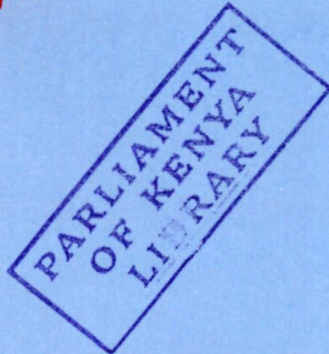



REPUBLIC OF KENYA



*Enhancing Accountability*



 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>REPORT DATE:</b> 04 MAR 2025	<b>DAY:</b> Tuesday
<b>TABLED BY:</b>	Deputy chief whip Hon. Naomi Jillo
<b>CLERK-AT THE-TABLE:</b>	Benson Inzofu

**THE AUDITOR-GENERAL**

**ON**

**DR. AGGREY HIGH SCHOOL**

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

**TAITA/TAVETA COUNTY**

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
27 SEP 2024  
**RECEIVED**



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**DR. AGGREY HIGH SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

---

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

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## I. Key School Information And Management

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

### (a) Background information

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

The school was registered in 1954 under registration number **06/S/0030/0302** and is currently categorized as 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 **1769** number of students as at 30<sup>th</sup> June 2023. It has 5 streams and **55** teachers of which **29** 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. Paul Guyo Mwashimba	Chairman	4 <sup>th</sup> august 2022
2	Robert Aran Maima	Secretary - Principal	4 <sup>th</sup> august 2022
3	Alexon Mwasi	Member	4 <sup>th</sup> august 2022
4	Phenny Njumwa	Member	4 <sup>th</sup> august 2022
5	Pamela Mwawasi	Member	4 <sup>th</sup> august 2022
6	Jackline Majala	Member	4 <sup>th</sup> august 2022
7	Collins Makoko	Member	4 <sup>th</sup> august 2022
8	Erick Mlati	Member – Rep CEB	4 <sup>th</sup> august 2022
9	Mr. Election Mwadime	Member Rep Teachers	4 <sup>th</sup> august 2022
10	Arch. Deacon Justo Mwashumbe	3 Members - Sponsor	4 <sup>th</sup> august 2022
11	Boniface Mwamburi	Member - Community	4 <sup>th</sup> august 2022
12	Miriam Muto	Member Special Needs	4 <sup>th</sup> august 2022
	Simba Hassan	Rep Students	4 <sup>th</sup> august 2022

**Key School Information and Management (Continued)**

**The function of the School Board of Management include:**

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

**(c) Committees of the Board**

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof. Paul Guyo Pamela Nyambu Boniface Mwamburi Teddy Malaho Julia Mwale	Chairman BOM Vice- Chair Member Member Member	1
2	Audit Committee	Erick Mlati Amos Mwasi Pamela Mwawasi Rev. Raphael Mwalukuku Robert Aran	Chairman Vice - Chair Member Member Member Principal	2
3	Finance, procurement and general purposes Committee	Collins Makoko Jackline Mnjala Robert Aran – Principal Raymond Mwalugha Alex Mwasi Hulda Wajomba	Chairman Vice - Chair Member Member Member Member	2
4	Academic Committee	Humfrey Maina Robert Aran Maina Election Mwadime Alex Mwasi Juliah Lughano Raymond Mwalugha	Chairman Principal.0 Member Member Member Member	1
5	Development Committee	Boniface Mwamburi Raymond Mwalugha Rev. Raphael Mwalukuku Juliah Lughano Robert Aran	Chairman Member Member Member Member	10
6	Discipline and welfare Committee	Rev. Raphael Mwalukuku Raymond Mwalugha Julia Mwale Rev. Humfrey Irungu Robert Aran Pamela Mwawasi	Chairman Member Member Member Member Member Member	1
7	Adhoc Committee (if any during the year)	Nyakundi Morekwa Julius Ndighila Hulda Wajomna Lela Stephen Election Mwadime Lilian Osiemo John Kathoka Ramalia Mnjala Thomas Mshila	Chairman Secretary Vice – Chair Member Member Member Member Member Member	3

**(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	TSC Number
1	Principal	Robert Aran Maima	TSC No.305979
2	Deputy Principal	AG. Grace Mabuti	TSC No.502651
3	School Bursar	Hulda Wajomba	ID No. 20053765

**(e) Schools contacts**

Post Office Box: 1011- 80304  
Telephone: 0712603803  
E-mail: doctoraggreytaita@gmail.com  
Website: -  
Facebook: -  
Twitter: -

**(f) School Bankers**

The following school operated 9 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

	A/C NAME	BANK NAME	ACCOUNT NO	BRANCH
1	BOARDING A/C	KCB BANK KENYA	1103786679	WUNDANYI
2	OPERATIONAL A/C	KCB BANK KENYA	1103788108	WUNDANYI
3	TUITION A/C	KCB BANK KENYA	1103788043	WUNDANYI
4	PERSONAL EMOLMENT SAVINGS A/C	KCB BANK KENYA	1102576131	WUNDANYI
5	GRATUITY A/C	KCB BANK KENYA	1150209232	WUNDANYI
6	(P.T.A Saving a/c)	KCB BANK KENYA	1102635774	WUNDANYI
7	INFRASTRUCTURE A/C	KCB BANK KENYA	1269971972	WUNDANYI
8	Dormitory Project a/c	KCB BANK KENYA	1280900318	WUNDANYI
9	PAYBILL KCB	KCB BANK KENYA	BUSINESS No. 522123 A/C No.67970KADM No.+ Name	WUNDANYI

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

**(g) Independent Auditors**

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

## II. Summary Report Of Performance Of The School

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

a) **Financial performance:**

*(Under this section, the following information should be given:*

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

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

b) **Teacher Student ratio:**

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

c) **Mean score in the 2023KCSE:**

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

d) **Number of Candidates in the 2023KCSE:**

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

e) **Capacity of the school:**

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

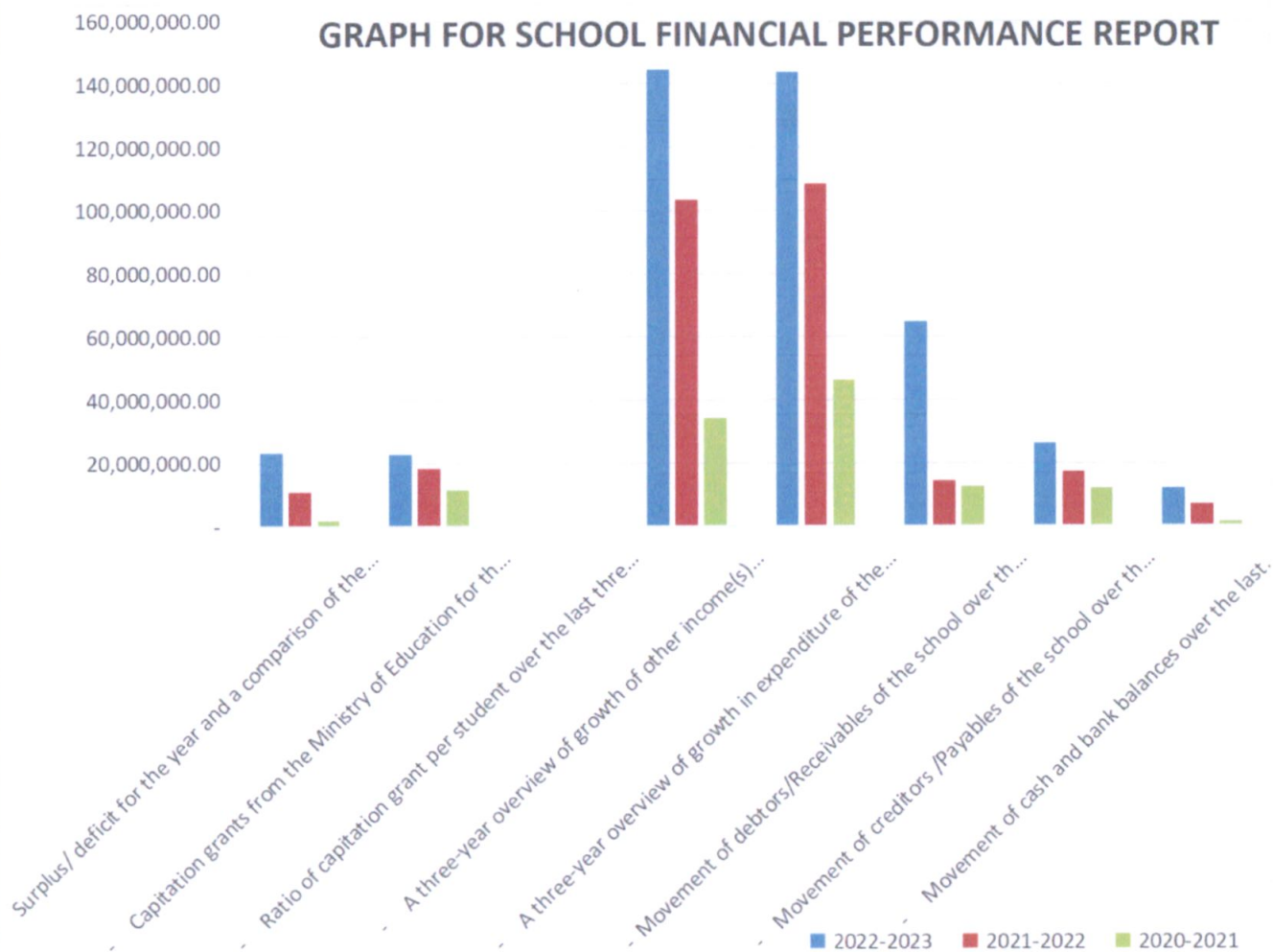
**I SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

The following is a table summary report of the performance of the school

<b>a) Financial performance:</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
Surplus/ deficit for the year and a comparison of the same for the last three years	23,462,048.15	11,013,001.94	1,941,015.00
Capitation grants from the Ministry of Education for the last three years	22,724,227.25	18,410,710.40	11,482,139.00
Ratio of capitation grant per student over the last three years	1:15069.12	1: 12,364.47	1: 9,497.22
A three-year overview of growth of other income(s) earned by the school.	144,521,757.27	103,532,012.00	34,245,983.00
A three-year overview of growth in expenditure of the school	143,783,936.37	108,552,113.30	46,331,745.00
- Movement of debtors/Receivables of the school over the last three years	64,727,430.00	14,278,170.00	12,505,243.00
- Movement of creditors /Payables of the school over the last three years	26,213,776.00	17,380,105.00	12,076,766.52
- Movement of cash and bank balances over the last three years	12,121,314.13	7,109,572.50	1,431,316.06

**Performance**

**GRAPH FOR SCHOOL FINANCIAL PERFORMANCE REPORT**



**DR. AGGREY HIGH SCHOOL****Annual Report and Financial Statements**

for the year ended 30th June 2023

**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:

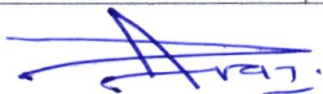
	2022-2023	2022-2023	2021-2022
<b>b) Teacher Student ratio:</b>			
The teacher to student ratio	1:70	1:50	1:55
Number of teachers recruited and posted to the school within the year	0	1	2
Number of teachers that were transferred/ retired during the period	1	1	1
Number of teachers employed by TSC	26	29	25
Number of teachers employed by BOM.	29	25	22
Number of teachers the school has for each subject in order to indicate shortage/ allocation of resources			
<b>SUBJECTS</b>	<b>NO. of Teachers</b>		
MATHS	5	5	5
ENGLISH	4	4	4
KISWAHILI	1	1	1
CHEMISTRY	1	1	1
PHYSICS	3	3	3
BIOLOGY	2	2	2
HISTORY	1	2	2
CRE	1	1	1
AGRICULTURE	2	2	2
BUSINESS STUDIES	1	1	1
GEOGRAPHY	2	2	2
COMPUTER STUDIES	3	3	3
<b>c) Mean score KCSE:</b>			
<b>performance of the school for each over the last three years</b>			
Number of students that have since transitioned to institutions of higher learning.	189	236	152
Mean score	7.02	8.6471	7.45
comment on improvement or otherwise as compared to the school's set score.	Mean Deviation of (1.62)	Mean Deviation of 0.20	
<b>d) Number of Candidates in the 2023 KCSE:</b>			
Number of candidates sitting for KCSE over the last three years.	266	240	203
<b>e) Capacity of the school:</b>			
Number of students in the school	1769	1080	791
Dormitories	7	7	6
Dinning hall,	2	2	2
laboratories,	4	4	4
Toilets	55	55	55
Land with legal ownership (Gazette notice) No.	TTA/112/2018/04	TTA/112/2018/04	
Other amenities. CLASSES/ STAFF HOUSES	21/7	21/7	21/7

**Summary Report of the Performance of the School (Continued)**

**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).*

<b>PROJECT</b>	<b>SOURCE OF FUND</b>	<b>INITIAL (KSH)</b>	<b>CONTRACT SUM (KSH)</b>	<b>EXPECTED COMPLETION TIME</b>
<b>12 classrooms (4 storey building.</b>	<b>GOVT</b>	<b>32,946,036.00</b>	<b>7,561,040.00</b>	<b>IN PROGRESS.</b>



**ROBERT ARAN MAIMA**

**School Principal**

**PRINCIPAL**  
DR. AGGREY HIGH SCHOOL  
P.O. Box 1011 - 80304, WUNDANYI  
DATE: 20/12/23 SIGN: \_\_\_\_\_

### III. Statement Of School Management Responsibility

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

**Paul Guyo Mwashimba**

Name:

Designation: Chairman, School Board of Management

Date: \_\_\_\_\_

**Robert Aran Maima**

Name:

Designation: School Principal & Secretary to Board of Management

Date: \_\_\_\_\_

SECRETARY B.O.M.  
DR. AGGREY HIGH SCHOOL  
P. O. Box 1011 - 80304, WUNDANYI  
Date: 20/10/23 Sign: \_\_\_\_\_

**Hulda Wajomba**

Name:

Designation: Bursar/ Finance Officer

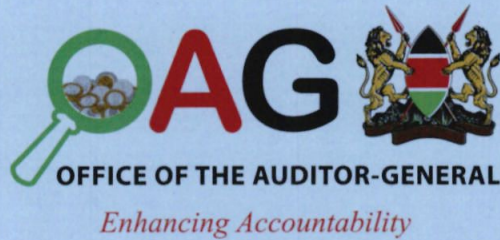
Date: \_\_\_\_\_

PRINCIPAL  
DR. AGGREY HIGH SCHOOL  
P. O. Box 1011 - 80304, WUNDANYI  
Date: 20/10/23 Sign: \_\_\_\_\_

BURSAR  
DR. AGGREY HIGH SCH-TAITA  
P. O. Box 1011-80304, WUNDANYI  
Date: 20/10/23 Sign: \_\_\_\_\_

# 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 DR. AGGREY HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - TAITA/TAVETA COUNTY**

---

### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Dr. Aggrey High School – Taita/Taveta County set out on page 1 to 19, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for

the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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 Dr. Aggrey High School -Taita/Taveta 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 Standard (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**

Review of records provided revealed that the School Management did not prepare ledgers, schedules and the trial balance in support of the financial statements amounts. Further, the statement of budgeted versus actual amounts reflects actual revenue and expenditure amounts of Kshs.133,782,596 and Kshs.128,251,991 against amount of Kshs.167,245,985 and Kshs.149,601,555 respectively reflected in the statement of receipts and payments. The variances were not explained or supported. In addition, the statement of receipts and payments reflects an amount of Kshs.10,163,029 under payments for infrastructure, which has not been supported by notes in the financial statements.

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

### **2. Unsupported Cash and Cash Equivalents Balance**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.12,121,314. However, during the year under review the School did not prepare bank reconciliation statements for the tuition, operations, school fund, parents association development, savings, dormitory savings and service gratuity accounts. Further, the cash in hand amount of Kshs.302,804 was not supported by the board of survey report. In addition, the School did not maintain cashbooks showing the receipts and payments for the parents association development account, savings account, dormitory project savings account, building savings account and service gratuity account.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance totalling Kshs.12,121,314 could not be confirmed.

### **3. Unsupported Payment Vouchers**

The statement of receipts and payments reflects total payments of Kshs.149,601,555 in the year under review which include payments for supplies of goods and services, under

the boarding and school fund account totalling Kshs. 118,088,962 and payment of learning materials of Kshs. 1,471,000 under tuition. Examination of the payment vouchers provided for audit, revealed that these payments did not have supporting documents.

In the circumstances, the validity of expenditure totalling Kshs. 119,559,962 could not be confirmed.

#### **4. Failure to Account for Imprest**

Review of records provided revealed that in the year under review, the School withdrew an amount of Kshs. 670,000 vide voucher numbers 48 and 124 as cash for office use. However, the expenditure was not supported with records for the receipts and payments made. Further, the transactions made in respect to these funds could not be traced in the cashbooks and the School did not also have any policies in respect to accounting for standing imprest. In addition, review of sampled payment vouchers revealed that imprest totalling Kshs. 721,100 was given to officers to travel on official duties. Similarly, the imprest had not been surrendered and the School did not have a system for surrender of temporary imprests.

In the circumstances, imprest totalling Kshs. 1,391,000 had not been accounted for.

#### **5. Long Outstanding Student Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables totaling Kshs. 58,909,811 as disclosed in Note 11 to financial statements, which increased from an amount of Kshs. 44,377,618 in the 2021/2022 financial year. Further, included in the accounts receivable balance is fees arrears amount of Kshs. 52,220,572 which further includes fee arrears totaling Kshs. 27,288,054 which as per the records had been outstanding for more than two (2) years. In addition, 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. 58,909,811 could not be confirmed.

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

#### **Key Audit Matters**

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

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

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The paging in the financial statements is inconsistent.
- ii. The statement of financial assets and financial liabilities reflects accounts receivable and accounts payable under Notes 13 and 14, while they are presented under Note 11 and Note 12 to the financial statements.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

### **2. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

During the year under review, the Ministry of Education disbursed Kshs.15,208,163 as capital grant for operation out of which Kshs.5,082,000 was to be transferred to infrastructure account upon receipt. However, only Kshs.2,000,000 was transferred to infrastructure account during the year hence resulting to an unexplained variance of Kshs.3,082,000.

In the circumstances, the infrastructure maintenance in the School may have been adversely affected.

### **3. Irregular Increase of School Fees**

In the financial year under review, it was noted the School charged extra fees as listed below;

<b>Class</b>	<b>Amount (Kshs.)</b>
Form 1	32,500
Form 2	28,500
Form 3	28,500
Form 4	31,500

However, the School Management did not provide any authorization by the Board that allowed the charging of extra school fees. There was therefore a departure from the school fee structure issued by the Ministry of Education (MOE).

In the circumstances, Management was in breach of law.

#### **4. Lack of School Improvement Plan**

During the year under review, the School did not prepare a School Improvement Plan as required by Section 2.2. of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds.

As a result, Management was in breach of the law.

#### **5. Lack of a Procurement Plan**

The statement of receipts and payments reflects amounts of Kshs.167,245,984 and Kshs.149,601,555 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

#### **6. Irregular Cash Withdrawals**

Examination of bank statements for both operation and school fund accounts for the year ended 30 June, 2023, revealed that, contrary to the requirements of the Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 9 January, 2008 and MOE.HQS/3/13/3 dated 16 June, 2021 on virement, the School made cash withdrawal from operations account and school fund account amounting to Kshs.1,369,350 and Kshs.10,149,650 respectively.

In the circumstances, Management was not in compliance with the Ministry Circulars.

#### **7. Failure to Maintain Procurement Records for Infrastructure Works**

In the financial year under review, Kshs.3,300,000 was paid from infrastructure account to various suppliers for construction work as tabulated below,

<b>Date</b>	<b>Cheque No.</b>	<b>Payees</b>	<b>Particulars</b>	<b>Amount (Kshs.)</b>
07.11.2022	0003	A	Payment for Hiring of Excavation Machine	200,000
07.11.2022	7685	B	Payment for Construction of Classroom	500,000
14.04.2023	0003	C	Payment for Construction of Classrooms	300,000
17.05.2023	347/346	C	Payment for Construction of Classrooms	1,000,000
04.04.2023	8141	C	Payment for Construction of Classrooms	500,000
28.04.2022	0009	A	Payment for Construction of Classrooms	800,000
<b>Total</b>				<b>3,300,000</b>

However, contrary to Regulation 68(1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020, there were no procurement documents provided in support of the works commencing from requisition to signing of contracts. It was therefore not possible to establish the procurement methods used, the contract period and whether inspection took place.

Physical verification carried out revealed that the works were completed and the respective classes had been put into use, however, the final inspection minutes, certificate of completion and handing over certificate from contractor to the School Management were not provided for audit.

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

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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**

### **Lack of Fixed Asset Register and Ownership Documents**

Verification of land occupied by the School revealed that details on the actual acreage of land occupied and the land title were not provided for audit. Further, the value of the land was not disclosed. In addition, the audit revealed that the School did not maintain an asset register for its assets within the Institution and the assets were not tagged.

In the circumstances, the ownership and safe custody of the fixed assets 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 control, 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 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 an intention to terminate the School or to cease operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control 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 noncompliance. 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 control.

- 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 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 control that are identified during the audit.

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

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

**Nairobi**

**25 September, 2024**

V. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2023

Description Of Vote Head	Note	2022- 2023	2021- 2022
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	3,390,064.25	2,718,816.80
Capitation grants for operations	2	15,208,163.00	15,691,893.60
Government grant for infrastructure	3	4,126,000.00	-
School fund income- parents' contributions	4	144,521,757.27	103,526,012.00
School fund income - Miscellaneous income	5		6,000.00
<b>Total Receipts</b>		<b>167,245,984.52</b>	<b>121,942,722.40</b>
<b>Payments</b>			
Payments for tuition	6	2,759,895.00	2,840,135.80
Payments for operations	7	8,426,640.00	16,020,316.61
Infrastructure	8	10,163,029.00	-
Boarding and school fund payments	9	128,251,991.37	92,069,268.05
<b>Total Payments</b>		<b>(149,601,555.37)</b>	<b>110,929,720.46</b>
<b>Surplus/Deficit</b>		<b>17,644,429.15</b>	<b>11,013,001.94</b>

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

Name: PAUL GUYO

Chair BOM

Date: \_\_\_\_\_



SECRETARY B.O.M.  
DR. AGGREY HIGH SCHOOL  
P.O. Box 1011-80304, WUNDANYI  
Date: 20/10/23 Sign: \_\_\_\_\_

Name: ROBERT ARAN

School Principal/ Secretary to BOM

Date: \_\_\_\_\_



PRINCIPAL  
DR. AGGREY HIGH SCHOOL  
P.O. Box 1011-80304, WUNDANYI  
Date: 20/10/23 Sign: \_\_\_\_\_

Name: Hulda Wajomba

Bursar/ Finance Officer

Date: \_\_\_\_\_

BURSAR  
DR. AGGREY HIGH SCH-TAITA  
P.O. Box 1011-80304, WUNDANYI  
Date: 20/10/23 Sign: \_\_\_\_\_

VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	11,818,510.13	7,109,572.50
Cash balances	11	302,804.00	97,542.00
Short term investment	12	-	-
<b>Total cash and cash equivalent</b>		<b><u>12,121,314.13</u></b>	<b><u>7,207,114.50</u></b>
Account's receivables	13	58,909,811.00	44,377,618.00
<b>Total financial assets</b>		<b>71,031,125.13</b>	<b>51,584,732.50</b>
<b>Financial liabilities</b>			
Accounts payables	14	26,213,776.00	24,411,812.52
<b>Net financial assets</b>		<b>44,817,349.13</b>	<b>27,172,919.98</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	27,172,919.98	16,159,918.04
<b>Surplus/deficit for the year</b>		<b>17,644,789.15</b>	<b>11,013,001.94</b>
<b>Net financial position</b>		<b>44,817,349.13</b>	<b>27,172,919.98</b>

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

Name: Paul Guyo

Chair BOM

Date: 20/10/22



**SECRETARY B.O.M.**  
DR. AGGREY HIGH SCHOOL  
P. O. Box 1011 - 80304, WUNDANYI

Date.....Sign.....

Name: Robert Aran

School Principal/ Secretary to

BOM

Date: 28/10/23



**PRINCIPAL**  
DR. AGGREY HIGH SCHOOL  
P. O. Box 1011 - 80304, WUNDANYI

DATE:.....SIGN:.....

Name: Hulda Wajomba

Bursar/ Finance Officer

Date: 20/10/23



**BURSAR**  
DR. AGGREY HIGH SCH.-TAITA  
P. O. Box 1011-80304, WUNDANYI

Date.....Sign.....

VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2023

Description	Notes	2022 - 2023	2021 - 2022
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	3,390,064.25	2,718,816.80
Capitation grants for operations	2	15,208,163.00	15,691,893.60
Capitation grants for infrastructure	3	4,126,000.00	
School fund income- parents contributions/ fees	4	144,521,757.27	103,526,012.00
School fund income- other receipts	5	-	6,000.00
<b>Total receipts</b>		<b>167,245,984.52</b>	<b>121,942,722.40</b>
<b>Payments</b>			
Payments for tuition	6	2,759,895.00	2,840,135.80
Payments for operations	7	8,426,640.00	16,020,316.61
Boarding and school fund payments	9	128,251,991.37	89,691,660.89
Payment for infrastructure	8	10,163,029.00	
<b>Total payments</b>		<b>149,601,555.37</b>	<b>108,552,113.30</b>
<b>Net cash flow from operating activities</b>		<b>17,644,429.15</b>	<b>13,390,609.10</b>
<b>Cashflow from investing activities</b>			
Proceeds from sale of assets			
Acquisition of assets		(12,730,229.52)	(7,701,166.60)
Proceeds from investments			-
Purchase of investments			-
<b>Net cash flows from investing activities</b>			<b>(7,701,166.60)</b>
<b>Cashflow from borrowing activities</b>		-	-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>4,914,199.63</b>	<b>5,689,442.50</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>7,207,114.50</b>	<b>1,517,672.00</b>
<b>Cash and cash equivalent at end of the year</b>		<b>12,121,314.13</b>	<b>7,207,114.50</b>

(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).



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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>Receipts</b>						
<i>(1) Capitation Grant on Tuition</i>						
Textbooks And Reference Materials	Ref: page 18	-	-	-	-	-
Exercise Books	-	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-	-
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	3,316,800.00	0	3,316,800.00	3,390,064.30	(73,264.30)	102.20%
Exams And Assessment	-	-	-	-	-	-
<b>TOTAL</b>	<b>3,316,800.00</b>	<b>0</b>	<b>3,316,800.00</b>	<b>3,390,064.30</b>	<b>(73,264.30)</b>	<b>102.20%</b>
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	6,681,600.00	-	6,681,600.00	4,545,400.00	2,136,200.00	68.02%
Repairs And Maintenance	6,000,000.00	-	6,000,000.00	5,085,000.00	915,000.00	84.75%
Local Transport / Travelling						
Electricity And Water	3,000,000.00	-	3,000,000.00	1,553,934.00	1,446,066.00	193.06%
Medical	780,000.00	-	780,000.00	241,800.00	538,200.00	31.00%
Administration Costs	1,598,400.00	-	1,598,400.00	3,057,211.00	(1,458,811.00)	52.28%
Activity	1,065,600.00	-	1,065,600.00	724,818.00	340,782.00	68.02%
<b>TOTAL</b>	<b>19,125,600.00</b>		<b>19,125,600.00</b>	<b>15,208,163.00</b>	<b>3,917,437.00</b>	<b>497.13%</b>
<i>(3) Fees Charged on Parents</i>						

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Personnel Emoluments	5,485,200.00		5,485,200.00	13,966,187.00	(8,480,987.0)	254.61%
Repairs And Maintenance	2,400,000.00	-	2,400,000.00	7,742,256.00	(5,342,256.00)	322.59%
Local Transport / Travelling	3,000,000.00	-	3,000,000.00	7,428,694.00	(4,428,694.00)	247.62%
Electricity And Water	5,400,000.00	-	5,400,000.00	10,739,161.00	(5,339,161.00)	198.87%
PA Activity	36,205,500.00	-	36,205,000.00	43,700,600.00	(7,495,600.00)	120.70%
Administration Costs	10,560,000.00	-	10,560,000.00	6,934,959.6	3,625,040.40	65.67%
Activity	957,600.00	-	957,600.00	3,096,456.00	(2,138,856.00)	323.36%
Fee On Boarding Equipment and Stores	36,702,000.00	-	36,702,000.00	50,913,443.80	(14,211,443.80)	138.72%
<b>Other Income</b>	-	-	-	-	-	
Rent Income	-	-	-	-	-	
Income From Farming Activities	-	-	-	-	-	
Insurance Compensation	-	-	-	-	-	
Income From Posho Mill	-	-	-	-	-	
Income From Bus Hire	-	-	-	-	-	
Fee For Hire of Ground And Equipment	-	-	-	-	-	
Interest Income	-	-	-	-	-	
Income From Any Other Investment	-	-	-	-	-	
<b>Total Income</b>	<b>100,710,300.00</b>		<b>100,709,800.00</b>	<b>133,782,596.40</b>	<b>(43,811,957.40)</b>	<b>1672.14%</b>
<b>(1) Expenditure For Tuition</b>						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	-	-	-	-	-	-

*(DR. AGGREY HIGH SCHOOL)*  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
	K shs	K shs			K shs	K shs
Laboratory Equipment	-	-	-	-	-	-
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	3,316,800.00	-	3,316,800.00	2,759,895.00	556,905.00	83.21%
Chalks	-	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
<b>TOTAL</b>	<b>3,316,800.00</b>	<b>-</b>	<b>3,316,800.00</b>	<b>2,759,895.00</b>	<b>556,905.00</b>	<b>83.21%</b>
<b>(2) Expenditure For Operations</b>						
Personnel Emoluments	6,681,600.00	-	6,681,600.00	1,312,731.00	5,368,869.00	19.64%
Repairs, Maintenance & Improvements	6,000,000.00	-	6,000,000.00	2,366,448.00	3,633,522.00	39.44%
Local Transport / Travelling	3,000,000.00	-	3,000,000.00	712,097.00	2,287,903.00	23.74%
Electricity, Water and Conservancy	-	-	-	820,260.00	0	0.00%
Medical	780,000.00	-	780,000.00	142,384.00	637,616.00	18.25%
Administration Costs	1,598,400.00	-	1,598,400.00	2,449,820.00	(851,420.00)	153.27%
Activity Expenses	1,065,600.00	-	1,065,600.00	622,900.00	442,700.00	58.45%
<b>TOTAL</b>	<b>19,125,600.00</b>	<b>-</b>	<b>19,125,600.00</b>	<b>8,426,640.00</b>	<b>11,519,190.00</b>	<b>312.79%</b>
<b>(3) Expenditure for</b>						
Construction of classrooms	5,000,000.00	-	5,000,000.00	3,998,280.00	1,001,720.00	79.97%
Construction lab	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,000,000.00</b>	<b>-</b>	<b>5,000,000.00</b>	<b>3,998,280.00</b>	<b>1,001,720.00</b>	<b>79.97%</b>

*Commentary on significant underutilization (Below 90% of utilization) and overutilization above 100%.*

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

Gratuity	0	0	0	0	0	0
Smasse	0	0	0	0	0	0
<b>(3) Expenditure For School Fund</b>		-				
Personnel Emoluments	5,485,200.00	-	5,485,200.00	13,667,517.00	(8,182,317.00)	249.17%
Repairs, Maintenance and Improvements	2,400,000.00	-	2,400,000.00	13,686,006.00	(11,286,000.00)	570.25%
Local Transport / Travelling	3,000,000.00	-	3,000,000.00	5,830,010.00	(2,830,010.00)	194.33%
Electricity, Water and Conservancy	5,400,000.00	-	5,400,000.00	4,489,517.56	910,482.44	83.14%
P.A Activity	36,205,000.00	-	36,205,000.00	22,991,086.00	13,213,914.00	63.50%
Administration Costs	10,560,000.00	-	10,560,000.00	16,585,086.00	(6,025,086.00)	157.06%
Activity	957,600.00	-	957,600.00	2,041,828.00	(1,084,228)	213.223%
Gratuity	-	-	-	111,048.30	0	0.00%
Medical Expenses	-	-	-	275,200.00	0	0.00%
Boarding Equipment and Stores	36,702,000.00		36,702,000.00	48,495,993.00	(11,793,993.00)	132.13%
Expenditure For Income Generating Activity	-	-		78,699.51	0	0.00%
<b>Totals</b>	<b>100,709,800.00</b>		<b>100,709,800.00</b>	<b>128,251,991.37</b>	<b>(15,791,237.56)</b>	<b>1662.80%</b>

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

**The budget above shows overutilization of funds.**

## IX. Significant Accounting Policies

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of receipts and payments

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

**Significant Accounting Policies (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**X. Notes To The Financial Statements****1 Capitation Grant for Tuition**

<b>Description</b>	<b>2022 -2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	3,390,064.25	2,718,816.80
<b>Total</b>	<b>3,390,064.25</b>	<b>2,718,816.80</b>

**2 Capitation Grant for Operations**

<b>Description</b>	<b>2022 -2023</b>	<b>2021 - 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	4,545,400.00	4,939,173.40
Repairs And Maintenance	5,085,000.00	5,780,250.00
Local Transport / Travelling	-	451,320.00
Electricity And Water	1,553,934.00	1,535,650.00
Medical	241,800.00	198,600.00
Administration Costs	3,057,211.00	1,917,033.20
Infrastructure	-	500,000.00
Paye/nssf/ sacco	-	369,867.00
Activity	724,818.00	-
<b>Total</b>	<b>15,208,163.00</b>	<b>15,691,893.60</b>

**3 Parents Contribution/Fees - School Fund Account**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	13,966,187.00	4,928,701.00
Repairs and maintenance	7,742,256.00	3,430,207.00
Local transport / travelling	7,428,694.00	2,606,579.00
Electricity and water	10,739,161.00	5,478,924.00
Medical	-	157,771.00
Administration costs	6,934,959.52	4,069,146.00
Activity	3,096,456.00	111,820.00
Fee on Boarding Equipment and stores	50,913,443.75	34,162,892.00
PA Levies	43,700,600.00	46,269,015.00
Gratuity	-	2,310,957.00
<b>TOTAL</b>	<b>144,521,757.27</b>	<b>103,526,012.00</b>

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Rent Income	-	6,000.00
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
<b>Total</b>		<b>6,000.00</b>

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 Payments For Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		610,100.00
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	2,759,895.00	2,227,349.00
Chalks		
Exams And Assessment		
Teachers Guides		
Administration Costs		
Bank Charges		2,686.00
<b>Total</b>	<b>2,759,895.00</b>	<b>2,840,135.00</b>

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,312,731.00	3,877,778.61
Infrastructure Grant		2,500,000.00
Administration Cost	2,449,820.00	4,348,506.00
Repairs And Maintenance & Improvements	2,366,448.00	3,048,280.00
Local Transport / Travelling	712,097.00	415,437.00
Electricity And Water	820,260.00	1,168,800.00
Medical	142,384.00	291,648.00
Activity Expenses	622,900.00	-
Acquisition Of Assets		
Nssf/ Nhif/ Paye/ Sacco	-	369,876.00
<b>Total</b>	<b>8,426,640.00</b>	<b>16,020,325.61</b>

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2022-2023	2021-2022
	Ksha	Ksha
Personnel Emoluments	13,667,517.00	12,958,430.00
Service Gratuity	111,048.30	-
Repairs And Maintenance & Improvements	13,686,006.00	10,941,675.25
Local Transport / Travelling	5,830,010.00	5,527,944.00
Electricity And Water	4,489,517.56	3,776,966.00
Medical Expenses	275,200.00	74,530.00
Administration Costs	16,585,086.00	14,680,838.64
Expenses On Income Generating Activities	78,699.51	-
Fee On Boarding Equipment and Stores	48,495,993.00	36,529,725.16
P.A Expenses	22,991,086.00	7,579,159.00
Activity Expenses	2,041,828.00	-
<b>Total</b>	<b>128,251,991.37</b>	<b>92,069,268.05</b>

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

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account		725,969.10	10,039.85
Operations Account		3,732,874.00	1,530,886.00
School Fund Account/Boarding	1103786679	6,771,163.18	4,914,277.00
Savings Account		388,797.85	582,383.65
Infrastructural Account		199,706.00	71,986.00
<b>Total</b>		<b>11,818,510.13</b>	<b>7,109,572.50</b>

9 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and coins	302,804.00	97,542.00
<b>Total</b>	<b>302,804.00</b>	<b>97,542.00</b>

10 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Notes To The Financial Statements (Continued)

## 11 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	52,220,572.00	37,292,713.00
Other Non-Fees Receivables	2,117,649.00	2,117,649.00
Operational account	1,046,800.00	3,080,576.00
Salary Advances	622,160.00	310,430.00
Imprest	1,256,880.00	1,576,250.00
Tuition	1,566,750.00	
RD cheques	79,000.00	-
<b>Total</b>	<b>58,909,811.00</b>	<b>44,377,618.00</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	24,932,518.00	14,278,170.00
Fees Arrears For The Previous Year		
Fees Arrears For Prior Periods (Over Two Years)	27,288,054.00	23,014,543.00
<b>Total</b>	<b>52,220,572.00</b>	<b>37,292,713.00</b>

## 12 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	25,620,360.00	24,411,812.52
Parents account	85,760.00	-
Bursary	507,656.00	-
<b>Total</b>	<b>26,213,776.00</b>	<b>24,411,812.52</b>

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors for Current Year	25,620,360.00	17,380,105.00
Trade Creditors for The Previous Year		3,951,131.52
Parents accounts		3,080,576.00
Trade Creditors for Prior Periods (Over Two Years)		
<b>Total</b>	<b>25,620,360.00</b>	<b>24,411,812.52</b>

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	11,818,510.13	6,527,188.85
Cash Balances	302,804.00	97,542.00
Short Term Investments		582,383.65
Receivables	58,910,171.00	44,377,618.00
Payables	(26,213,776.00)	(24,411,812.52)
<b>TOTAL</b>	<b>44,817,709.13</b>	<b>27,172,919.98</b>

**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
<b>Total</b>		

**15 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2022-2023</b>	<b>2021-2022</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle	4	240,000.00	210,000.00
Goats/ sheep	3	15,000.00	10,000.00
Trees		300,000.00	260,000.00
Coffee Or Tea Plantation		-	
Poultry		-	
<b>Total</b>		<b>555,000.00</b>	<b>480,000.00</b>

**16 Borrowings**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>a) Borrowings</b>		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
<b>Balance at end of the year</b>		

Other important disclosure notes

17 Stock/ Inventory

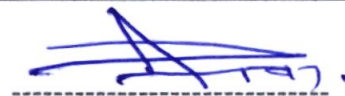
Description	2022-2023	2021-2022
	Kshs	Kshs
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year	484,150.00	51,925.00
Stock/ inventory purchased during the year	31,920,750.00	24,250,500.00
Stock/ inventory issued during the year	32,098,660.00	23,818,275.00
<b>Balance at end of the year</b>	<b>306,240.00</b>	<b>484,150.00</b>

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

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Non compliance with Public Accounting standards.	Complied by amending the financial document.	Resolved.	
2	Effectiveness of internal control in achieving school objective.	Management does the transfer of infrastructure fund only challenged by receiving less capitation and change of government policy of releasing fund quarterly while academic year starts at January challenging its day to day operations. - Payment vouchers supported by the invoices and deliveries, rubber stamp available for good received, internal check by segregation of duties. Receipts all revenues received by the school, accountability done by user department. - All Withdrawal from the bank are approved by B.O.M Secretary and two other board members.	Resolved	
3	Compliance with procurement laws and regulation in managing school resources.	The management started the process of land ownership ref gazette notice <b>No. TTA/112/2018/04.</b> - Source documents available- requisitions and L.P.O file available, rubber stamp for goods received counter checking by user department also adhoc committees in place. - Increase fees to pay 17 BOM teachers, only friendly match is catered for in the government fee structure. - Makeshift dormitories and storey building class to address increased number of students . File for Bill of Quantities and minutes available.	Resolved	

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	Sundry debtors	The management enhances debtors recovery through sub committees which include:- Deputy, class teachers and the finance office. (ii) Payment in kind accepted from parents.	Resolved	
5	Sundry creditors	Management ensures prompt clearance of pending bills. Have manageable creditors.	Resolved	



Sign and Date  
Principal

**PRINCIPAL**  
DR. AGGREY HIGH SCHOOL  
P. O. Box 1011 - 80304, WUNDANYI  
DATE: 20/12/23 SIGN: \_\_\_\_\_

**Annex 1 - Analysis Of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2022-2023	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1. 1 <sup>ST</sup> Floor -3 classes - Base point contractors	3,367,567.00	March 2022	1,370,921.00		1,994,646.00	Cleared.
Sub-Total						
<b>Supply Of Goods</b>						

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2023

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2022-2023	Comments
2. Zachel Murila	3,966,500.00	May/ june			3,966,500.00	
3. Mbengonyi Enterprise	1,663,700.00	May/ june			1,663,700.00	
4. James Mwamburi	490,160.00	May/ june			490,160.00	
5. Fame Merchants	2,546,310.00	Apr/ may			2,546,310.00	
6. Mombasa Road Gen. Merchant	925,000.00	march			925,000.00	
7. Jaymart Hardware & Gen. Merchants	2,761,020.00	April/ may			2,761,020.00	
8. Therepe Enterprise	327,500.00	may			327,500.00	
9. Chrispin Kichunju	97,330.00	May/ July			97,330.00	
10. Velice Matunda	142,350.00	may			142,350.00	
11. Vitality Enterprise	1,276,660.00	May/ june			1,276,660.00	
12. Francis M. Segi	224,662.00	May/ june			224,662.00	
13. Danson Kidai	89,800.00	June			89,800.00	
14. John Mwikamba	29,100.00	May/june			29,100.00	
15. Amoba Agencies	642,500.00	May/ june			642,500.00	
16. Jedali Gen Supplier	685,000.00	May/ june			685,000.00	
17. James Mwanjaghi	163,615.00	June			163,615.00	
18. Romze Enterprises	1,027,085.00	March/ april			1,027,085.00	
19. Pamtech Gen Merchants	50,800.00	June / July			50,800.00	
20. Mwakio Laura	250,000.00	May/ june			250,000.00	
21. Chrissop Enterprises	490,150.00	May/ june			490,150.00	
22. Imani Dressmaking	209,060.00	May/ june			209,060.00	

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2023

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2022-2023	Comments
23. Mnjala Trading solution	410,000.00	Feb/ March			410,000.00	
24. Blizzard Ventures	683,160.00	Mayy/ june			683,160.00	
25. Ishasu Enterprises	46,225.00	May/ june			46,225.00	
26. Hala Hala enterprises	84,645.00	April / may			84,645.00	
27. Grace Mabuti	565,810.00	May			565,810.00	
28. Lilian Osiemo	225,000.00	May/ june			225,000.00	
29. Godfrey Malaho	353,200.00	April			353,200.00	
30. Chrispin Kichunju	155,180.00	May/ june			155,180.00	
31. Astel Enterprises	199,610.00	May/ june			199,610.00	
32. Edward Ogero	89,947.00	May/ june			89,947.00	
33. Rich Rich	328,000.00	feb			328,000.00	
34. Nakuru Rubber Stamp	250,415.00	june			250,415.00	
35. Asap Computer	147,000.00	June			147,000.00	
36. Alpha Auto Accesories	53,000.00	May/ june			53,000.00	
37. Kansbag LTD	67,500.00	May / june			67,500.00	
38. Grandlab	104,000.00	May			104,000.00	
39. Copy Cat	330,000.00	May			330,000.00	
40. Sabrina Enterprises	172,800.00	May			172,800.00	
41. Pwani Enterprises	11,760.00	April			11,760.00	
42. Kidai Mwandoto	56,700.00	May			56,700.00	
43. Damaris Lundi	208,300.00	May			208,300.00	

(DR. AGGREY HIGH SCHOOL)

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

<b>Supplier Of Goods Or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2021-2022</b>	<b>Outstanding Balance 2022-2023</b>	<b>Comments</b>
44. Hamisi Mwabako	56,700.00	May			56,700.00	
45. Chamz Investment	280,000.00	May			280,000.00	
46. Benjamin Mutua	73,000.00	May			73,000.00	
47. Rozenas Enterprises	139,672.00	May			139,672.00	
48. Milimani Hardware	368,710.00	May			368,710.00	
49. Rahisi Hardwares	38,328.00	May			38,328.00	
50. Erojaz Electronic	42,750.00	May			42,750.00	
51. Keneth Zenge	24,000.00	May			24,000.00	
<b>Sub-Total</b>	<b><u>26,991,281.00</u></b>				<b><u>25,618,360.00</u></b>	
<b>Supply Of Services</b>						
<b>Sub-Total</b>						
<b>Grand Total</b>						

## Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land 1	1950s	Dr. Aggrey	N/A	N/A	N/A	N/A
Land 2	0	0	0	0	0	0
Buildings And Structures	1950S TO DATE	Dr. Aggrey	81,866.154.00	3,367,567.00	0	0
Motor Vehicles	1950 KJV 320 KAN- 822U Mercedez benz (67 seater)	Dr. Aggrey	2,000,000.00	16,410,000.40	0	0
Office Equipment, Furniture And Fittings	2015 - 2022	Dr. Aggrey	3,451,000.00	6,082,500.00	0	0
ICT Equipment, And Other ICT Assets	2015- 2022	Dr. Aggrey	27,93,000.00	185,000.00	0	0
Tools And Apparatus	2021- 2022	Dr. Aggrey	4,420,680.00	695,600.00	0	0
Textbooks	Ref. Page 19.					
Other Machinery And Equipment	Diesel Generator - 2006 Beds & Desks	Dr. Aggrey	250,000.00 57,390,500.00	145,000.00	0	0
Heritage And Cultural Assets	Trophies awards 60pcs	Dr. Aggrey				
Intangible Assets- Soft Ware	Zeraki & Shaccs	Dr. Aggrey	600,000.00		0	0
<b>Total</b>						

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

**TEXT BOOKS- 2022/2023**

	<b>SUBJECT</b>	<b>FORM 1</b>	<b>FORM 2</b>	<b>FORM 3</b>	<b>FORM 4</b>	<b>TOTAL</b>
1	Maths	545	533	567	297	1942
2	English	249	249	249	297	1044
3	Kiswahili	530	249	249	297	1325
4	Physics	307	249	170	90	816
5	Chemistry	249	249	249	298	1045
6	Biology	249	200	509	249	1207
7	Geography	317	261	70	85	733
8	History	320	256	246	117	939
9	CRE	306	260	205	121	892
10	B/ STUDIES	623	256	105	53	1037
11	COMPUTER	71	55	NIL	7	133
12	AGRICULTURE	148	103	102	75	428
	<b>TOTAL</b>	<b>3,914</b>	<b>2,920</b>	<b>2,721</b>	<b>1,986</b>	<b>11,541</b>

*(DR. AGGREY HIGH SCHOOL)*

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

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