reflects net financial assets of Kshs.1,097,040 instead of negative Kshs.1,097,040. Further, deficit is presented as Kshs.(1,097,040) instead of Kshs.496,395. In addition, net financial position is presented as Kshs.907,601 instead of Kshs.(1,097,040).
- iv. The statement of cash flows reflects net cash outflows from investing activities of Kshs.6,820,690 while there is Nil payments for acquisition of assets from the statement of receipts and payments to justify cash flows from investing activities in entity.

- v. The statement of budgeted versus actual amounts reflects receipts on other vote heads and actual on a comparable basis of Kshs.3,094,853 and Kshs.3,474,183 respectively, instead of the re-casted amounts of Kshs.3,094,342 and Kshs.2,715,012 as reported in Note 2 to the financial statement, respectively, resulting to casting error of Kshs.511 and posting error of Kshs.759,171 respectively.
- vi. The statement of budgeted versus actual amounts reflects percentages of utilization for receipts on teaching and learning materials and other votes of 2% and 2% respectively, instead of the re-calculated utilization percentages of 115% and 112% respectively.
- vii. The statement of budget versus actual amounts reflects Infrastructure receipt maintenance and improvement - Ministry of Education (MOE) and parent's contribution final budget of Nil amount instead of the re-casted amounts of Kshs.2,048,000 and Kshs.400,000 respectively, resulting to variances of Kshs.2,048,000 and Kshs.400,000 respectively.
- viii. The statement of budgeted versus actual amounts reflects personnel emoluments and fees charged on parents of Kshs.957,600 and Kshs.1,751,986 respectively, instead of the re-casted amounts of Kshs.5,491,214 and Kshs.163,214 respectively, resulting to variances of Kshs.4,533,614 and Kshs.1,588,772 respectively.
- ix. The statement of budgeted versus actual amounts reflects actual amounts for teaching or learning materials from tuition and other vote heads from operation expenditure of Kshs.1,228,566 and Kshs.3,473,673 respectively, instead of the re-casted amounts of Kshs.940,890 and Kshs.1,691,012 respectively, resulting to variances of Kshs.287,676 and Kshs.1,782,661 respectively.
- x. Note 10 to the financial statements in respect of bank account balances indicates total balance as Kshs. XXX instead of Kshs.695,286.
- xi. Note 15 to the financial statements reflects fund balance brought forward of Kshs.2,004,641 instead of the re-casted amount of negative Kshs.1,097,019, resulting to a variance of Kshs.3,101,660.

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

### **3. Inaccuracy in Capitation Grants for Operations Amount**

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.2,715,012 while the disclosure Note 2 to the financial statements reflects Kshs.3,739,012, resulting to unexplained variance of Kshs.1,024,000. Further, analysis of cashbook for the grants for operations account revealed a balance of Kshs.3,520,470, resulting to unreconciled variance of Kshs.805,458.

In the circumstances, the accuracy and completeness of capitation grants for operations of Kshs.2,715,012 could not be confirmed.

#### **4. Inaccuracies in Income from Parents' Contributions Amount**

The statement of receipts and payments reflects income from parents' contributions amount of Kshs.2,287,576 while the disclosure Note 4 to the financial statements reflects Kshs.1,710,390, resulting to unreconciled a variance of Kshs.577,186 which was not reconciled.

In the circumstances, the accuracy and completeness of income from parents' contributions of Kshs.2,287,576 could not be confirmed.

#### **5. Non-Receipting of the School Fees from Parents**

The statement of receipts and payments of the financial statements reflects parents' contribution balance of Kshs.2,287,576. Excluded from the amount is Kshs.95,000 recorded in the bank statements, being school fees deposited by parents in December 2022 which could not be traced in the receipt books and cash book. Further, it was observed that the Bursar did not issue official receipts to parents who presented bank slips for fees nor record fees received in cash book.

In the circumstances, the accuracy, completeness and occurrence and of the receipts from parents of Kshs.2,287,576 could not be confirmed.

#### **6. Unsupported and Inaccuracy in Payments for Operations**

The statement of receipts and payments reflects payments for operations of Kshs.3,094,342. The following observations were made:

- i. The payments for operations amount of Kshs.3,094,342 varies with Note 7 amount of Kshs.2,715,012, resulting to unexplained variance of Kshs.379,330.
- ii. The payments for operations amount of Kshs.3,094,342 varies with the amount recorded in cash book of Kshs.2,388,768, resulting to an unexplained variance of Kshs.705,574.

Included in Kshs.3,094,342 is an amount of Kshs.1,892,250 in respect of various payments ranging from travelling, purchases and meetings which were not supported by invoices, bus tickets, receipts, acknowledgments, minutes, letters, requisitions, approvals and Local Purchase Orders.

- iii. Analysis of bank statements revealed payments totaling Kshs.2,631,162, out of which Kshs.1,078,830 relate to cash withdrawals without supporting payment vouchers and other documents.

- iv. In addition, examination of payment vouchers for surrender of imprest issued to the officers amounting to Kshs.1,042,650 revealed that supporting memorandum cash book, imprest warrants and support documents were not attached.

In the circumstances, the accuracy and completeness of the payments for operations of Kshs.3,094,342 could not be confirmed.

#### **7. Variances in the School Fund and Boarding Payments**

The statement of receipts and payments of the financial statements reflect boarding and school fund payments balance of Kshs 3,281,853 while the disclosure Note 9 to the financial statements reflect total payments of Kshs.3,228,949 for boarding and school fund payments leading to unreconciled variance of Kshs.52,904. Further, analysis of cashbook revealed total payments of Kshs.9,703,377 for boarding and school fund resulting to unreconciled variance of kshs.6,421,524.

In the circumstances, the accuracy of the boarding payments of Kshs.3,281,853 could not be confirmed.

#### **8. Unsupported Boarding Payments Amount**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs 3,281,853. However, the payments were not supported by invoices and Local Purchase Orders and properly approved payment vouchers.

In the circumstances, the accuracy, completeness and occurrence of boarding payments of Kshs.3,281,853 could not be confirmed.

#### **9. Unsupported and Inaccurate Cash and Cash Equivalents Balance**

The statement of assets and liabilities and as disclosed in Notes 10 and 11 to the financial statements reflects cash and cash equivalents balance of Kshs.757,961. The following observations were made:

- i) Included in Kshs.757,961 is bank balance of Kshs.695,286. However, the cash book balances for the five (5) bank accounts totaled Kshs.349,469, resulting to unexplained variance of Kshs.345,817 Further, cash and cash equivalents balance of Kshs.757,961 includes cash in hand balance of Kshs 62,675 which was not supported by a cash survey report.
- ii) Management did not prepare monthly reconciliations for the bank accounts nor were the cashbooks closed monthly and cross-checked for accuracy every month by a senior officer, contrary to Regulations 90(1) and 90(3) of the Public Finance Management (National Government) Regulations, 2015 which requires that bank reconciliation and updating of cashbook are carried out.

- iii) The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflect bank balances of Kshs.695,286 held in five (5) bank accounts. Excluded from the bank balance of Kshs.695,286 are balances from the two (2) bank accounts whose balances are disclosed as Kshs. XXX in Note 10 to the financial statement. These are Savings bank Account Number 11077115509 disclosed in the financial statements but whose bank statement not provided and Kshs.168,380 in Project or Infrastructure Account Number 0360273330422 in Equity Bank Account. Further, Management did not prepare the cashbooks for the two accounts to for audit.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance Kshs.757,961 could not be confirmed and Management was in breach of the law.

#### **10. Unsupported Accounts Receivables**

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.1,246,850. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. However, there was no policy on the impairment of the outstanding accounts receivables casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the occurrence of the balance of accounts receivables of Kshs.1,246,850 could not be confirmed.

#### **11. Unsupported Accounts Payables**

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.3,101,680. However, the balance was not supported by the creditors ledgers, invoices and Local Purchase Orders.

In the circumstances, the occurrence of the balance of accounts payable of Kshs.3,101,680 could not be confirmed.

#### **12. Unsupported Capitation Grants**

The statement of receipts and payments and as disclosed in Notes 1 and 2 to the financial statements reflects Kshs.794,102 and Kshs.2,715,012 in respect to capitation grants for tuition and operations respectively. Although Management provided general acknowledgement of receipts from the state department of Education, duly issued and signed receipts for the capitation grant to individual students benefiting from the capitation were not provided for audit.

In the circumstances, the occurrence and completeness of the capitation grants for tuition and operations of Kshs.3,509,114 could not be confirmed.

### **13. Unsupported Payments in Infrastructure Bank Account**

The statement of assets and liabilities and as disclosed in Notes 10 and 11 the financial statements reflect cash and cash equivalents balance of Kshs.757,961. Analysis of the payments made in the infrastructure bank account maintained in Equity Bank revealed total payments of Kshs.1,078,700. The payments were not supported by the payment vouchers and payments were related to operational and not infrastructural activities.

In the circumstances, the occurrence and authenticity of the payments amounting to Kshs.1,078,700 could not be confirmed.

### **14. Unsupported Tuition Payments**

The statement of receipts and payments reflects tuition payments amount of Kshs 940,890 while Note 6 to the financial statements reflects Kshs.943,840, resulting to unexplained variance of Kshs.2,950. Further, the expenditure was not supported by ledgers, Local Purchase Orders and invoices.

In the circumstances, the accuracy, completeness and occurrence of tuition payments amount of Kshs.940,890 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs 14,318,207 and Kshs 16,909,825 respectively, resulting to under budgeting of Kshs.2,591,618 or 18% of the budget. Additionally, the School spent an amount of Kshs.4,702,239 against actual receipts of Kshs.16,909,825, resulting to under-utilization of resources of Kshs.12,207,586 or 72% of actual receipts.

In the circumstances, under-utilization of funds affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

I do not express an opinion on the accompanying financial statements Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## **Basis for Conclusion**

### **1. Late Submission of the Financial Statements to the Auditor-General**

Management submitted the financial statements for the year ended 30 June, 2023 to the Auditor-General on 27 May, 2024, contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate. These financial statements have been audited as a result of a proactive initiative by the Auditor-General.

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

### **2. Non-banking of School Fees Received**

Review of the cashbook and bank statements revealed that the management of the School collected school fees from the parents totaling to Kshs. 359,100, received in the month of February 2023 was not banked in the school fund bank account but instead spent at source contrary to Regulation 63(4) of the Public Finance Management (National Government) Regulations, 2015 which requires that all public moneys collected to be paid into the designated bank accounts and used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law.

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

### **3. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments and as disclosed in Note 7 of the financial statements reflect payments for operations of Kshs.3,094,342. Included in the amount is Kshs.61,100 which was paid to Kenya Secondary Schools 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.61,100 could not be confirmed.

### **4. Under Supply of Textbooks**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of the School's records revealed that the Institute distributed one hundred and five (105) books to the School while the School expected one hundred and forty-five (145) books to be issued to the students, resulting to an unexplained shortage of forty (40) text books.

In circumstances, the effectiveness of delivery of textbooks to the School could not be confirmed.

#### **5. Non-Compliance with Board of Management and Committee Meetings Requirements**

Review of meeting records of Board of Management of the School including minutes file revealed that the Board held one (1) meeting during the year under review, contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 which requires the Board and Committees to hold at least one meeting every four months.

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

#### **6. Irregular Use of Cash to Procure Goods and Services**

The statement of receipts and payments reflects payments operations of Kshs.3,094,342, out of which Kshs.195,600 was paid for goods and services through cash and which exceeded the cash procurement limit of Kshs.50,000. This was contrary to Section 107(b) of the Public Procurement and Asset Disposal Act, 2015 which provides for Kshs.50,000 threshold for low value procurement.

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

#### **7. Under Funding in Capitation Grants**

The statement of Receipts and Payments reflects capitation grant for tuition and capitation grant for operations amounts of Kshs.794,102 and Kshs.2,715,012 respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total of three hundred and thirteen (313) students while the enrolment records provided by the School indicated a total of three hundred and seventeen (317) students, resulting to an unexplained variance of four (4) students. As a result of the variance, the School was under funded by an amount of Kshs.13,527

In the circumstances, the accuracy of NEMIS data and capitation funds could not be confirmed.

#### **8. Failure to Prepare School Improvement Plan**

Review of the records revealed that during the year under review, the School did not have a School Improvement Plan. This was contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds under School Improvement Planning which requires the school to identify in every 3-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, effectiveness of the management measures taken for future improvement plans could not be confirmed.

## **9. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

The statement of receipts and payments page is numbered as page 12 onwards up to the Annexes instead of being numbered from page 1 onwards.

In the circumstances, Management was in breach of the PSASB guidelines on the presentation of the financial statements.

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

## **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Function and Audit Committee**

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

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

#### **2. Lack of a Risk Management Policy and Disaster Recovery Plan**

Review of the documents provided for audit revealed that Management had not established a Risk Management Policy to guide on the development of risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. The School lacked a

framework for management of risks which includes identification, assessment and control of the risks.

In addition, the School lacked a disaster recovery plan implying that there was no continuity plan to assist the Institution resume business processes with minimal interruptions in the event of a disaster.

In the circumstances, the effectiveness of risk management and business continuity in case of a disaster could not be confirmed.

### **3. Information Communication Technology Security**

Review of the School's Information Communication Technology systems and records revealed that the School had Information Communication Technology (ICT) department but lacked an ICT strategic committee to assist in the development of ICT Policy framework to achieve long-term ICT strategic goals. Lack of an ICT strategic committee may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, existence of an effective ICT controls could not be confirmed.

### **4. Unapproved Budgets and Procurement Plans**

Review of the budget and procurement documents revealed that the School prepared a budget for the year under review. However, the Board of Management approval of the budget was not provided for audit. Further, the School did not have in place an approved procurement plan for the year under review.

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

### **5. Lack of Fixed Assets Register**

Review of the disclosure notes to financial statements revealed that the Annexure on summary of fixed assets register was not included in the financial statements. Further, Management did not present the assets register for audit, contrary to Regulation 143 (1) of the Public Finance Management (National Government) which requires the Accounting Officer to be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, existence, valuation and completeness of the fixed assets register and fixed assets could not be confirmed.

## **6. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register with nil balances for fixed assets. Inquiry with the management revealed that the School sits on land estimated to be five (5) acres and the buildings. In addition, review of the records revealed the School possesses a bus acquired through National Government Constituency Development Fund Narok North Constituency. However, land ownership documents and motor vehicle log books were not provided for audit.

In circumstance the ownership of the land and motor vehicles could not be confirmed.

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

### **Responsibilities of the 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 and as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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 for 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 IFPP 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**

**27 September, 2024**

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 20XX

Description Of Vote Head	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	794,102.25	xxx
Government grants for operations	2	2,715,012.29	xxx
Government Grants for infrastructure	3	1,024,000	xxx
School fund income- parents' contributions	4	2,287,576	xxx
Miscellaneous incomes	5	xxx	xxx
<b>Total Receipts</b>		<b>6,820,690.54</b>	<b>xxx</b>
<b>Payments</b>			
Tuition	6	940,890	xxx
Operations	7	3,094,342	xxx
Infrastructure	8	xxx	xxx
Boarding and school fund	9	3,281,853	xxx
<b>Total Payments</b>		<b>7,317,085</b>	<b>xxx</b>
<b>Surplus/Deficit</b>		<b>xxx</b>	<b>xxx</b>

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

Joseph  
BOM. Chair - Lekiwale

BOM. Secretary - Michael Kamukia Kimiroto

*(OLCHORRO SECONDARY SCHOOL)*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

---

**Name:** Joseph Lekiwale

**Chair BOM**

**Date:**

**Name:** Michael Kamaa Kimoto

**School Principal/ Secretary to BOM**

**Date:**

**Name:** Philip Naji Kilesi

**Bursar/ Finance Officer**

**Date:**

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

7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	695,285.61	xxx
Cash balances	11	62,675	xxx
Short term investments	12	xxx	xxx
<b>Total cash and cash equivalent</b>		<b>757,960.61</b>	<b>xxx</b>
Account's receivables	13	1,246,680	xxx
<b>Total financial assets</b>		<b>2,004,640.61</b>	<b>xxx</b>
<b>Financial liabilities</b>			
Accounts payables	14	3,101,680	xxx
<b>Net financial assets</b>		<b>1,097,040</b>	<b>xxx</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	xxx	xxx
<b>Surplus/deficit for the year</b>		<b>xxx/(1,097,040)</b>	<b>xxx/(xxx)</b>

*(OLCHORRO SECONDARY SCHOOL)*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Net financial position</b>		<b>907,601</b>	<b>907,601</b>
			-

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

**Name: Joseph Lekiwale**

**Chair BOM**

**Date:**

**Name: Michael Kamau Kimotho**

**School Principal/ Secretary to BOM**

**Date:**

**Name: Philip Naju Kilesi**

**Bursar/ Finance Officer**

**Date:**

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

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2021

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		794,102.25	xxx
Government grants for operations		2,715,012.29	xxx
Government grants for infrastructure		1,024,000	xxx
School fund income- parents contributions/ fees		2,287,576	xxx
Other income		xxx	xxx
<b>Total receipts</b>		<b>6,820,690.54</b>	<b>xxx</b>
<b>Payments</b>			
Cash outflows for tuition		940,890	xxx
Cash outflows for operations		3,094,342	xxx
Cash outflows Boarding/lunch and school fund payments		3,281,853	xxx
<b>Total payments</b>		<b>(7,317,085)</b>	<b>(xxx)</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>xxx/(496,395)</b>	<b>xxx/(xxx)</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(xxx)	(xxx)
Proceeds from sale of Assets		xxx	xxx
Proceeds from investments		xxx	xxx
Purchase of investments		(xxx)	(xxx)
<b>Net cash inflow/outflows from investing activities</b>		<b>xxx/(6,820,690)</b>	<b>xxx/(xxx)</b>
<b>Cashflow from Financing activities</b>			

Proceeds from borrowings/ loans	18	xxx	xxx
Repayment of principal borrowings		(xxx)	(xxx)
<b>Net cash inflow/outflow from financing activities</b>		<b>xxx/(xxx)</b>	<b>xxx/(xxx)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>xxx/(xxx)</b>	<b>xxx/(xxx)</b>
Cash and cash equivalent at beginning of the FY		xxx	xxx
<b>Cash and cash equivalent at end of the FY</b>		<b>xxx</b>	<b>xxx</b>

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 cash flow as recommended by PSASB).

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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					
Teaching and learning resource	794,102.25	146,788	940,890	1,087,678	2%
(2) Capitation Grant on Operations					
Other vote heads	2,715,012.29	379,330	3,094,853	3,474,183.29	2%
Repairs And Maintenance	1,024,000				2%
Medical/ Insurance	xxx	xxx	xxx	xxx	
Co-curricular	xxx	xxx	xxx	xxx	x
	xxx	xxx	xxx	xxx	x

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
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE	1,024,000	1,024,000			2%
M&I parents' contribution	400,000	xxx	xxx	xxx	x
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	2,664,000	2,827,214	957,600	1,751,986	2%
Repairs And Maintenance	xxx	xxx	xxx	xxx	x
Local Transport / Travelling	xxx	xxx	xxx	xxx	x
Electricity And Water	xxx	xxx	xxx	xxx	x
Medical	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	x
Activity	xxx	xxx	xxx	xxx	x
Fee On Boarding Equipment and Stores	8,053,750	1,271,114	9,324,864	10,595,978	2%
<b>5) Miscellenous Income</b>					
Loans / Borrowing	xxx	xxxx	xxx	xxx	x
Rent income	xxx	xxx	xxx	xxx	x
Income From Farming Activities	xxx	xxx	xxx	xxx	x
Insurance Compensation	xxx	xxx	xxx	xxx	x
Income From Bus Hire	xxx	xxx	xxx	xxx	x
Fee For Hire of Ground and Equipment	xxx	xxx	xxx	xxx	x
Interest Income	xxx	xxx	xxx	xxx	x
Income From Any Other Investment	xxx	xxx	xxx	xxx	x

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
<b>Total Income</b>	794,102.25				
<b>(6) Expenditure For Tuition</b>					
Teaching / Learning Materials	940,890	143,838	1,084,728	1,228,566	2%
Bank Charges	2,950.39	xxx	xxx	xxx	x
<b>(7) Expenditure For Operations</b>					
Other vote heads	2,715,012.29	379,330	3,094,343	3,473,673	2%
Repairs, Maintenance & Improvements	xxx	xxx	xxx	xxx	x
Medical/ Insurance	xxx	xxx	xxx	xxx	x
Co-Curricular	xxx	xxx	xxx	xxx	x
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	xxx	xxx	xxx	xxx	x
Construction of LAB	xxx	xxx	xxx	xxx	x
Construction of DORMS	xxx	xxx	xxx	xxx	x
Purchase of furniture	xxx	xxx	xxx	xxx	x
Purchase of equipment	xxx	xxx	xxx	xxx	x
Purchase of machinery	xxx	xxx	xxx	xxx	x
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	xxx	xxx	xxx	xxx	x
Repairs, Maintenance and Improvements	xxx	xxx	xxx	xxx	x

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
Local Transport / Travelling	xxx	xxx	xxx	xxx	x
Electricity, Water and Conservancy	xxx	xxx	xxx	xxx	x
Medical Expenses	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	x
Activity	xxx	xxx	xxx	xxx	x
Boarding Equipment and Stores	xxx	xxx	xxx	xxx	x
Expenditure For Income Generating Activity	xxx	xxx	xxx	xxx	x
Insurance Costs	xxx	xxx	xxx	xxx	x
Other Expenses On Investments	xxx	xxx	xxx	xxx	x
Rent Expenses	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	xxx	x
Loan Interest Repayment	xxx	xxx	xxx	xxx	x
Loan Principal Repayment	xxx	xxx	xxx	xxx	x
Acquisition Of Assets	xxx	xxx	xxx	xxx	x
<b>Totals</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>x</b>

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

- i. Xxx
- ii. Xxx

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
Local Transport / Travelling	xxx	xxx	xxx	xxx	x
Electricity, Water and Conservancy	xxx	xxx	xxx	xxx	x
Medical Expenses	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	x
Activity	xxx	xxx	xxx	xxx	x
Boarding Equipment and Stores	xxx	xxx	xxx	xxx	x
Expenditure For Income Generating Activity	xxx	xxx	xxx	xxx	x
Insurance Costs	xxx	xxx	xxx	xxx	x
Other Expenses On Investments	xxx	xxx	xxx	xxx	x
Rent Expenses	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	xxx	x
Loan Interest Repayment	xxx	xxx	xxx	xxx	x
Loan Principal Repayment	xxx	xxx	xxx	xxx	x
Acquisition Of Assets	xxx	xxx	xxx	xxx	x
<b>Totals</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>x</b>

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

- i. Xxx
- ii. Xxx

## **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 30<sup>th</sup> June 2023.

## 11. Notes To The Financial Statements

### 1 Government Grants for Tuition

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Teaching / Learning Materials	794,102.25	xxx
Others (specify) *		xxx
<b>Total</b>	<b>794,102.25</b>	<b>xxx</b>

\*Include others as per MOE circulars

### 2 Government Grants for Operations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Repairs And Maintenance	1,024,000	xxx
Medical/insurance		xxx
Activity		xxx
Other Vote Heads (specify)*	2,715,012.29	xxx
<b>Total</b>	<b>3,739,012.29</b>	<b>xxx</b>

\*Include others as per MOE circulars

### 3 Government Grants for infrastructure

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Maintenance & Improvement	1,024,000	xxx
<b>Total</b>	<b>1,024,000</b>	<b>xxx</b>

**4 School Fund Income -Parents Contribution/Fees**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personnel emoluments	163,214	xxx
Repairs and maintenance	38,550	xxx
Local transport / travelling	20,800	xxx
Electricity and water	37,680	xxx
Medical		xxx
Administration costs	18,310	xxx
Activity	1850	xxx
Fee on Boarding Equipment and stores	1,271,114	xxx
PA Levies*		xxx
Others (bank charges& arrears)	158,872	xxx
<b>Total</b>	<b>1,710,390</b>	<b>xxx</b>

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

**5 Miscellaneous Incomes**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Income From Bus Hire	xxx	xxx
Loans/Borrowings*	xxx	xxx
Other Income (specify) *	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

(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	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Teaching / Learning Materials	940,890	xxx
Bank Charges	2,950.39	xxx
Others (specify)		xxx
<b>Total</b>	<b>943,840.39</b>	<b>xxx</b>

7 Operations

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Repairs And Maintenance & Improvements	1,024,000	xxx
Medical/Insurance	xxx	xxx
Co-curricular		xxx
Others vote heads(specify)	1,691,012.29	xxx
<b>Total</b>	<b>2,715,012.29</b>	<b>xxx</b>

Notes to the Financial Statements (continued)

8 Infrastructure

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Construction of classrooms	xxx	xxx
Construction of laboratory	xxx	xxx
Construction of dormitory	xxx	xxx
Purchase of furniture	xxx	xxx
Purchase of equipment	xxx	xxx
Purchase of apparatus	xxx	xxx
Drilling of boreholes	xxx	xxx
Others (specify)	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

9 Boarding And School Fund

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personnel Emoluments	719,350	xxx
creditors	72,778	xxx
Repairs And Maintenance & Improvements	9,720	xxx
Local Transport / Travelling	101,950	xxx
Electricity And Water	111,968	xxx
Medical Expenses	xxx	xxx
Administration Costs	563,696	xxx
Bank Charges	18,342	xxx
Fee On Boarding Equipment and Stores	1,631,145	xxx
Loan Principal Repayment	xxx	xxx

Loan Interest Repayment	xxx	xxx
Acquisition Of Assets	xxx	xxx
PA expenses	xxx	xxx
Others (specify)	xxx	xxx
<b>Total</b>	<b>3,228949e</b>	<b>xxx</b>

*(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).*

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01025042190000	3863.61	xxx
Operations Account	Active	0360291733744	264,446	xxx
School Fund Account/Boarding	Active	1251337864	426,976	xxx
Savings Account	Active	11077115509	xxx	xxx
Infrastructural Account	Active	0360273330422	xxx	xxx
<b>Total</b>			<b>xxx</b>	<b>xxx</b>

11 Cash In Hand

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Notes and Coins	62,675	xxx
<b>Total</b>	<b>62,675</b>	<b>xxx</b>

12 Short Term Investments

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Cooperative Shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed Deposit accounts	xxx	xxx
Other Investments	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**(OLCHORRO SECONDARY SCHOOL)**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Fees Arrears	1,246,850		xxx	
<b>Other Non-Fees Receivables</b>				
Salary Advances (list/schedule attached)	xxx		xxx	
Imprest (list/schedule attached)	xxx		xxx	
<b>Total</b>	<b>1,246,850</b>		<b>xxx</b>	

13 b Ageing Analysis of Accounts Receivable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2022/2023	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total (should tie to note 13 a)</b>	<b>1,246,850</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

14 Accounts Payable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	3,057,000		xxx	
Prepaid Fees	44,680		xxx	

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Fees Arrears	1,246,850		xxx	
<b>Other Non-Fees Receivables</b>				
Salary Advances (list/schedule attached)	xxx		xxx	
Imprest (list/schedule attached)	xxx		xxx	
<b>Total</b>	<b>1,246,850</b>		<b>xxx</b>	

13 b Ageing Analysis of Accounts Receivable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2022/2023	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
<b>Total (should tie to note 13 a)</b>	<b>1,246,850</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

14 Accounts Payable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	3,057,000		xxx	
Prepaid Fees	44,680		xxx	

Retention Monies	xxx	xxx
Unpaid salaries and statutory deductions	xxx	xxx
Other payables ( <i>specify</i> )	xxx	xxx
<b>Total</b>	<b>3,101,680</b>	<b>xxx</b>

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,074,680	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	2,027,000	%	xxx	%
<b>Total (should tie to note 14)</b>	<b>3,101,680</b>	<b>%</b>	<b>xxx</b>	<b>%</b>

15 Fund Balance Brought Forward

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Bank Balances	695,285.61		xxx	
Cash Balances	62,675		xxx	
Short Term Investments	xxx		xxx	
Receivables	1,246,680		xxx	
Payables	(3,101,680)		(xxx)	
<b>Total</b>	<b>2,004,640.61</b>		<b>xxx</b>	

**Other important disclosure notes**

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

**16 Non-current Liabilities Summary**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Bank Loans	xxx	xxx
Outstanding Leases	xxx	xxx
Hire Purchase	xxx	xxx
Gratuity And Leave Provision	xxx	xxx
Others (specify)	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**17 Biological assets**

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle	----	xxx	xxx
Goats	----	xxx	xxx
Trees	69	xxx	xxx
Coffee Or Tea Plantation	----	xxx	xxx
Poultry	----	xxx	xxx
Others (specify)		xxx	xxx
<b>Total</b>	<b>69</b>	<b>xxx</b>	<b>xxx</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments during the year	(xxx)	(xxx)
<b>Balance at the end of the year</b>	<b>xxx</b>	<b>xxx</b>

(OLCHORRO SECONDARY SCHOOL)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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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.

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

Michael Kimotho

-----  
Sign and Date  
Principal

**PRINCIPAL**  
**OLCHORRO SEC. SCHOOL**  
P. O. Box 255 - 20500, NAROK  
Date:.....Sign:.....

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4. Mini bakery & furniture	2,027,000	2021		2,027,000		
5. Stationery & lab equipments	998,000	2022/2023		998,000		
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
6.						
7.						
8.						
<b>Sub-Total</b>						
<b>Grand Total</b>	<b>3,025,000</b>			<b>3,025,000</b>		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
<b>Total</b>				

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

Other important disclosure notes

19 Stock/ Inventory

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Food stuffs	70,000	xx
Lab consumables	287,346	xx
Farm produce	xx	xx
Medication	xx	xx
Construction Materials	395,000	xx
Others (specify)	xx	xx
	<b>752,346</b>	<b>xx</b>

*(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)*

