

REPUBLIC OF KENYA

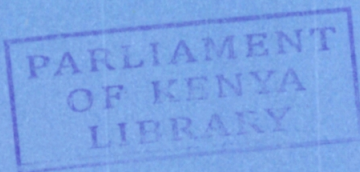


*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**




**ON**

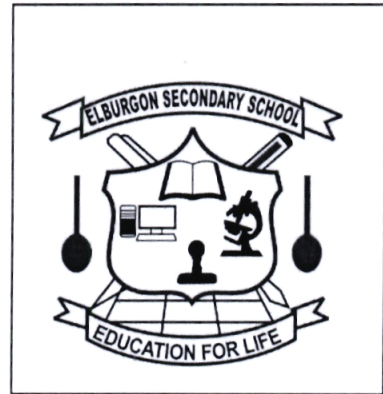
**ELBURGON SECONDARY SCHOOL**

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

**NAKURU COUNTY**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 25 JUN 2025	<b>DAY:</b> WEDNESDAY
<b>TABLED BY:</b>	MAJORITY LEADER
<b>CLERK-AT THE-TABLE:</b>	FINLAY

Revised 30<sup>th</sup> June 2023.



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**Elburgon 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 Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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**1. Acronyms and Glossary of Terms**

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

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

## 2. Key School Information and Management

[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 Nakuru County, Molo Sub-County.

The school was registered in 23/1/2015 under registration number 32S30000012 and is currently categorized as an Extra County (*National, Extra County, County and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 664 number of students as at 30<sup>th</sup> June 2022. It has 3 streams and 30 teachers of which 10 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	Alfred Waithaka	Chairman	23 <sup>rd</sup> May 2022
2	Manyara C.K	Secretary - Principal	23 <sup>rd</sup> May 2022
3	Wairimu Kanyiri	Member	23 <sup>rd</sup> May 2022
4	Susan Mwangi	Member	23 <sup>rd</sup> May 2022
5	Lilian Machau	Member	23 <sup>rd</sup> May 2022
6	Richardson kanyoro	Member	23 <sup>rd</sup> May 2022
7	Stanleywangombe	Member	23 <sup>rd</sup> May 2022
8	Joram Kariuki	Member – Rep CEB	23 <sup>rd</sup> May 2022
9	Samuel Waweru	Member Rep Teachers	23 <sup>rd</sup> May 2022
10	Rachael Nungari	3 Members - Sponsor	23 <sup>rd</sup> May 2022
11	Kamuri Muya	Member - Community	23 <sup>rd</sup> May 2022
12	Betty chelangat	Member Special Needs	23 <sup>rd</sup> May 2022
13	Racheal Mugure	Member	23 <sup>rd</sup> May 2022
14	Isaac Yatich	Member	23 <sup>rd</sup> May 2022
15	Patrick Karengo	Member	23 <sup>rd</sup> May 2022
16		Rep Students	23 <sup>rd</sup> May 2022



**The functions of the School Board of Management are to:**

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

**(c) Committees of the Board**

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Alfred Waithaka 2. Manyara C.K 2.Wairimu Kanyiri 3. Joram Kariuki 4. Susan Mwangi	Chairperson Secretary Vice- Chair Member Member	<b>2 meeting</b>
2	Audit Committee	1. Richardson Kanyoro 2. Susan mwangi 3. Betty chelangat 4. Manyra C.K	Chairperson Member Member Secretary	
3	Finance,procurement and general purposes Committee	1. Patrick karengo 2. lilian machau 3. salome wangui	Chiarperson Member Member	

		4. manyara c.k	Secretary	
4	Academic Committee	1. Stanley Wangombe 2. Racheal Mugure 3. Samuel Waweru 4. Manyara C.k	Chairperson	
5	Development Committee	1. Patrick Karengo 2. Alfred Waithaka 3. Md. Susan Oyaro 4. Joram Kariuki 5. Ms Susan Mwangi 6. Mr. Charles Manyara	Chairperson Member Member Member Member Secretary	1 MEETING
6	Discipline and welfare Committee	1. Joram Kariuki 2. Kamuri Muya 3. Wairimu Kanyiri 4. Manyara C.K	Chairperson Member Member Member	1 MEETING
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Manyara C.K	TSC No.356960
2	Deputy Principal	Susan Moraa Abuya	TSC No.334745
3	School Bursar		ICPAK No. 1154613
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 52-20102  
Telephone: 0793-900-235  
E-mail: elburgonsec@gmail.com  
Website: www.co.ke  
Facebook:  
Twitter:

**(f) School Bankers**

1. Name of Bank: Kenya Commercial Bank  
Branch: Njoro  
Account Number: 1101633581
2. Name of Bank: Kenya Commercial Bank  
Branch: Njoro  
Account Number:1101866829
3. Name of Bank: Kenya Commercial Bank  
Branch: Njoro  
Account Number: 1101865911
4. Name of Bank: Kenya commercial Bank  
Branch: Njoro  
Account Number: 1271506637
5. Name of Bank : Equity Bank  
Branch: Molo  
Account Number: 0230277243961  
CDF Account

**(g) Independent Auditors**

Office of the Auditor General  
Anniversary Towers, University Way

P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

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

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

**a) Financial performance:**

**-surplus/deficit for the year in comparison to the last three years**

ACCOUNT	2023	2022	2021
	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT
<b>TOTAL</b>	<b>(1,288,595.55)</b>	<b>(221,365.00)</b>	<b>(2,283,128.00)</b>

**-capitation grant from ministry of education for the last three years**

ACCOUNT	2023	2022	2021
Tuition a/c	1,841,195.75	2,065,413.00	818,227.00
Operations a/c	14,122,605.55	6,184,300.00	5,833,777.00
Infrastructure	2,657,000	3,113,000.00	2,516,000.00
<b>TOTAL</b>	<b>18,620,801.30</b>	<b>11,362,713.00</b>	<b>9,168,004.00</b>

**-Ratio of capitation grant per student over the last three years**

YEAR	2023	2022	2021
MOE	18,616,799.30	11,362,713.00	9,168,004.00
NO STUDENTS	680	664	654
<b>RATIO</b>	<b>1:27,378</b>	<b>1:17,139.00</b>	<b>1:14,018.00</b>

**-Three-year overview of growth of other income(s) earned by the school.**

YEAR	2023	2022	2021
SCHOOL FEES	43,859,123.00	38,864,641.00	13,817,084.00
HOUSE RENT	29500	8,500.00	5,400.00
<b>TOTAL</b>	<b>43,888,623.00</b>	<b>38,873,141.00</b>	<b>13,822,484.00</b>

**-three years' overview of growth in expenditure of the school**

YEAR	2023	2022	2021
TUITION	1,743,903.00	2,074,998.00	907,353.00

OPERATION	9,002,958.00	6,196,928.00	5,799,216.00
INFRASTRUCTURE	574,980.00	3,113,000.00	3,907,000.00
LUNCH PROGRAMME	46,903,226	39,072,293.00	14,541,547.00
<b>TOTAL</b>	<b>58,225,067.00</b>	<b>50,457,219.00</b>	<b>25,155,116.00</b>

**-Movement creditors of the school over the last three years**

YEAR	2023	2022	2021
DEBTORS	8,049,710	8,194,315	6,464,008
CREDITORS	16,695,037	10,457,681.00	7,099.00

YEAR	2023	2022	2021
BANK	7,706,046.70	133,330.00	1,605,912.00
CASH	2,954	500.00	663.00
<b>TOTAL</b>	<b>7,709,000.70</b>	<b>133,830.00</b>	<b>1,606,575.00</b>

**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).*

*Teachers to student ration - 1: 33*

*2 teachers transferred*

*20 teachers are employed by TSC*

*10 B.O.M teachers*

TEACHING SUBJECTS	
Kiswahili/C.R.E	1
Kiswahili/Geography	2
Business Studies	1
English/Literature	3
Chemistry/Biology	2
Mathematics/Physics	1
Agriculture / Biology	1
History/C.R.E	1
Mathematics/Business Studies	2
Kiswahili/C.R.E	1
C.R.E/Geography	1
Computer/Mathematics	1
Biology/Chemistry	1

**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.*

ENTRY	YEAR	MEAN	GRADE
145	2020	7.786	C+
160	2021	6.844	C+
166	2022	6.337	C+

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

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

YEAR	ENTRY
2019	144

2020	145
2021	160
2022	166

**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).*

**ELBURGON SECONDARY SCHOOL**  
**SCHOOL ENROLMENT- 2022**

<b>FORM</b>	<b>BOYS</b>	<b>GIRLS</b>	<b>TOTAL</b>
<b>1</b>	136	48	<b>184</b>
<b>2</b>	92	48	<b>140</b>
<b>3</b>	106	64	<b>170</b>
<b>4</b>	104	66	<b>170</b>
<b>TOTAL</b>	<b>438</b>	<b>226</b>	<b>664</b>

*Dormitories not enough to accommodate all students*

*Dining hall is needed for all students.*

*The school also needs a bigger and modern laboratory for all students.*

*Toilets also not enough for both boys and girls.*

**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
GIRLS DORMITORY	MOE	ONGOING	23 MILLION	8,028,000	2024

Sign  19/8/23

MAMYARA C.K

School Principal



#### 4. Statement of School Management Responsibility

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

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

The Board of Management of *Elburgon 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.

*Alfred Waithaka*

.....  
Name: ALFRED WAITHAKA

Designation: Chairman, School Board of Management

Date: 19/8/2023

*[Signature]*

.....  
Name: MANYARA C.K

Designation: School Principal & Secretary to Board of Management

Date: 19/8/2023



*Zipporah Kamau*

.....  
Name: ZIPPORAH KAMAU

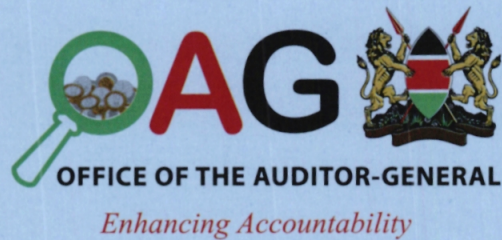
Designation: Bursar/ Finance Officer

Date:

BURSAR  
ELBURGON SEC. SCH.  
P. O. Box 52 ELBURGON  
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 ELBURGON SECONDARY SCHOOL FOR THE PERIOD ENDED 30 JUNE, 2023 – NAKURU COUNTY

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Elburgon Secondary School Nakuru County set out on pages 1 to 26, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other

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*Report of the Auditor-General on Elburgon Secondary School for the year ended 30 June, 2023 – Nakuru County*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Elburgon Secondary School Nakuru County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

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

The statement of receipts and payments reflects school fund income-parents contributions amount of Kshs.48,237,140 which differs from Kshs.48,174,139 recorded in the supporting general ledger. Further, the statement of financial and financial liabilities reflects accounts payables amount of Kshs.16,695,037 which differs from the general ledger amount of Kshs.2,135,080. The variances have not been reconciled.

In the circumstances, the accuracy and completeness of the school fund income-parents contributions and other receipts-fee on boarding equipment and stores amounts could not be confirmed.

### **2. Unsupported Expenditure on Payments for Operations**

The statement of receipts and payments reflects operations amount of Kshs.9,002,958 as disclosed in Note 7 to the financial statements. However, examination of payment vouchers amounting to Kshs.2,211,340 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the operations and infrastructure amounting to Kshs.2,211,340 could not be confirmed.

### **3. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.8,049,710 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs. 4,469,717 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.8,049,710 could not be confirmed.

#### **4. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.16,695,037 as disclosed in Note 14 to the financial statements. However, examination of payment vouchers amounting to Kshs.16,695,037 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.16,695,037 could not be confirmed.

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

#### **Key Audit Matters**

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

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

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

##### **1.Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 24 April, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **2. Lack of Prequalified List of Suppliers**

During the year under review, Management procured several goods and services including groceries, stationery and firewood among others, from several suppliers using direct procurement. However, Management did not maintain a list of prequalified suppliers, and thus it was not clear how the suppliers were identified. This is contrary to Section 57 (1) of the Public Procurement and Asset Disposal Act, 2015.

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 reflects operations payments amount of Kshs.9,002,959 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.237,300 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.237,300 could not be confirmed.

## **4. Irregular Procurement Practices**

Note 7 to the financial statements reflects an amount of Kshs.9,002,959 in respect to payments for operations. Included in the amount of Kshs.1,993,000 that was used for infrastructure project for construction of school dormitory.

An analysis on the expenditure records presented, revealed that Management did not invite bids to suppliers of goods, services and works for prequalification. In addition, there were no appointment letters to both the tender opening and tender evaluation committees, no evidence of professional opinion and lack of notification of awards and regret letters.

In the circumstances, the value for money on the expenditure for the construction of dormitory amounting to Kshs.1,993,000 could not be ascertained.

## **5. Long Outstanding Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.16,695,037. However, included in the balance are trade payables balance of Kshs.10,457,681 which had been outstanding for more than one (1) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

### **6.Underpayment of the Statutory Deductions**

Examination of manual payroll for the year under review maintained by the school, revealed that one employee qualified for payee deductions. However, the amount deducted and remitted to Kenya Revenue Authority (KRA) was erroneously calculated and remitted thus creating an under payment of PAYE to KRA of Kshs. 67,912.

In the circumstances, the School risks paying more penalties for the under remittances.

### **6. Irregular Reallocation of Funds from Infrastructure Account**

During the year under review, the School transferred a total of Kshs.7,210,000 from Infrastructure account to main Account contrary to circular MOE.HQS/3/10/18/ (112) which states that the School to ensure accountability and smooth implementation of the Free Day Junior School Education (FDSE) programme, all schools are required to operate school infrastructure account for banking infrastructure grants from GOK and maintenance and improvement funds.

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

### **7. Use of Cash to Procure Goods, Works and Services**

During the year under review, the audit sampled expenditures which revealed that the school used cash totalling to Kshs.250,000 to purchase goods and services instead of procuring using other suitable methods. This was contrary to the Regulation 92 of the Public Procurement and Disposal Regulations, 2020 which provides that a procuring entity may use low value procurement method where the estimated cost of the goods, works or services being procured per item per financial year is as per the threshold matrix in the Second Schedule. Use of cash to procure may be used for the purpose of avoiding competition.

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

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

## **REPORT ON 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 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 overall governance were not effective.

## **Basis for Conclusion**

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

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 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 School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

### **2. Lack of Ownership of Documents**

Annex 2 to the financial statements reflects summary of fixed assets register nil balance in respect of fixed assets which includes various assets. However, land ownership documents and motor vehicle logbooks were not provided for audit.

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

### **3. Lack of Information Technology Internal Controls**

Review of the School's operations revealed that key functions such as finance and academics were automated whereby transactions and information was processed and stored through an Information Technology (IT) system. In addition, the School had IT equipment comprising of computers, printers and other IT accessories. However, Management was yet to establish an IT Strategic Committee or formulate key policies such as IT Security Policy, Disaster Recovery Plan to regulate and guide access to IT environments.

In the circumstances, the existence and effectiveness of controls on transactions processed and stored in the IT systems could not be confirmed.

### **3. Lack of Risk Management Policy**

During the year under review, the School did not have an approved Risk Management Policy in place to guide Management in identification, mitigation and response to risks that may arise. This policy also is key in providing in the achievement of School's objectives.

In the circumstances, in the event of a disruptive event occurring, the smooth operations of the school may take long to be restored back.

#### **4. Inconsistency of the Student the Enrollment Data**

Review of the records maintained at the School revealed that the number of the students reflected in NEMIS reports as at 30 June, 2023 were six hundred and eighty (680). However, the School enrollment data for the same period as per the school registers reflected a total of six hundred and seventy-seven (677) students, leaving out 3 students not enrolled in the NEMIS system. No clear explanation was provided for failure to register these students in the NEMIS system, and the efforts made by Management to have the missing students enrolled in the system was not demonstrated.

In the circumstances, the completeness of data used in computation of capitation grants applied to the school could not be confirmed.

#### **5. Lack of Fixed Asset register**

Review of records at the School revealed that it owned several assets including land, buildings, motor vehicles, furniture, fittings, computers, tools and biological assets among others. However, Management did not maintain an asset register for the assets to reflect the cost of the assets, date of acquisition, asset serial numbers, location and condition of the assets. In addition, the assets were not tagged for ease of identification.

In the circumstances, the existence of an effective internal controls mechanism to safeguard assets could not be confirmed.

#### **Responsibilities of Management and the Board of Management**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to 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.

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**4 November, 2024**

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023

Description Of Vote Head	Note	Insert Current	Insert Comparative
		1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021-30 <sup>th</sup> JUNE 2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,841,195.75	2,065,413.60
Government grants for operations	2	14,122,603.55	9,297,300.05
Government Grants for infrastructure	3	2,657,000	36,169,507.30
School fund income- parents' contributions	4	48,237,140.00	2,959,718.00
Miscellaneous incomes	5	0.00	0.00
<b>Total Receipts</b>		<b>66,857,939.30</b>	<b>50,491,938.95</b>
<b>Payments</b>			
Tuition	6	1,743,903.00	2,074,998.00
Operations	7	9,002,958.85	6,187,501.00
Infrastructure	8	574,980.00	4,145,000.00
Boarding and school fund	9	48,179,366.00	49,407,014.00
<b>Total Payments</b>		<b>59,501,207.85</b>	<b>61,814,513.00</b>
<b>Surplus/Deficit</b>		<b>7,356,731.45</b>	<b>(11,322,574.05)</b>

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

.....  
Name: ALFRED WAITHAKA

Name: ALFRED WAITHAKA

Chair BOM

Date: 19/8/2023

.....  
Name: MANYARA C.K

Name: MANYARA C.K  
School Principal/ Secretary to  
BOM

Date: 19/8/2023

.....  
Name: ZIPPORAH

Name: ZIPPORAH  
NYAMBURA

Bursar/ Finance Officer

Date: 19/8/2023

(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 1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	Insert Comparative 1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	7,706,046.70	351,206.30
Cash balances	11	2,954.00	500.00
Short term investments	12	-	0.00
<b>Total cash and cash equivalent</b>		<b>7,709,000.70</b>	<b><u>351,706.30</u></b>
Account's receivables	13	8,049,710.00	6,489,797.00
<b>Total financial assets</b>		<b>15,758,711.70</b>	<b>6,841,503.30</b>
<b>Financial liabilities</b>			
Accounts payables	14	16,695,037.00	10,460,055.00
<b>Net financial assets</b>		<b>( 936,325.30)</b>	<b>(3,618,551.70)</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	(8,293,056)	7,704,022.35
Surplus/deficit for the year		7,356,731.45	(11,322,574.05)
<b>Net financial position</b>		<b>(936,325.30)</b>	<b>(3,618,551.70)</b>

The school's financial statements were approved on 19/8/23 2023 and signed by:

.....  
 Name: ALFRED NATHAKA

.....  
 Name: MANYARA C.K

.....  
 Name: ZIPPORAH KAMAY

Chair BOM

Date: 19/8/2023

School Principal/ Secretary to  
BOM

Date: 19/8/2023

  
Bursar/ Finance Officer

Date: 19/8/2023

(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 2023


Description	Note	Insert Current 1 <sup>st</sup>	Insert
		JULY 2022-30 <sup>th</sup> JUNE 2023	Comparative 1 <sup>st</sup> JULY 2021-30 <sup>th</sup> JUNE 2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		1,841,195.75	2,065,413.60
Government grants for operations		14,122,603.55	9,297,300.00
Government grants for infrastructure		2,657,000.00	0.00
School fund income- parents contributions/ fees		56,286,850.00	39,129,224.00
Other income		0.00	0.00
<b>Total receipts</b>		<b>74,907,649.30</b>	<b>50,491,937.00</b>
<b>Payments</b>			
Cash outflows for tuition		1,743,903.00	2,074,998.00
Cash outflows for operations		9,002,958.85	6,187,501.00
Cash outflows Boarding/lunch and school fund payments		48,179,366	49,407,014.00
<b>Total payments</b>		<b>58,926,227.85</b>	<b>(57,669,513.00)</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>15,981,421.45</b>	<b>(7,177,576.00)</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(574,980)	0.00
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
<b>Net cash inflow/outflows from investing activities</b>		<b>(574,980))</b>	<b>0.00</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	0.00	0.00
Repayment of principal borrowings		0.00	0.00
<b>Net cash inflow/outflow from financing activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>15,406,441.45</b>	<b>(7,177,576.00)</b>
Cash and cash equivalent at beginning of the FY		352,270.25	1,606,581.80
<b>Cash and cash equivalent at end of the FY</b>		<b>15,758,711.70</b>	<b>(5,570,994.20)</b>

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

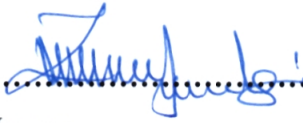
(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

The school's financial statements were approved on 19/8/2023 2023 and signed by:

  
.....  
Name: ALFRED NAITHAKA  
Chair BOM  
Date: 19/8/2023

  
.....  
Name: MANYARA C.K  
School Principal/ Secretary to  
BOM  
Date: 19/8/2023



  
.....  
Name:  
Bursar/ Finance Officer  
Date: 19/8/2023

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

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
<b>Chalks</b>	89,695.00		89,695.00	89,695.75	-0.75	100.00%
<b>Exercise books</b>	1,140,000.00		1,140,000.00	388,500.00	751,500.00	34.08%
<b>Laboratory equipments and apparatus</b>	502,016.00		502,016.00	890,000.00	-387,984.00	177.29%
<b>Teaching/learning materials</b>	0.00		0.00	0.00	0.00	#DIV/0!
<b>Library materials</b>	706,000.00		706,000.00	450,000.00	256,000.00	63.74%
<b>Internal exams</b>			0.00	0.00	0.00	#DIV/0!
<b>Main Account</b>			0.00	0.00	0.00	#DIV/0!
			0.00		0.00	#DIV/0!
			0.00	0.00	0.00	#DIV/0!
<b>Sub totals</b>	2,437,711.00		2,437,711.00	1,818,195.75	619,515.25	74.59%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>			0.00		0.00	#DIV/0!
<b>EWC</b>	958,500.00		958,500.00	1,223,865.00	-265,365.00	127.69%
<b>LT @T</b>	958,500.00		958,500.00	0.00	958,500.00	0.00%
<b>NHIF</b>	29,600.00		29,600.00	29,600.00	0.00	100.00%
<b>Personal emolument</b>	1,917,000.00		1,917,000.00	1,898,361.00	18,639.00	99.03%

<b>Admin cost</b>	<b>894,600.00</b>		<b>894,600.00</b>	<b>1,215,709.20</b>	<b>-321,109.20</b>	<b>135.89%</b>
<b>Activity</b>	<b>958,500.00</b>		<b>958,500.00</b>	<b>110,662.50</b>	<b>847,837.50</b>	<b>11.55%</b>
<b>Medical and insurance</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#DIV/0!</b>
<b>Infrastructure Grant</b>	<b>3,195,000.00</b>		<b>3,195,000.00</b>	<b>7,657,000.00</b>	<b>-4,462,000.00</b>	<b>239.66%</b>
<b>It&amp;t</b>	<b>0.00</b>		<b>0.00</b>	<b>882,095.00</b>	<b>-882,095.00</b>	<b>#DIV/0!</b>
			<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>Sub totals</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>(3)FDSE FOR INFRASTRUCTURE</b>			<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>Maintenance and Improvement</b>	<b>3,195,000.00</b>		<b>3,195,000.00</b>	<b>2,657,000.00</b>	<b>538,000.00</b>	<b>83.16%</b>
<b>Transition infrastructure Grants</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#DIV/0!</b>
<b>Administration block</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#DIV/0!</b>
<b>Economic stimulumus grants</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#DIV/0!</b>
<b>Others(NGCDF,County government)</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#DIV/0!</b>
<b>Sub total</b>	<b>3,195,000.00</b>		<b>3,195,000.00</b>	<b>2,657,000.00</b>	<b>538,000.00</b>	<b>83.16%</b>
<b>(4)FEES CHARGED ON PARENTS</b>			<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>Boarding/Lunch</b>	<b>18,637,620.00</b>		<b>18,637,620.00</b>	<b>24,098,778.00</b>	<b>-5,461,158.00</b>	<b>129.30%</b>
			<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
			<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>Repairs and Maintenance</b>	<b>1,346,400.00</b>		<b>1,346,400.00</b>	<b>1,707,609.00</b>	<b>-361,209.00</b>	<b>126.83%</b>
<b>Personal Emoluments</b>	<b>2,012,100.00</b>		<b>2,012,100.00</b>	<b>8,025,365.00</b>	<b>-6,013,265.00</b>	<b>398.86%</b>

LTT	364,650.00		364,650.00	2,234,450.00	- 1,869,800.00	612.77%
Activity	138,750.00		138,750.00	708,546.00	-569,796.00	510.66%
EWC	2,834,700.00		2,834,700.00	4,902,838.00	- 2,068,138.00	172.96%
Admin costs	1,123,650.00		1,123,650.00	4,110,040.00	- 2,986,390.00	365.78%
Operation account			0.00		0.00	#DIV/0!
Sub total						#DIV/0!
<b>(5) MISCELLANEOUS INCOME</b>			0.00		0.00	#DIV/0!
<i>Rent income</i>			0.00	0.00	0.00	#DIV/0!
<i>Income from farming activities</i>			0.00	0.00	0.00	#DIV/0!
<i>Insurance compensation</i>			0.00	0.00	0.00	#DIV/0!
<i>Income from posho mill</i>			0.00	0.00	0.00	#DIV/0!
<i>Income from bus hire</i>			0.00	0.00	0.00	#DIV/0!
<i>Fee for hire of ground and equipment</i>			0.00	0.00	0.00	#DIV/0!
<i>Income from grants and donations</i>			0.00	0.00	0.00	#DIV/0!
<i>Interest income</i>			0.00		0.00	#DIV/0!
<i>Loans/Borrowings</i>			0.00		0.00	#DIV/0!
<b>SUB TOTAL</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>GRAND TOTAL INCOME</b>	<b>5,632,711.00</b>		<b>5,632,711.00</b>		<b>5,632,711.00</b>	<b>0.00%</b>
<b>(1) EXPENDITURE FOR TUITION</b>			0.00		0.00	#DIV/0!
<b>Tuition</b>			0.00	0.00	0.00	#DIV/0!
Exercise books	1,140,000.00		1,140,000.00	500,000.00	640,000.00	43.86%

Laboratory equipments and apparatus	502,016.00		502,016.00	660,569.00	-158,553.00	131.58%
Teaching/learning materials	163,516.00		163,516.00	505,570.00	-342,054.00	309.19%
Main account			0.00	70,000.00	-70,000.00	#DIV/0!
Internal exams	706,000.00		706,000.00	0.00	706,000.00	0.00%
			0.00		0.00	#DIV/0!
Bank charges			0.00	7,764.00	-7,764.00	#DIV/0!
			0.00		0.00	#DIV/0!
			0.00		0.00	#DIV/0!
sub totals	2,511,532.00		2,511,532.00	1,743,903.00	767,629.00	69.44%
<b>PAYMENTS FOR OPERATIONS</b>			0.00		0.00	#DIV/0!
EWC	958,500.00		958,500.00	733,100.00	225,400.00	76.48%
LT @T	958,500.00		958,500.00	0.00	958,500.00	0.00%
RMI	0.00		0.00	1,993,000.00	-1,993,000.00	#DIV/0!
Personal emolument	1,917,000.00		1,917,000.00	2,147,878.00	-230,878.00	112.04%
Admin cost	894,600.00		894,600.00	1,459,315.00	-564,715.00	163.12%
Activity	958,500.00		958,500.00	237,300.00	721,200.00	24.76%
NHIF	22,400.00		22,400.00	22,400.00	0.00	100.00%
			0.00		0.00	#DIV/0!
			0.00		0.00	#DIV/0!
			0.00		0.00	#DIV/0!
Bank charges			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
<b>SUBTOTALS</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
<b>INFRASTRUCTURE PAYMENTS</b>			<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>

Construction of classrooms			0.00	0.00	0.00	#DIV/0!
Construction of laboratory			0.00	0.00	0.00	#DIV/0!
construction of dormitory			0.00	549,760.00	-549,760.00	#DIV/0!
Purchase of furniture			0.00	0.00	0.00	#DIV/0!
Purchase of equipment			0.00	0.00	0.00	#DIV/0!
Purchase of apparatus			0.00	0.00	0.00	#DIV/0!
Main account			0.00	22,000.00	-22,000.00	#DIV/0!
SUBTOTALS	0.00		0.00		0.00	#DIV/0!
<b>BOARDING AND SCHOOL FUND PAYMENTS</b>			0.00		0.00	#DIV/0!
payable			0.00	0.00	0.00	#DIV/0!
Lunch programme	18,637,620.00		18,637,620.00	32,807,907.00	-14,170,287.00	176.03%
Main Account			0.00	684,500.00	-684,500.00	#DIV/0!
Medical			0.00	4,050.00	-4,050.00	#DIV/0!
Operations account			0.00	4,993,190.00	-4,993,190.00	#DIV/0!
Personnel emoluments	2,012,100.00		2,012,100.00	4,103,227.00	-2,091,127.00	203.93%
Personnel emoluments			0.00		0.00	#DIV/0!
Repairs and maintenance & Improvements	1,393,200.00		1,393,200.00	1,707,609.00	-314,409.00	122.57%
Repairs and maintenance & Improvements			0.00		0.00	#DIV/0!
Local transport / travelling	364,650.00		364,650.00	31,093.00	333,557.00	8.53%
prepayment			0.00	79,310.00	-79,310.00	#DIV/0!
NHIF	59,200.00		59,200.00	59,200.00	0.00	100.00%

Administration costs	1,123,650.00		1,123,650.00	7,047,880.00	-	627.23%
tuition			0.00		5,924,230.00	#DIV/0!
Bursary			0.00		0.00	#DIV/0!
Gratuity Paid			0.00	20,000.00	-20,000.00	#DIV/0!
TOWER SACCO			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
#REF!			0.00		0.00	#DIV/0!
SUBTOTALS	23,590,420.00		23,590,420.00	51,537,966.00	-	218.47%
TOTAL	26,101,952.00		26,101,952.00		27,947,546.00	0.00%

- 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 20XX.

## 11. Notes To The Financial Statements

## 1 Government Grants for Tuition

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Reference Materials	0.00	0.00
Exercise Books	388,500.00	245,678.00
Laboratory Equipment	890,000.00	589,913.00
Main a/c	23,000.00	00
Teaching / Learning Materials	450,000.00	1229,822.00
Chalks	89,695.76	0.00
<b>Total</b>	<b>1,814,195.75</b>	<b>2,065,413.00</b>

\*Include others as per MOE circulars

## 2 Government Grants for Operations

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Personnel Emoluments	1,898,361.00	2,802,113.00
Repairs And Maintenance	0.00	0.00
Local Transport / Travelling	882,095.85	1101,745.00
Electricity And Water	1,223,865.00	1170245.00
Medical	0.00	0.00
Administration Costs	1,215,709.20	853,172.00
Advance	4,000.00	
Activity	110,662.50	0.00
NHIF	29,600	0.00
HOUSE RENT	8,500	14,025.00
NSSF	53,280.00	0.00
TOWER SACCO	10,000.00	0.00
PAYE	11,080.00	0.00
MAIN A/C	1,018,450.00	0.00
INFRASTRUCTURE A/C	7,657,000.00	3,356,000.00
<b>Total</b>	<b>14,122,603.55</b>	<b>9,297,300.00</b>

\*Include others as per MOE circulars

**3 Government Grants for infrastructure**

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Maintenance & Improvement	2,657,000.00	0.00
Transition infrastructure grants	0.00	0.00
Administration Block	0.00	0.00
Economic stimulus grants	0.00	0.00
Other (specify)(NGCDF and County govt.	0.00	0.00
<b>Total</b>	<b>2,657,000.00</b>	<b>0.00</b>

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

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Personnel emoluments	8,025,365	5,659,575.00
Repairs and maintenance	1,707,609	1,386,445.00
Local transport / travelling	2,234,450	1,408,657.00
Electricity and water	4,902,838	2,602,632
Medical		387,189.00
Administration costs	4,110,040	5,292,904.00
Activity	708,546	201,940.00
Fee on Boarding Equipment and stores	16,049,068	21,003,798.00
OPERATION A/C	5,329,189	0.00
COSMOPOLITAN	2,770	0.00
TOWER SACCO	20,500	0.00
BURSARY		811,244.00
POCKET MONEY		320,775.00
MOTIVATION FEE	2,139,207	0.00
NBK	800,000	
TUITION	996,838	
PAYE	23,546	0.00
UNPAID CHEQUE		45,565
CREDITOR	800,000	
NSSF	162,774	0.00
NHIF	59,200	0.00
BUS HIRE	135,700	0.00
HOUSE RENT	29,500	8,5000

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
<b>Total</b>	<b>48,237,140.00</b>	<b>39,129,224.00</b>

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

## 5 Miscellaneous Incomes

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Rent Income	0.00	0.00
Income From Farming Activities	0.00	0.00
Insurance Compensation	0.00	0.00
Income From Posho Mill	0.00	0.00
Income From Bus Hire	0.00	0.00
Fee For Hire of Ground and Equipment	0.00	0.00
Income From Grants and Donations*	0.00	0.00
Interest Income	0.00	0.00
Dividends Income	0.00	0.00
Loans/Borrowings*	0.00	0.00
Other Income (specify)*	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</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	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Exercise Books	500,000.00	626,540.00
Textbooks	0.00	0.00
Main a/c	70,000	0.00
Laboratory Equipment	660,569.00	90,270.00
Teaching / Learning Materials	505,570.00	1,354,960.00
Exams And Assessment	0.00	0.00
Teachers Guides	0.00	0.00
Bank Charges	7,764.00	3,228.00
Others ( <i>specify</i> )	0.00	0.00
<b>Total</b>	<b>1,743,903.00</b>	<b>2,074,998.00</b>

## 7 Operations

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Personnel Emoluments	2,147,878.00	4,433,231.00
Service Gratuity	0.00	0.00
Administration Cost	1,459,315.00	201,200.00
Repairs And Maintenance & Improvements	376,725.00	172,500
Bursary	0.00	0.00
Electricity And Water	733,100	819,970
Medical	6,500	0.00
Activity Expenses	237,300.00	314,500.00
Insurance Cost	100,000.00	239,071.00
Nhif	22,400.00	0.00
Bank charges	28212.85	7,029.00
Paye	13,722.00	0.00
Infrastructure a/c	1,993,000.00	0.00
Cosmopolitan	116,448.00	0.00
Tower sacco	11,000	0.00
Nssf	17,358.00	818,700.00
Main a/c	1,740,000.00	0.00
<b>Total</b>	<b>9,002,758.00</b>	<b>6,187,501.00</b>



## Notes to the Financial Statements (continued)

## 8 Infrastructure

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Construction of classrooms	0.00	4,145,000.00
Construction of laboratory	0.00	0.00
Construction of dormitory	549,760.00	0.00
Purchase of furniture	0.00	0.00
Purchase of equipment	0.00	0.00
Purchase of apparatus	0.00	0.00
Bank charges	3,220.00	0.00
Main a/c	22,000.00	0.00
<b>Total</b>	<b>574,980.00</b>	<b>4,145,000.00</b>

## 9 Boarding And School Fund

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Personnel Emoluments	4,103,227.00	3,448,757.00
Service Gratuity	23,919.00	0.00
Repairs And Maintenance & Improvements	899,894.00	2,857,846.00
Local Transport / Travelling	905,108.00	815,200.00
Electricity And Water	948,862.00	1,221,390.00
Medical Expenses	4,050.00	36,630.00
Administration Costs	10,598,365	8,640,682.00
Bursary	5,000.00	811,244.00
Bank Charges	76,515	0.00
Motivation	3,030,500.00	818,700.00
Fee On Boarding Equipment and Stores	16,112,870.00	29,957,269.00
Infrastructure a/c	671,000.00	89,859.00
Insurance Cost (Life Property)	100,000.00	0.00
Nhif	79,310.00	0.00
Nssf	199,748.00	0.00
NBK	800,000	
Uniforms	0.00	66,900.00
Paye	59,005.00	0.00
Caution money	425	49,025.00
Tower sacco	20,000.00	0.00

Exam	0.00	7,500.00
TUITION	996,838	
CREDITORS	2,135,080	
Bus hire	0.00	46,000.00
Pocket money	0.00	255,170.00
School bus	76,650.00	0.00
Cosmopolitan	145,560.00	0.00
Activity	478,657.00	208,500.00
PREPAYMENT	31,093	0.00
Operation a/c	4,993,190.00	0.00
Main a/c	684,500.00	0.00
<b>Total</b>	<b>48,179,366.00</b>	<b>49,407,014.00</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	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Active/Dormant		Kshs	Kshs
Tuition Account			98,957.70	1,664.95
Operations Account			5,144,870.50	24,536.05
School Fund Account/Boarding			162,450.50	107,130.30
Savings Account			0.00	0.00
Parent Association Development Account			0.00	0.00
Income Generating Activities Account			0.00	0.00
Infrastructural Account			2,299,769.00	217,875.00
<b>Total</b>			<b>7,706,047.70</b>	<b>351,206.30</b>

## 11 Cash In Hand

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Notes and Coins	2,954.00	500
<b>Total</b>	<b>2,954.00</b>	<b>500</b>

## 12 Short Term Investments

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Cooperative Shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed Deposit accounts	0.00	0.00
Other Investments	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## Notes to the Financial Statements (continued)

## 13 Accounts Receivable

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Fees Arrears	8,049,710.00	64,64,008.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
<b>Total</b>	<b>8,049,710.00</b>	<b>6,464,008.00</b>

## 13 b Ageing Analysis of Accounts Receivable

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023		1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,218,821.00	27.56%	1,361,172.00	21.06%
Between 1- 2 years	1,361,172.00	16.91%	633,119.00	9.79%
Between 2-3 years	0.00	0.00%	4,469,717.00	69.15%
Over 3 years	4,469,717.00	55.53%	0.00	0.00%
<b>Total (should tie to note 13 a)</b>	<b>8,049,710.00</b>	<b>100%</b>	<b>6,464,008.00</b>	<b>100%</b>

## 14 Accounts Payable

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	16,695,037.00	10,457,681.00
Prepaid Fees	0.00	
Retention Monies	0.00	0.00
Unpaid salaries and statutory deductions	0.00	0.00
Caution money	0.00	0.00
Other payables ( <i>specify</i> )	0.00	0.00
<b>Total</b>	<b>16,695,037.00</b>	<b>10,457,681.00</b>

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023		1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	6,237,356.00	77.49%	10,457,681.00	161.78%
Between 1- 2 years	10,457,681.00	129.91%	0.00	0.00%
Between 2-3 years		0.00%	0.00	0.00%
Over 3 years		0.00%	0.00	0.00%
<b>Total (should tie to note 14)</b>	<b>16,695,037.00</b>	<b>207.40%</b>	<b>10,457,681.00</b>	<b>161.78%</b>

15 Fund Balance Brought Forward

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023		1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022	
	Kshs		Kshs	
Bank Balances	351,080.20		1,605,918.80	
Cash Balances	1,190.05		663.00	
Short Term Investments	0.00		0.00	
Receivables	6,489,797.00		6,097,441.00	
Payables	(16,695,037)		(0.00)	
<b>Total</b>	<b>(8,293,052,75)</b>		<b>7,704,022.80</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	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Bank Loans	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Others (specify)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**17 Biological assets**

Description	Numbers	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee Or Tea Plantation		0.00	0.00
Poultry		0.00	0.00
Others (specify)		0.00	0.00
<b>Total</b>		<b>0.00</b>	<b>0.00</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments during the year	0.00	0.00
<b>Balance at the end of the year</b>	<b>0.00</b>	<b>0.00</b>

**Other important disclosure notes**

**19 Stock/ Inventory**

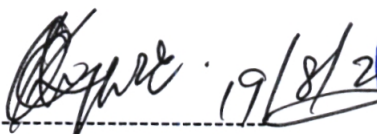
Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2021- 30 <sup>th</sup> JUNE 2022
	Kshs	Kshs
Food stuffs	0.00	0.00
Lab consumables	0.00	0.00
Farm produce	0.00	0.00
Medication	0.00	0.00
Construction Materials	0.00	0.00
Others (specify)	0.00	0.00
	0.00	0.00


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

**20 Progress On Follow Up Of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

  
-----  
Sign and Date  
Principal



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

**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.						
5.						
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
6.						
7.						
8.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20XX
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).*