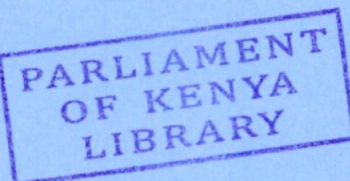


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

CHEPTIL SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2024

NANDI COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 JUL 2026	DAY: TUE
TABLED BY:	Hon. Owen Baya Deputy Majority Leader
CLERK-AT THE-TABLE:	Mr. Wzofu Mwalu

Revised 30th June 2023.



Cheptil Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

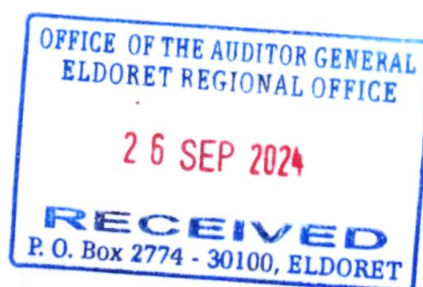




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Acronyms and Glossary of Terms

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	Free Day Secondary Education
PA	Parents Association
CDF	Constituency Development Fund
NSSF	National Social Security Fund
KRA	Kenya Revenue Authority
KPLC	Kenya Power & Lighting Company
PAYE	Pay As You Earn
NHIF	National Hospital Insurance Fund
PE	Personal Emolument
LT&T	Local Transport & Travels
EWC	Electricity Water and Conservancy
ICT	Integrated Communication Technology

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 Nandi County, Nandi North Sub-County.

The school was registered in 08/03/1976 under registration number 2634 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 646 number of students as at 30th June 2024. It has three streams and 31 teachers of which 9 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Prof. David Kosgei	Ag. Chair	15/06/2022
2	Mr. Kipyego Ngetich	Secretary - Principal	15/06/2022
3	Mrs. Salome Kitele	Member	15/06/2022
4	Mr. William Sang	Member	15/06/2022
5	Dr. Emily Bomet	Member	15/06/2022
6	Mrs. Esther Seronei	Member	15/06/2022
7	Mr. Levy Limo	Member – Rep CEB	15/06/2022
8	Ms. Anne Birgen	Member Rep Teachers	15/06/2022
9	Mr. Gilbert Sawe Mr. Kennedy Tanui Mr. Jackson Tuwei	3 Members - Sponsor	15/06/2022
10	Dr. Jonah Katam Mr. Paul Mutai	Members - Community	15/06/2022
11	Mr. Sammy Kerich	Member Special Needs	15/06/2022
12	Frankline Kipkosgei	Rep Students	15/06/2022

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Kipyego Ngetich Mr. Paul Mutai Mrs. Salome Kitele Mr. Gilbert Sawe	BOM Secretary PA Chairman Member Member	1 of 1 0 1 of 1 1 of 1
2	Audit Committee	Mr. Levy Limo Mr. Barnabas Koros Mr. Charles Kiprotich	Chairman Member Member	0 0 0
3	Finance, procurement and general purposes Committee	Mr. William Sang Mr. Jackson Tuwei Mr. Kipyego Ngetich Mrs. Salome Kitele	Chairman Member Member Member	1 out of 1 0 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Dr. Emily Bomet Mr. Paul Mutai Mrs. Salome Kitele Mr. Kipyego Ngetich Mr. Johana Kering	Chairlady Member Member BOM Secretary Director of studies	0 0 0 0 0
5	Development Committee			
6	Discipline and welfare Committee	Mrs. Esther Seronei Mr. Emmanuel Cheruiyot Mr. Gilbert Sawe Mr. Sammy Kerich Mr. Kipyego Ngetich	Chairlady Deputy Principal Member Member BOM Secretary	0 0 0 0 0

(d) School operation Management

For the financial year ended 30th June 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr. Kipyego Ngetich	TSC No. 335532
2	Deputy Principal	Mr. Emmanuel Cheruiyot	TSC No. 455127
3	School Bursar	Mr. John Talam	ID No. 22890010

(e) Schools contacts

Post Office Box: P. O. Box. 2151-30100 Eldoret
 Telephone: 0202029991
 E-mail: cheptilsecondary@gmail.com
 Website: www.cheptilsecondary.co.ke

(f) School Bankers

S/No.	ACCOUNT NAME	NAME OF THE BANK	BRANCH	ACCOUNT NUMBER
1	School Fund	KCB	Eldoret	1135325561
2	Operations	NBK	Eldoret	01021027623400
3	Tuition	NBK	Eldoret	01025027623400
4	RMI	KCB	Eldoret	1255230096
5	CDF	NBK	Eldoret	2527623401

(g) Independent Auditors

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

Summary Report of Performance of The School

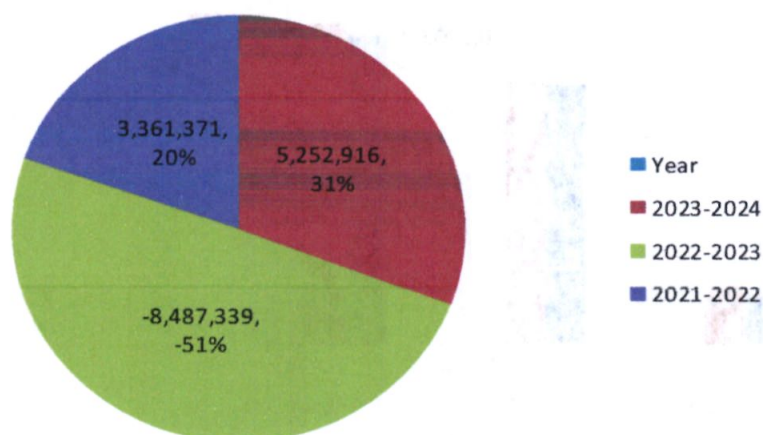
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

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

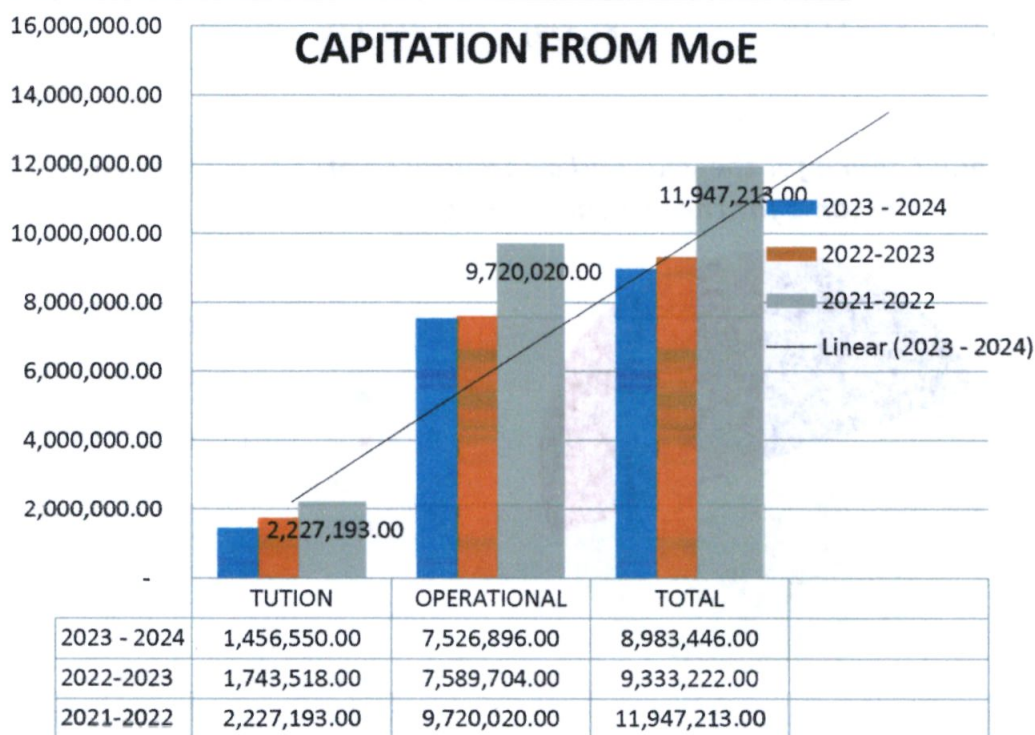
Year	2023-2024	2022-2023	2021-2022
Deficit/Surplus	5,252,916	(8,487,339)	3,361,371

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

Account	2023-2024	2022-2023	2021-2022
Tuition	1,456,550	1,743,518	2,227,193
Operational	7,526,896	7,589,704	9,720,020
Total	8,983,446	9,333,222	11,947,213



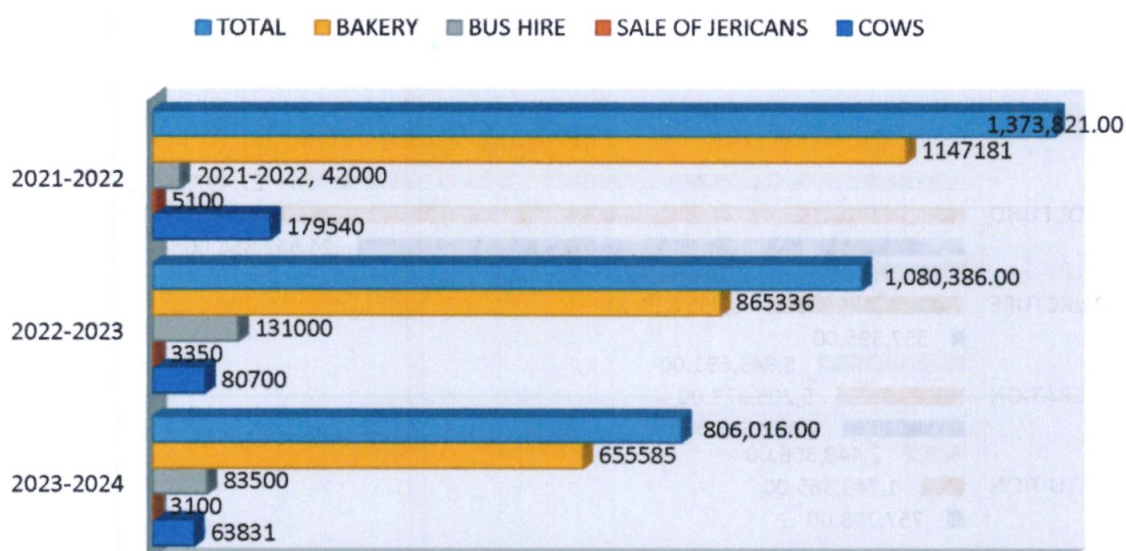
CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

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

Income	2023-2024	2022-2023	2021-2022
Cows	63,831	80,700	179,540
Sale of Jericans	3,100	3,350	5,100
Bus Hire	83,500	131,000	42,000
Bakery	655,585	865,336	1,147,181
Total	806,016	1,080,386	1,373,821

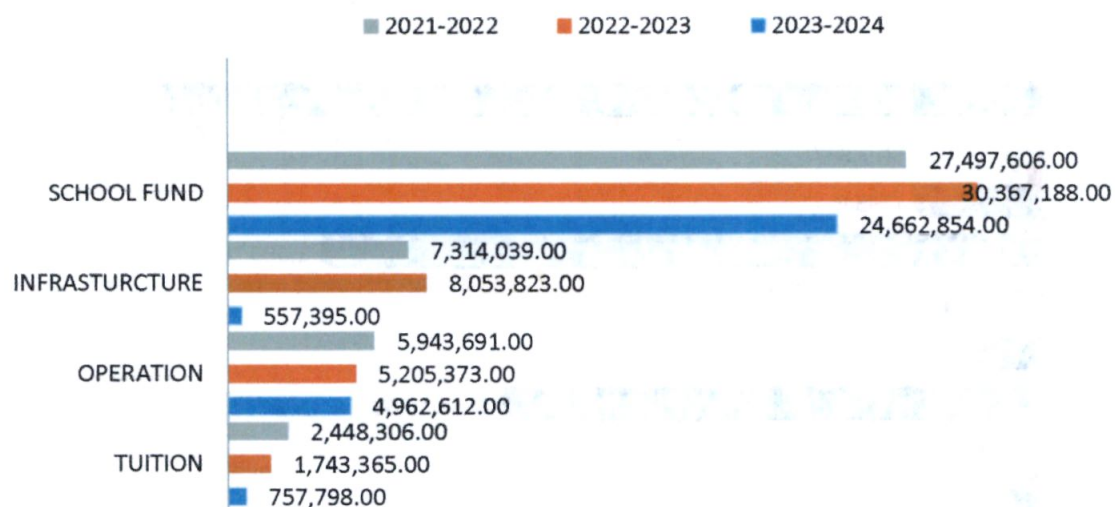
OTHER INCOMES



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

Account	2023-2024	2022-2023	2021-2022
Tuition	757,798	1,743,365	2,448,306
Operation	4,962,612	5,205,373	5,943,691
Infrastructure	557,395	8,053,823	7,314,039
School Fund	24,662,854	30,367,188	28,497,606
Total	30,940,659	45,369,749	44,203,642

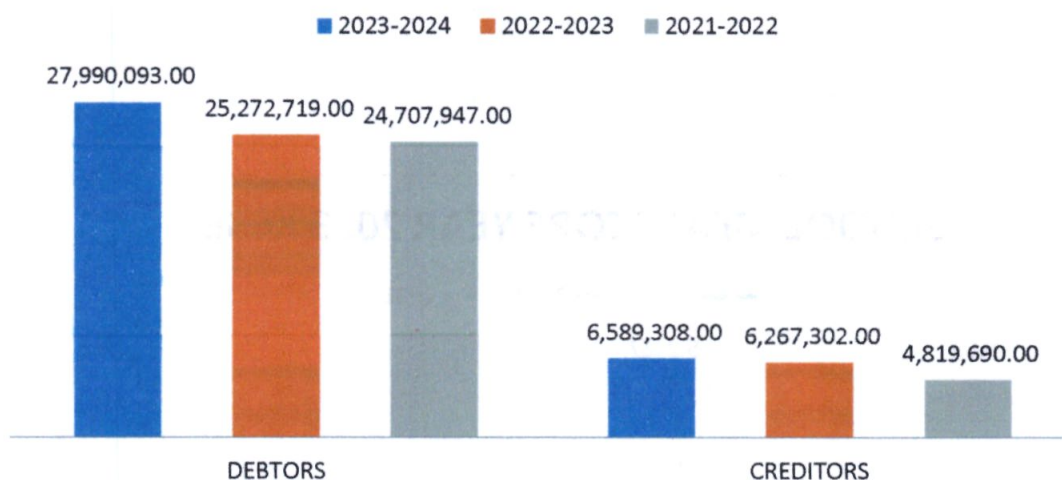
SUMMARY OF EXPENDITURE



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

Description	2023-2024	2022-2023	2021-2022
Debtors	27,990,093	25,272,719	24,707,947
Creditors	6,589,308	6,267,302	4,819,690

SUMMARY OF DEBTORS AND CREDITORS



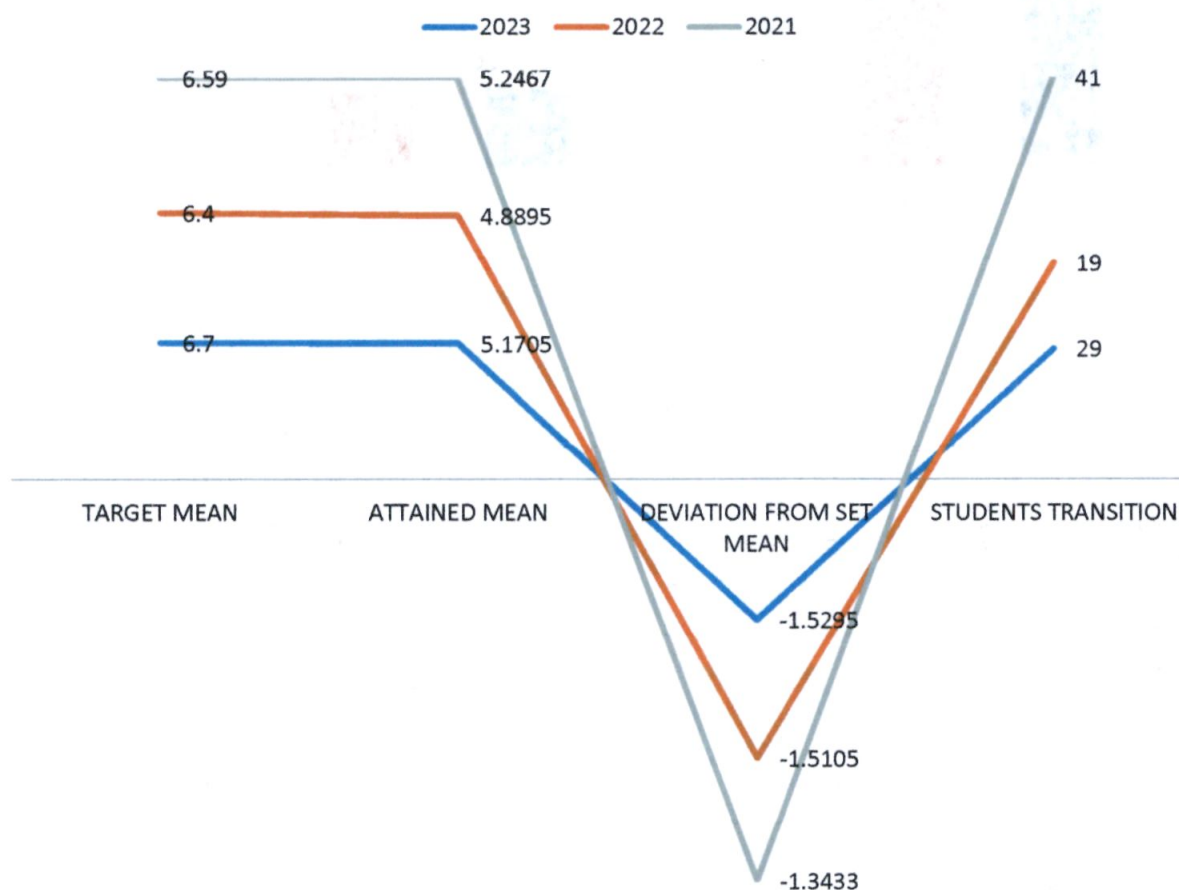
b) Teacher Student ratio:

Subject	Eng.	Kisw.	Math	Chem.	Bio	Phy.	Geo.	CRE	Agri.	BeS.	Comp.	PE	His
Teachers	3	4	9	7	8	4	4	3	4	5	1	1	5
Teacher: Student	1:215	1:162	1:72	1:92	1:81	1:162	1:162	1:215	1:162	1:129	1:646	1:646	1:129
New Teachers	0	0	0	0	1	2	0	0	1	0	0	0	0
Transferred	1	0	1	0	0	0	1	0	0	0	0	0	0
TSC-Employed	2	4	6	4	4	2	4	2	2	3	0	1	4
BOM-Employed	2	0	4	3	4	2	0	1	2	2	1	0	1

c) Mean score in the 2023 KCSE:

Year	2023	2022	2021
Targeted Mean	6.7	6.4	6.59
Attained Mean	5.1705	4.8895	5.2467
Deviation from set mean	-1.5295	-1.5105	-1.3433
Students Transition	29	19	41

SCHOOL MEANSORE YEAR 2023 KCSE

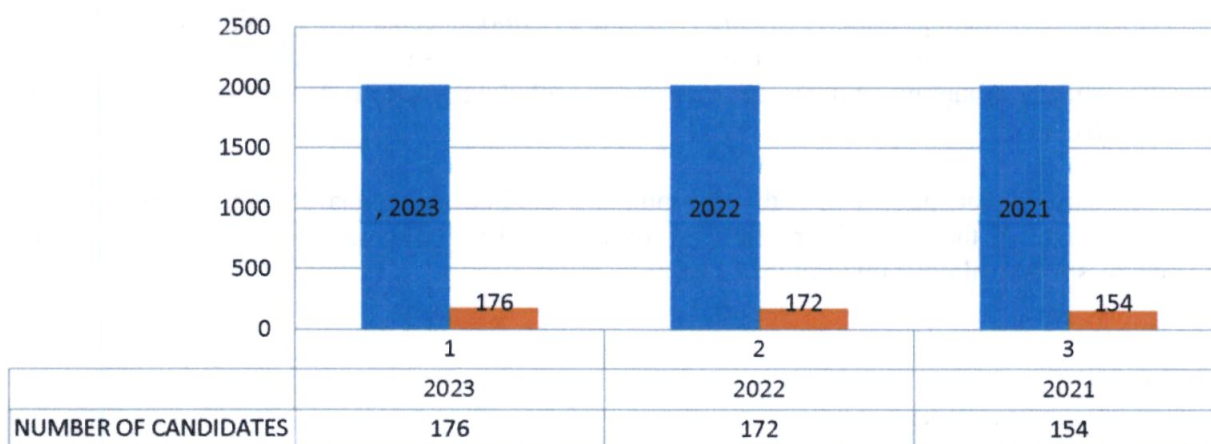


Commend: The number of students transiting increased by ten.

Number of Candidates in the 2023 KCSE:

Year	2023	2022	2021
Number of candidates	176	172	154

SCHOOL CANDIDATES ENROLEMENT



d) Capacity of the school:

Number of Students	Dormitories	Dining Halls	Laboratories	Latrines
646	9	0	3	40

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Computer Laboratory	CDF and Bank Loan	Complete	6,000,000	6,000,000	2021
One storeyed 6No. Classrooms	Ministry of Education-MI	In progress	10,064,955	7,754,864	2022
CBC Classes	Ministry of Education	Complete	531,780	531,780	2023

.....
School Principal



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 *Cheptil 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, 2024, and of the school's financial position as at that date.

Name:

Designation: Chairman, School Board of Management

Date:

Name:

Designation: School Principal & Secretary to Board of Management

Date:

Name:

Designation: Bursar

Date:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHEPTIL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - NANDI 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 Cheptil Secondary School – Nandi County set out on pages 1 to 18, which comprise of the statement of assets and liabilities as at 30 June, 2024, the statement of receipts and payments, statement of cash

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

In my opinion, except for the effects 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 Cheptil Secondary School at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Tuition Payments

The statement of receipts and payments reflects tuition payments of Kshs.757,798. However, review of the ledgers indicated tuition payments of Kshs.685,298 resulting to unexplained and unreconciled variance of Kshs.72,500.

In the circumstances, the accuracy and completeness of the payments – tuition of Kshs.757,798 could not be confirmed.

2. Unsupported Payments

The statement of receipts and payments and Notes 6, 7 and 9 reflects tuition, operations and boarding and school fund payments amounting to Kshs.757,798, Kshs.4,962,612 and Kshs.24,662,854, respectively. However, examination of payment vouchers amounting to Kshs.685,068 for tuition payments, Kshs.3,762,019 for operations payments and Kshs.13,918,651 for school fund payments respectively revealed that management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, and goods received notes.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations, and the boarding and school fund payments of Kshs.18,365,738 could not be confirmed.

3. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects Government grants for tuition of Kshs.1,456,550 and Government grants for operations of Kshs.5,426,096 as disclosed in Notes 1 and 2 to the financial statements totaling to Kshs.6,882,646. Review of the NEMIS capitation disbursements made to the School and the amount receipted by the School revealed an amount of Kshs.6,882,646 whereas the NEMIS reflects capitation amount of Kshs.8,533,446, resulting in an unexplained variance of Kshs.1,650,800.

In the circumstances, the accuracy and completeness of capitation grants for operations amounting to Kshs.6,882,646 could not be confirmed.

4. Accounts Payables Balance

The statement of assets and liabilities reflects accounts payables balance of Kshs.6,589,308 as disclosed in Note 14 to the financial statements. Included in the balance is Kshs.2,773,690 in respect of trade creditors. However, the balance differ from a balance of Kshs.1,435,128 reflected in the ledger, resulting in an unexplained or an unreconciled variance of Kshs.1,338,562.

In the circumstances, the accuracy, existence and completeness of accounts payables balance of Kshs.6,589,308 could not be confirmed.

5. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects bank balance of Kshs.4,804,287 as disclosed in Note 10 to the financial statements which comprise of five (5) bank accounts balances. However, Management did not provide bank reconciliation statements for each of the five (5) banks accounts for July 2022 to May 2023 contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015. Further, the School held bank account for NG-CDF (Mosop Constituency) funds with a bank balance of Kshs.215,000 and a nil cash book balance since the year 2022 that was not supported by bank statement and bank reconciliation and was reported as inactive.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.4,804,285 could not be confirmed.

6. Unsupported Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivables balance of Kshs.27,990,093 as disclosed in Note. 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.27,990,093 could not be confirmed.

7. Misstatement of Budgeted Income

The statement of budgeted versus actual amounts reflects final total budgeted income of Kshs.37,208,600. However, review of the approved budget indicates total budgeted income was Kshs.45,908,218. Further, review indicated that tuition and operations accounts were overstated by Kshs.87,200 and Kshs.637,200 respectively, while the boarding account was understated by Kshs.9,811,818.

In the circumstances, the accuracy of the statement of budget and actual amounts could not be confirmed

8. Undisclosed Income from Hire of Bus.

The statement of receipts and payments reflects miscellaneous income amount of Kshs.806,016 as disclosed in Note 5 to the financial statements. Included in the balance is Kshs.83,500 for income from bus hire. However, examination of school bus work tickets revealed that the bus had been hired out on several occasions during the financial year without declaring, recording and banking the revenue.

In the circumstances, the accuracy, completeness and existence of miscellaneous income balance of Kshs.806,016 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.37,208,600 and Kshs.36,193,575 respectively, resulting in an under-funding of Kshs.1,015,025 or 3% of the budget. However, the School spent an amount of Kshs.30,940,659 against actual receipts amounting to Kshs.36,193,575, resulting in an under-utilization of Kshs.5,252,916 or 17% of actual receipts. Further, Management excluded miscellaneous Income as a line item despite the school having historically received such receipts including income from hire of bus, bakery, and school farm cows

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Management is responsible for the Other Information set out on page ii to x which comprise of Key School Information and Management, The Board of Management, School Operation Management, Summary Report of Performance of the School, Statement of School Management Responsibility. 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. Failure to Maintain Imprest Register

The statement of receipts and payments as disclosed in note 7 reflects operations payments of Kshs.4,962,612. Audit review of the cashbook indicated payment of cash advances to staff attending to school activities. However, during the year under review, the school did not maintain an imprest register, contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015. Further, in the absence of an imprest register it was not possible to confirm the issuance and accounting of imprest and verify the nil outstanding imprest balance reported.

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

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

The statement of receipts and payments reflects operations payments amount of Kshs.4,962,612 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.120,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its

membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.120,000 could not be confirmed.

3. Late Transfer of Infrastructure Funds from Operations Bank Account

The Statement of receipts and payments reflects operations grants amount of Kshs.5,426,096 as disclosed in Note 2 to the financial statements from the Ministry of Education credited to the Operations Bank Account. However, the amounts were not transferred to the school infrastructure account fifteen within (15) days upon receipt of the funds in the operations account. This was contrary to The Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021.

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

4. Non-collection of Capacity Building Levy on Procurement Contracts

During the review of procurement transactions, it was noted that the school procured goods and services with a total contract value of Kshs.24,597,762 but did not deduct, collect or remit the statutory Capacity Building Levy of 0.03% amounting to Kshs.7,380. This was contrary to Paragraph 3 (1) of the Public Procurement Capacity Building Levy Order, 2023.

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

5. Failure to Prepare School Improvement Plan

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

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

6. Non-Compliance with AGPO Reservation in Procurement

The statement of receipts and payments reflects total payments of Kshs.30,940,659 as disclosed in Notes 6, 7, 8 and 9 to the financial statements which includes an amount of Kshs.20,470,696 in respect of payments for procurement goods and services from the school's suppliers. Review of payments for goods and services revealed that the school did not reserve 30% of the Procurement of goods and services for Youth Women and Persons with Disabilities, contrary to Section 53(6) of Public Procurement and Disposal Act.

In the circumstances, Management was in breach of law.

7. Under-Funding of Capitation Grants

The Statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,456,550 and Kshs.5,426,096, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number 591 term three (3), 589 term one (2) and 597 term two students while the enrolment records provided by the school indicated a total 503 term three (3), 657 term one (2) and 661 term two (2) students, resulting in an unexplained variance of 88 term three (3), 68 term one (2) and 64 term two (2) students. As a result of the variances, the school was under funded by an amount of Kshs.978,736.

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

8. Non-compliance to School Infrastructure Standards and Guidelines on Safety

Physical inspection of the school in respect of adherence with School Infrastructure Standards and Guidelines on Safety on School Grounds and Safety in Physical Infrastructure of classrooms, dormitories and sanitation infrastructure indicated that the school was not in compliance with twenty-four (24) of the guidelines and standards. Infrastructure Standards and Guidelines

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

9. Payment of Salaries Below the Statutory Minimum Wage

Review of the payroll for June 2024 revealed that several non-teaching staff were paid basic salaries below the statutory minimum wage prescribed under the Regulation of Wages (General) (Amendment) Order, 2024. For example, employees serving as cook, accounts clerk and ICT technician earned basic pay of Kshs.10,457, Kshs.12,200 and Kshs.13,759 respectively, which were below the applicable statutory minimum wage for comparable categories of workers

In the circumstances, Management was in breach of law.

10. Lack of a Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

Further, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

In the circumstances, Management was in breach of law.

11. Projects Implementation Status

The statement of financial performance reflects infrastructure payments of Kshs.25,615 in respect of construction of 6 No. classrooms as disclosed under note 8 to the financial statements. The proposed construction of one storeyed 6 No. classrooms block commenced on 12 April, 2022 with an initial budget of Kshs.10,064,995 from the infrastructure fund funded by the National Government. The contract agreement was labour only contract with the school supplying materials. The cost of labour was Kshs.2,781,383 and materials Kshs.7,283,612 as per the contract agreement for a period of 29 weeks ending 6 September, 2022. However, the following observations were made;

- i. The project was for a period of 29 weeks and 6 September as the expected date of completion. However, at the time of audit verification the project had stalled for three years and efforts get the project manager and the school management explain the circumstances failed.
- ii. The management failed to provide the procurement files for labour and materials including tender advertisement, documents, professional opinion, payment certificates, materials on site register and contract performance monitoring reports.
- iii. The approved budget was Kshs.10,064,995. However, payments records indicated a total of Kshs.13,903,331 had been paid as at 30 June, 2024, resulting to an unexplained overpayment of Kshs.3,838,335.
- iv. Further, notes to the financial statements for the current and previous years indicated total infrastructure payments for construction of 6 No. one storey classrooms of Kshs.14,693,477. The variance with payment records of Kshs.790,146 has not been explained.
- v. Physical inspection of the project's implementation status revealed that the proposed 6 No. classrooms storeyed block project that is currently stalled was allocated to a local primary school. Further, the primary school had done electrical installation and fitting of windowpanes and utilizing the ground floor of the project without a written agreement and approval of the County Director of Education.

In the circumstances, the value for money for the expenditure on projects totalling Kshs.14,693,477 could not be confirmed.

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. Weaknesses in Security of School Financial System

Review of the school's financial systems revealed that the finance module of the Natshule school management system, no requests were made by users before they are allowed system access, login sessions persisted for many days until users logged out, users could concurrently log in on multiple computers and regular backups of important information from the system were not made.

In circumstances, the effectiveness of financial systems could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements summary of fixed assets register reflects a balance of Kshs.56,859,447 which includes land with a value of Kshs.9,900,000. However, land ownership documents for two parcels of land are still registered in the names of the sellers. Further, Management did not prepare an updated fixed assets register and several assets at the school were not tagged.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.27,990,093 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivables balance of Kshs.16,235,649

which had been outstanding for more than three (3) years representing 51% of the total accounts receivables. However, there was no detailed supporting schedule for the ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the recoverability and existence of effective mechanisms for debt management could not be confirmed.

4. Lack of Internal Audit Function and Inactive Audit Committee

During the year under review, the school had not constituted an internal audit unit and the constituted audit committee did not hold any meetings. This was contrary to Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the existence of effective oversight mechanisms could not be confirmed.

5. Weaknesses in Constitution of Board of Management

During the year under review, the Board of Management did not prepare an annual board work plan or schedule of activities/board charter for the year under review as envisioned by section 59 of the Basic Education Act, 2013. Further, Management did not constitute sub committees of the Board submit an annual report on governance to Director of Basic Education section 60 of the Basic Education Act, 2013. In addition, evidence of meetings of the full board were not provided for audit.

In the circumstances, the existence and effectiveness of governance structure of the School could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of 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

28 May, 2026

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Statement Of Receipts and Payments For the Year Ended 30th June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,456,550	1,743,518
Government grants for operations	2	5,426,096	5,056,704
Government Grants for infrastructure	3	2,315,800	2,533,000
School fund income- parents' contributions	4	26,189,113	26,468,802
Miscellaneous incomes	5	806,016	1,080,386
Total Receipts		36,193,575	36,882,410
Payments			
Tuition	6	757,798	1,743,365
Operations	7	4,962,612	5,205,373
Infrastructure	8	557,395	8,054,823
Boarding and school fund	9	24,662,854	30,367,188
Total Payments		30,940,659	45,369,749
Surplus/Deficit		5,252,916	(8,487,339)

The school financial statements were approved on 24/9/2024 and signed by:

Name: P. F. Kiprotich
Chair BOM

Date: 24/09/2024

Name: KIPROTICH N. K. ETU
School Principal Secretary to BOM

Date: 24/09/2024

Name: JOHN THAM
Bursar

Date: 23/9/2024

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank Balances	10	4,804,247	1,926,023
Cash Balances	11	39	20,714
Short term Investment	12	-	-
Total Cash and Cash Equivalents		4,804,285	1,946,737
Account's receivables	13	<u>27,990,093</u>	<u>25,272,719</u>
TOTAL FINANCIAL ASSETS		32,794,378	27,219,456
FINANCIAL LIABILITIES			
Accounts Payable	14	6,589,308	6,267,302
NET FINANCIAL ASSETS		26,205,070	<u>20,952,154</u>
REPRESENTED BY			
Fund balance b/fwd 1st July	15	20,952,154	29,439,492
Surplus/Defict for the year		5,252,916	(8,487,339)
NET FINANCIAL POSITION		26,205,070	<u>20,952,153</u>

The school's financial statements were approved on 24/9/2024 and signed by:

Name:

Chair BOM

Date:

Name:

School Principal/Secretary to BOM

Date:

Name:

Bursar

Date:

Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,456,550	1,743,518
Government grants for operations	2	5,426,096	5,056,704
Government Grants for infrastructure	3	2,315,800	2,533,000
School fund income- parents' contributions	4	19,930,212	25,637,106
Miscellaneous incomes	5	806,016	1,080,386
Total receipts		29,934,674	36,050,714
Payments			
Cash outflows for tuition	6	685,298	1,743,365
Cash outflows for operations	7	3,819,115	5,314,673
Cash outflows for infrastructure	8	-	-
Cash outflows Boarding/lunch and school fund payments	9	23,227,726	29,331,127
Total payments		27,732,139	36,389,165
Net cash flow from operating activities	A	2,202,535	(338,451)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(557,395)	(7,266,048)
Proceeds from investments		-	-
Net cash flows from Investing Activities	B	(557,395)	(7,266,048)
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flows from Investing Activities	c		
NET INCREASE IN CASH AND CASH EQUIVALENT	d	1,645,140	(7,604,499)
Cash and cash equivalent at BEGINNING of the year	e	1,946,735	9,551,234
Cash and cash equivalent at END of the year	f=d+e	3,591,875	1,946,735

The school's financial statements were approved on 24/9/2024 2024 and signed by:

Name: Prof. David

Chair BOM

Date: 24/9/2024Name: KIPYEGIO NGETICH

School Principal/ Secretary to BOM

Date: 24/9/2024Name: JOHN ALAM

Bursar

Date: 23/9/2024

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	e=d/c %
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Exercise books	1,300,000	-	1,300,000	59,700	5%
Laboratory equipments and apparatus	335,400	-	335,400	959,565	286%
Teaching/learning materials	74,100	-	74,100	140,265	189%
chalks	83,850	-	83,850	47,180	56%
Internal exams	110,500	-	110,500	219,990	199%
Text books	789,750	-	789,750	-	0%
Ref./Library Materials				29,850	0%
(2) CAPITATION GRANT ON OPERATIONS					
Personnel emoluments	3,919,500	-	3,919,500	1,860,182	47%
Maintenance and Improvement	3,250,000	-	3,250,000	2,307,500	71%
Local transport / travelling	520,000	-	520,000	280,590	54%
Electricity and water	1,150,500	-	1,150,500	809,470	70%
Medical and insurance	1,300,000	-	1,300,000	486,525	37%
Administration costs	520,000	-	520,000	759,139	146%
Activity	975,000	-	975,000	473,194	49%
Smasse	130,000	-	130,000	-	0%
Repairs Maintenance and Improvements				100,296	0%

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

CBC Classrooms				450,000	0%
CDF				215,000	0%
(3) FEES CHARGED ON PARENTS					
Personnel emoluments	2,600,000	-	2,600,000	4,831,015	186%
Repairs and maintenance-RMI	1,300,000	-	1,300,000	1,293,629	100%
Local transport / travelling	1,430,000	-	1,430,000	1,215,192	85%
Electricity and water	650,000	-	650,000	2,127,309	327%
Administration costs	1,280,500	-	1,280,500	2,433,214	190%
Activity	325,000	-	325,000	1,953,420	601%
Fee on Boarding Equipment and Stores	13,539,500	-	13,539,500	10,652,361	79%
Medical and insurance	325,000		325,000	392,573	121%
M & I	1,300,000		1,300,000	1,290,400	99%
OTHER INCOME					
<i>School farm- Cows</i>		-	-	63,831	0%
<i>Sale of Jaricans</i>		-	-	3,100	0%
<i>Income from Bus Hire</i>		-	-	83,500	0%
<i>Income from Bakery</i>		-	-	655,585	0%
TOTAL INCOME	37,208,600	-	37,208,600	36,193,575	97%
(1) EXPENDITURE FOR TUITION					
Exercise books	1,300,000	-	1,300,000	-	0%
Laboratory equipments and apparatus	335,400	-	335,400	466,218	139%
Teaching/learning materials	74,100	-	74,100	100,300	135%
Internal exams	110,500	-	110,500	161,150	146%

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Chalks	83,850	-	83,850	29,900	36%
Text books	789,750	-	789,750	-	0%
Bank charges			-	230	0%
PAYMENT FOR OPERATIONS					
Personal Emoluments	3,919,500	-	3,919,500	2,104,374	54%
Local transport and travelling	520,000	-	520,000	279,000	54%
Administration Cost	520,000	-	520,000	870,530	167%
Medical and insurance	1,300,000	-	1,300,000	303,900	23%
Activity Expenses	975,000	-	975,000	153,000	16%
Electricity and water	1,150,500	-	1,150,500	1,096,548	95%
Smasse	130,000	-	130,000	-	0%
Rpairs Maintenance and Improvements				155,260	0%
PAYMENT FOR INFURSTRUCTURE					
Construction of 6No. Classrooms	1,300,000	-	1,300,000	25,615	2%
Dining Hall	3,250,000	-	3,250,000	-	0%
CBC Classrooms	-	-	-	531,780	0%
PAYMENT FOR SCHOOL FUND					
Activity	325,000	-	325,000	1,356,426	417%
Boarding ,equipment and stores	13,539,500	-	13,539,500	12,562,605	93%
Bus hire and school bus	-	-	-	303,407	0%
Personnel emoluments	2,600,000	-	2,600,000	4,238,293	163%
Repairs Maintenance and Improvements	1,300,000	-	1,300,000	422,335	32%

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Local transport / travelling	1,430,000	-	1,430,000	816,454	57%
Electricity and water	650,000	-	650,000	1,533,029	236%
Administration costs	1,280,500	-	1,280,500	2,192,754	171%
Refund to students		-	-	118,741	0%
Expenses on Income Generating Activities - Bakery		-	-	656,783	0%
School Farm-Cows		-	-	193,793	0%
Medical and insurance	325,000	-	325,000	44,940	14%
Sponsorship				223,294	
TOTAL	37,208,600	-	37,208,600	30,940,659	83%

-The expenditures that were above 100% were caused by the continued inflation in the country.

-The expenditures that were below 90% were as a result of poor fees payment resulting in non-execution of the budget to its fullest.

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.

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes To The Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise books	59,700	886,614
Laboratory equipments and apparatus	959,565	336,951
Teaching/learning materials	140,265	324,709
chalks	47,180	84,234
Internal exams	219,990	111,010
Reference books	29,850	
Total	1,456,550	1,743,518

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	1,860,182	2,609,320
Local transport / travelling	280,590	305,200
Electricity and water	809,470	807,674
Medical and insurance	486,525	131,200
Administration costs	759,139	654,360
Activity	473,194	548,950
RMI	100,296	
M&I	656,700	
Total	5,426,096	5,056,704

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	1,650,800	2,533,000
CBC Classrooms	450,000	
CDF	215,000	
Total	2,315,800	2,533,000

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes to the Financial Statements (continued)

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding ,equipment and stores	10,652,361	16,091,568
Personnel emoluments	4,831,015	2,927,565
Repairs and maintenance	1,293,629	1,426,572
Local transport / travelling	1,215,192	1,485,668
Electricity and water	2,127,309	828,294
Medical	392,573	387,395
Administration costs	2,433,214	1,727,536
Activity	1,953,420	252,342
M & I	1,290,400	1,341,862
Total	26,189,113	26,468,802

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
School farm- Cows	63,831	80,700
Sale of Jaricans	3,100	3,350
Income from Bus Hire	83,500	131,000
Income from Bakery	655,585	865,336
Total	806,016	1,080,386

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise books	-	535,200
Laboratory equipment and apparatus	466,218	626,295
Teaching/learning materials	100,300	410,180
Internal exams	161,150	86,000
Reference books	-	-
chalks	29,900	84,000
Bank charges	230	1,690
Total	757,798	1,743,365

Notes to the Financial Statements (continued)

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emoluments	2,104,374	2,112,155
Local transport and travelling	279,000	145,700
Administration Cost	870,530	1,737,070
Electricity and water	1,096,548	635,598
Medical and insurance	303,900	-
Activity Expenses	153,000	574,850
RMI	155,260	
TOTAL	4,962,612	5,205,373

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of 6 No. Classrooms	25,615	7,603,823
CBC Classrooms	531,780	450,000
Total	557,395	8,053,823

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Activity	1,356,426	1,664,666
Boarding ,equipment and stores	12,562,605	14,736,248
Bus hire and school bus	303,407	336,251
School farm- Cows	193,793	90,670
Personnel emoluments	4,238,293	4,876,979
Repairs Maintenance and Improvements	422,335	661,203
Local transport / travelling	816,454	1,111,077
Electricity and water	1,533,029	2,086,375
Administration costs	2,192,754	3,068,149
Refund to students	118,741	112,284
Expenses on Income Generating Activities – Bakery	656,783	1,090,382
Medical	44,940	532,904
Sponsorship	223,294	
TOTAL	24,662,854	30,367,188

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes to the Financial Statements (continued)

10 Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2023-2024	2022-2023
			Kshs	Kshs
Tuition Account	Active	01025027623400	774,020	2,768
Operations Account	Active	010210276723400	1,970,537	361,322
School Fund Account/Boarding	Active	1135325561	263,495	195,535
M&I Account	Active	1255230096	1,580,800	1,366,003
CDF account	Active	2527623401	215,395	395
Total			4,804,247	1,926,023

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Operation Account	(5,943)	(3,710)
School Fund account	7,582	524
RMI Account	(1,600)	23,900
Total	39	20,714

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative shares	-	-
Other investments	-	-
Total	-	-

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears	27,990,093	25,272,719
Total	27,990,093	25,272,719

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes to the Financial Statements (continued)

13 b Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
		% of the total		% of the total
Less than 1 year	6,258,901	22%	3,769,785	14%
Between 1- 2 years	228,258	8%	5,267,285	21%
Between 2- 3 years	5,267,285	19%	1,740,759	7%
Over 3 years	16,235,649	51%	14,494,890	58%
Total	27,990,093	100%	25,272,719	100%

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,773,690	2,874,431
Prepaid fees	3,815,618	3,392,871
Total	6,589,308	6,267,302

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	2,773,690	100%	2,874,431	100%
Total	2,773,690	100%	2,874,431	100%

15.Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank balances-note 10	4,804,247	1,926,023
Cash balances-note 11	39	20,714
Receivables-note 13	27,990,093	25,272,719
Payables-note 14	(6,589,308)	(6,267,302)
Total	26,205,070	20,952,154

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	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	545,176	-
Others (specify)	-	-
Total	545,176	-

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	3	280,000	220,000
Trees	145	290,000	280,000
Total	148	570,000	500,000

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	-	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Other important disclosure notes

19 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	897,393	1,317,737
Lab consumables	106,935	111,039
Medication	87,836	132,632
Construction Materials	12,030	2,650
Others (Stationery)	297,532	848,960
	-	-
Balance at end of the year	1,401,726	2,166,697

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)
4	Delay in utilization of MI funds	Amount should be utilised for the intended purpose	Process begun	End of next financial year
5	Inter account Transfer	Amounts to be harmonized	Harmonized	Resolved
6	Retention Money Bank Account	Open Savings Bank Account	Not Resolved	During the next year

Sign and Date
Principal



CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Annexes

i) - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contract ed	Amount Paid To-Date	Outstand ing Balance 2023-2024	Outstand ing Balance Compara tive 2022-2023	Comment s
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. 6 No. One Storey Classrooms	10,064,955	2022	7,729,249	122,565	787,775	In progress
Sub-Total	16,064,955		7,729,249	122,565	787,775	
Supply Of Goods: School Fund Operation Tuition	1,435,128 1,143,497 72,500		0 0 0	1,435,128 1,143,497 72,500	2,086,656 0 0	To Pay
Sub-Total	2,651,125		0	2,651,125	2,086,656	
Supply Of Services						
Sub-Total	0		0	0	0	
Grand Total	18,716,080		7,729,249	2,773,690	2,874,431	

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2024****ii) – Summary of Fixed Assets Register**

Asset Class	Historical Cost b/f (Kshs) 1st Jul. 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land	9,900,000	-	-	9,900,000
Buildings And Structures	33,536,112	1,222,605	-	34,758,717
Motor Vehicles	5,000,000	-	-	5,000,000
Office Equipment, Furniture And Fittings	831,000	-	-	831,000
ICT Equipment	965,000	-	-	965,000
Tools And Apparatus	733,190	-	-	733,190
Other Machinery And Equipment	3,761,540	-	-	3,761,540
Heritage And Cultural Assets	680,000	30,000	-	710,000
Intangible Assets- Soft Ware	200,000	-	-	200,000
Total	55,606,842	1,252,605	-	56,859,447

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

iii)- School Fund Account Adjusted Trial Balance

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ADJUSTED TRIAL BALANCE								
SCH ACC :BOARDING A/C			PERIOD ENDING: 30th JUNE 2024					
			CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash				523.5				523.50
Bank				195,535.40				195,535.40
ADMIN COST	1	2,386,800.00	2,171,490.00	1,998,510.00	21,264.00	434,704.00	2,192,754.00	2,433,214.00
BES	2	8,816,400.00	11,187,691.00	7,720,665.00	1,374,914.00	2,931,696.00	12,562,605.00	10,652,361.00
E.W.C	3	2,218,800.00	1,523,029.00	1,618,330.00	10,000.00	508,979.00	1,533,029.00	2,127,309.00
P.E	4	4,876,800.00	4,238,293.00	3,839,729.00		991,286.00	4,238,293.00	4,831,015.00
R.M.I	5	1,200,000.00	422,335.00	1,057,193.00		236,436.00	422,335.00	1,293,629.00
ACTIVITY	6	2,151,000.00	1,342,426.00	1,605,008.00	14,000.00	348,412.00	1,356,426.00	1,953,420.00
ARR	7	8,240,818.00		3,541,527.00	6,258,901.00		6,258,901.00	3,541,527.00
JERICANS	9			3,100.00			-	3,100.00
L.T.T	10	1,111,200.00	816,454.00	1,007,768.00		207,424.00	816,454.00	1,215,192.00
M.I	11	1,200,000.00		835,414.00		454,986.00	-	1,290,400.00
MEDICAL	12	360,000.00	44,940.00	247,595.00		144,978.00	44,940.00	392,573.00
PRE	13		1,083,716.00	1,506,463.00			1,083,716.00	1,506,463.00
REFUND	14		118,741.00				118,741.00	-
ADVANCE	15		13,000.00	13,000.00			13,000.00	13,000.00
BAKERY	16		641,833.00	655,585.00	14,950.00		656,783.00	655,585.00

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

BURSARY	17		2,194,779.00	2,194,779.00			2,194,779.00	2,194,779.00
BUS	18		303,407.00	83,500.00			303,407.00	83,500.00
COWS	19		193,793.00	63,831.00			193,793.00	63,831.00
CREDITORS	20		2,086,656.00			1,435,128.00	2,086,656.00	1,435,128.00
HOUSING LEVY	21		107,672.00	107,672.00			107,672.00	107,672.00
NHIF	22		135,900.00	135,900.00			135,900.00	135,900.00
NSSF	23		423,636.00	423,636.00			423,636.00	423,636.00
OPERATION A/C	24		360,000.00	360,000.00			360,000.00	360,000.00
PAYE	25		1,582.00	1,582.00			1,582.00	1,582.00
RD CHEQUE	26		27,161.00	27,161.00			27,161.00	27,161.00
RMI ACCOUNT	27		824,273.00	1,513,171.00			824,273.00	1,513,171.00
SPONSORSHIP	28		223,294.00				223,294.00	-
UNION	29		35,467.00	35,467.00			35,467.00	35,467.00
WELFARE	30		55,500.00	55,500.00			55,500.00	55,500.00
Closing Balance							-	-
Cash			7,581.50				7,581.50	
Bank			263,495.40				263,495.40	
TOTAL		32,561,818.00	30,848,144.90	30,848,144.90	7,694,029.00	7,694,029.00	38,542,173.90	38,542,173.90

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

iv)- Operation Account Adjusted Trial Balance

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ADJUSTED TRIAL BALANCE

SCH ACC : OPERATION A/C **PERIOD ENDING: 30th JUNE 2024**

			CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash				-3,710.00				(3,710.00)
Bank				361,322.20				361,322.20
ACTIVITY	1	534,000.00	153,000.00	473,194.03			153,000.00	473,194.03
ADMIN COST	2	2,181,000.00	724,530.00	759,138.97	146,000.00		870,530.00	759,138.97
E.W.C	3	730,800.00	716,279.00	809,470.00	380,269.00		1,096,548.00	809,470.00
INSURANCE	4	900,000.00	255,574.00	486,525.00	48,326.00		303,900.00	486,525.00
L.T.T	5	480,000.00	279,000.00	280,590.00			279,000.00	280,590.00
M.I	6	3,000,000.00		2,307,500.00			-	2,307,500.00
P.E	7	2,914,200.00	1,596,267.00	1,860,182.37	508,107.00		2,104,374.00	1,860,182.37
R.M.I	8		94,465.00	100,296.00	60,795.00		155,260.00	100,296.00
BOARDING A/C	9		360,000.00	360,000.00			360,000.00	360,000.00
CBC CLASS	10		1,576,440.00	1,576,440.00			1,576,440.00	1,576,440.00
HOUSING LEVY	11		41,049.00	41,049.00			41,049.00	41,049.00
MOEST GRANTS	12		7,076,896.35	7,076,896.35			7,076,896.35	7,076,896.35
NHIF	13		51,750.00	51,750.00			51,750.00	51,750.00
NSSF	14		162,996.00	162,996.00			162,996.00	162,996.00

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2024**

RMI ACCOUNT	15		1,650,800.00	0.00			1,650,800.00	-
UNION	16		15,061.00	15,061.00			15,061.00	15,061.00
WELFARE	17		20,400.00	20,400.00			20,400.00	20,400.00
CREDITORS						1,143,497.00	-	1,143,497.00
Closing Balance								
Cash			-5,942.98				(5,942.98)	
Bank			1,970,536.55				1,970,536.55	
TOTAL		10,740,000.00	16,739,100.92	16,739,100.92	1,143,497.00	1,143,497.00	17,882,597.92	17,882,597.92

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

v)- Tuition Account Adjusted Trial Balance

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ADJUSTED TRIAL BALANCE

SCH ACC : TUITION A/C PERIOD ENDING: 30th JUNE 2024

			CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash								
Bank				2,767.70			-	2,767.70
ADMIN COST	1		230.00	-			230.00	-
Chalks	2	84,000.00	29,900.00	47,180.00			29,900.00	47,180.00
Exercise Books	3	660,000.00	-	59,700.00			-	59,700.00
Internal Exams	4	300,000.00	88,650.00	219,990.00	72,500.00		161,150.00	219,990.00
Lab Equipments	5	702,000.00	466,218.00	959,564.60			466,218.00	959,564.60
Ref/Lib Materials	6	-	-	29,850.00			-	29,850.00
Teaching and Learning Materials	7	420,000.00	100,300.00	140,265.20			100,300.00	140,265.20
Text Books	8	320,400.00	-	-			-	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Smasse		120,000.00	-	-			-	-
MOEST GRANTS	9		1,456,549.80	1,456,549.80			1,456,549.80	1,456,549.80
Creditors						72,500.00	-	72,500.00
Closing Balance							-	-
Cash			-				-	-
Bank			774,019.50				774,019.50	-
TOTAL		2,606,400.00	2,915,867.30	2,915,867.30	72,500.00	72,500.00	2,988,367.30	2,988,367.30

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024****vi)- RMI Account Trial Balance**

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CUMMULATIVE TRIAL BALANCE YEAR: 2023_2024

SCH ACC :RMI ACCOUNT		PERIOD ENDING: 30 Jun 2024		
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				23,900.00
Bank				1,366,003.45
CLASSES	1	3,000,000.00	25,500.00	-
ADMIN COST	2		115.00	-
BOARDING A/C	3		1,513,171.00	824,273.00
CBC CLASSES	4		531,780.00	450,000.00
CREDITORS	5		665,210.00	-
OPERATION A/C	6			1,650,800.00
Closing Balance				
Cash			(1,600.00)	
Bank			1,580,800.45	
TOTAL		3,000,000.00	4,314,976.45	4,314,976.45

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

vii)- CDF Account Trial Balance

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SCH ACC :CDF A/C			PERIOD ENDING: 30th JUNE 2024	
			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				394.65
RD Cheque				215,000.00
Closing Balance				
Cash				
Bank			215,394.65	
TOTAL			215,394.65	215,394.65

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

viii)- School Fund Bank Reconciliation Statement

CHEPTIL SECONDARY SCHOOL
SCHOOL FUND ACCOUNT

RECONCILIATION SCHEDULES/NOTES

NOTE I Payments in cash book not in Bank Statement- Unpresented cheques

Date	Payee	Cheque No.	Amount
12-06-24	Kipture Sec. School	2436	5,247.00
	Total		5,247.00

CHEPTIL SECONDARY SCHOOL
SCHOOL FUND ACCOUNT
BANK RECONCILIATION AS AT 30/06/2024

	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			268,742.00
Less: Payments in cash book not in bank statement	I		5,247.00
Balance as per Cash book			263,495.00

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : _____

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : _____



ix)- Cash Survey

CASH SURVEY AS AT 30/06/2024

DENOMINATION	NUMBER	AMOUNT
20 shillings notes	1	20.00
10 shillings coin	1	10.00
5 shilling coin	1	5.00
1 shilling coin	4	4.00
TOTAL		KSHs. 39.00

SURVEY CARRIED OUT BY:

DESIGNATION

NAME

SIGN

DATE

Accounts Clerk:

KIPYEGU EDWIN



30/06/24

Bursar:

JOHN JALAM



30/6/2024

Principal:

KIPYEGU NGETICH

30/6/2024



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