

REPUBLIC OF KENYA



Enhancing Accountability

REPORT	
NATIONAL ASSEMBLY MEMBERS T AID	
DATE: 23 NOV 2023	DAY: <i>Thurs</i>
TABLED BY: OF	<i>Hon James Ichungwah MP Leader of the Majority Party</i>
CLERK-AT THE-TABLE:	<i>Miriam modo</i>

THE AUDITOR-GENERAL

ON

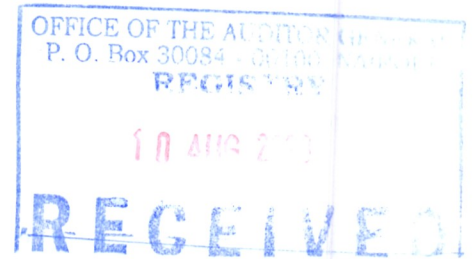
SEKO GIRLS HIGH SCHOOL

**FOR THE EIGHTEEN (18) MONTHS PERIOD
ENDED 30 JUNE, 2021**

UASIN GISHU COUNTY

**SEKO GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

Revised 30th June 2021.



**SEKO GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2021

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

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1. KEY SCHOOL INFORMATION AND MANAGEMENT

SEKO GIRLS' HIGH 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 **Uasin Gishu County, Moiben Sub-County**.

The school was registered in **March (03)/2001** under registration number **27S30000998** and is currently categorized as an **Extra County- public school** established, owned or operated by the Government.

The school is a boarding school and had **467 and 637 (exclusive of 2020 candidates who had done KCSE)** number of students as at **30th April 2021** and **30th June 2021** respectively.

It has **4** streams and **38** teachers of which **9** teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

BOM MEMBERS 2022

SN	NAME	DESIGNATION	DATE OF APPOINTMENT
1	DR. MARY SAMBU	CHAIRPERSON	5-06-2021
2	MRS. JANET OTIENO	SECRETARY	5-06-2021
3	DR. WILLIAM KOECH	MEMBER-COMMUNITY	5-06-2021
4	MRS. JACQUELINE KIPCHOGE	STUDENTS/PARENT	5-06-2021
5	MR. KIPKOECH SIMUKWO	STUDENTS/PARENT	5-06-2021
6	MR. SYLVESTER MURTO	COMMUNITY	5-06-2021
7	MR. SIMION TANUI	COMMUNITY	5-06-2021
8	MRS. MARGRET BATOTE	COMMUNITY	5-06-2021
9	MR. SILAS ROTICH	REP CEB	5-06-2021
10	DR. CAROLINE BIWOTT	SPONSOR	5-06-2021
11	MR. SAMMY KIPTOO	SPONSOR	5-06-2021
12	QS. PAULINE OLBARA	SPECIAL INTEREST	5-06-2021
14	MR. JOASH SITIENEI	SPECIAL NEEDS	5-06-2021
15	MR. NICKSON RUTTO	REP TEACHERS	5-06-2021

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 students' 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 paragraph 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board-2022-2025

EXECUTIVE COMMITTEE			NO OF SITTING ATTENDED DURING THE YEAR
SN	NAME	DESIGNATION	
1	DR. MARY SAMBU-	CHAIRPERSON	3/3
2	MRS. JANET OTIENO	SECRETARY	3/3
3	MR. SIMION KOECH	MEMBER	3/3
4	DR. CAROLYNE KIPSAAT	MEMBER	3/3
5	MR. TANUI SIMION	MEMBER	3/3
SIC COMMITTEE			
SN	NAME	DESIGNATION	SITTINGS
1	QS PAULINE OLBARA – CHAIRPERSON	CHAIRPERSON	3/3
2	MRS. ALICE OPIJA	SECRETARY	3/3
3	DR. MARY SAMBU	MEMBER	3/3
4	MRS. JANET OTIENO	MEMBER	3/3
5	MR. SIMION KOECH	MEMBER	3/3
6	DR. CAROLYNE KIPSAT	MEMBER	3/3
7	S.C.D.E – <i>Mandatory member</i>		

Management A
resources

FINANCE , PROCUREMENT & GENERAL PURPOSES COMMITTEE			
SN	NAME	DESIGNATION	SITTINGS
1	MR. SIMION TANUI – CHAIRPERSON	CHAIRPERSON	3/3
2	MR. SAMMY KIPTOO	SECRETARY	3/3
3	JACQUILINE KIPCHOGE	MEMBER	3/3
4	FRIDAH RUTO – BURSAR	MEMBER	3/3
DISCIPLINARY , ETHICS & INTERGRITY COMMITTEE			
SN	NAME	DESIGNATION	SITTINGS
1	JACQUILINE KIPCHOGE	CHAIRPERSON	1\3
2	MR. SAMMY KIPTOO	SECRETARY	1\3
3	MRS. ALICE OPIJAH	MEMBER	1\3
AUDIT COMMITTEE			
SN	NAME	DESIGNATION	SITTINGS
1	MR. SYLVESTER MURTO – CHAIRPERSON	CHAIRPERSON	0/3
2	QS.OLBARA PAULINE -	SECRETARY	0/3
3	MR.SIMION KOECH	MEMBER	0/3
HUMAN RIGHTS & STUDENT WELFARE			
SN	NAME	DESIGNATION	SITTINGS
1	MARGARET BATOTE	CHAIRPERSON	3/3
2	MR. JOASH SITIENEI	SECRETARY	3/3
3	MR. NICKSON RUTTO	MEMBER	3/3
4	MR. SILAS KIBII		3/3
ACADEMIC STANDARDS , QUALITY & ENVIRONMENT COMMITTEE			
SN	NAME	DESIGNATION	SITTINGS
1	DR. KOECH WILLIAM	CHAIRPERSON	3/3
2	DR. CAROLINE KIPSAT	SECRETARY	3/3
3	MR. SILAS ROTICH	MEMBER	3/3
4	MR. KIPKOECH SUMUKWO	MEMBER	3/3
5	MR.MOSES OTIENO	MEMBER	3/3

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) School operation Management

For the financial year ended 30th June 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Chief Principal	Mrs Janet Otieno	364234
2	Deputy Principal-Administration	Mrs Alice Opijah	229144
3	School Finance Officer	Ms Fridah Ruto	25753798

(e) Schools contacts

Post Office Box: 8366-30100; Eldoret
Mobile Number: 0722609575
E-mail: sekogirls@yahoo.com, sekogirlsh@gmail.com
Website: www.sekogirls.co.ke

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(f) School Bankers

The school operated 6 number of bank accounts and 1 Pay bill number as follows:

1. Name of Bank: Standard Chartered
Branch: Eldoret
Account Number: 0102017663900
2. Name of Bank: Standard Chartered
Branch: Eldoret
Account Number: 0102817663900
3. Name of Bank: KCB
Branch: Eldoret
Account Number: 1103488716
4. Name of Bank: KCB
1284017044
5. Branch: Eldoret
Account Number: 1111254931
6. Name of Bank: KCB
Branch: Eldoret

**SEKO GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2021**

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Account Number:

1168444837

7. Name of Bank:

KCB

1281762113

Branch:

Eldoret

Account Number:

8. MPESA PayBill No.:

Business Number: 823350,

Account Number: ADM No &Name

Attached to bank account

0102017663900

(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

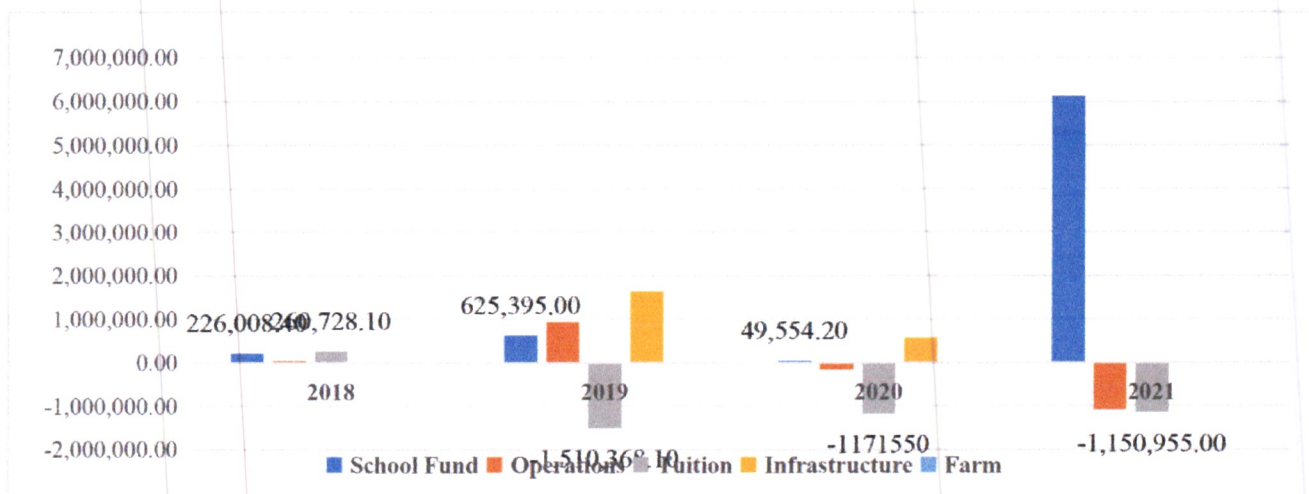
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2018 to 31st December 2020 which covers a period of 12 months while 30th June 2021 covers a period of 6 months and is summarized as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	3,254,105	49,554.20	625,395.00	226,008.40
2	Operations Account	(1,241,901)	(149,301.00)	940,126.60	45,095.00
3	Tuition Account	(1,286,645)	(1,171,550.00)	(1,510,368.10)	260,728.10
4	Infrastructure Account	-	571,858.29	1,638,187.00	-
	TOTAL	725,559	(699,438.51)	1,693,340.50	531,831.50
	Increase/Decrease	26,120.49	(2,392,779.01)	1,161,509	(234552.50)

Trend over the Last Three Years

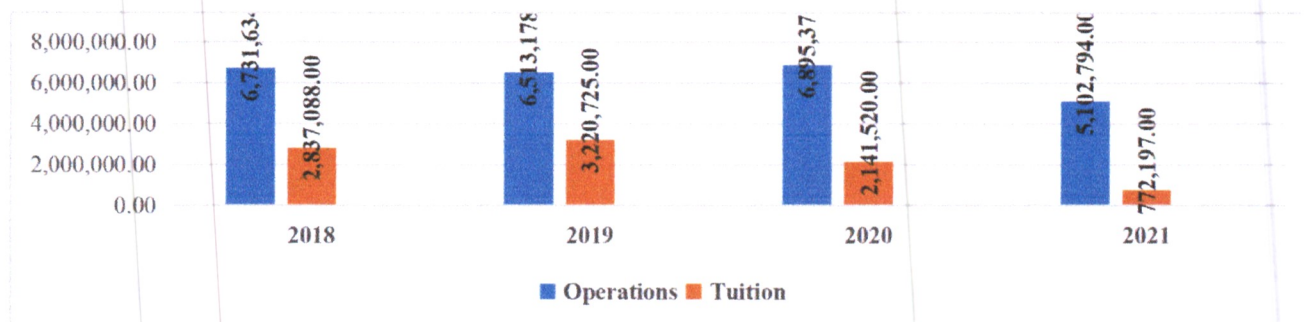


The surplus for the year 2019 increased by **1,161,509** from a deficit of Kshs **234,552.50** in the year 2018 which was attributed by non-usage of the infrastructure funds which was resulted from late receiving of approval letter for the commencement of construction. The surplus for the year 2020 decreased by Kshs **(699,438.51)** from a surplus of Kshs **1,693,340.50** in the year 2019 due to prolonged closure after abrupt shutting of the schools due to Covid-19 pandemic.

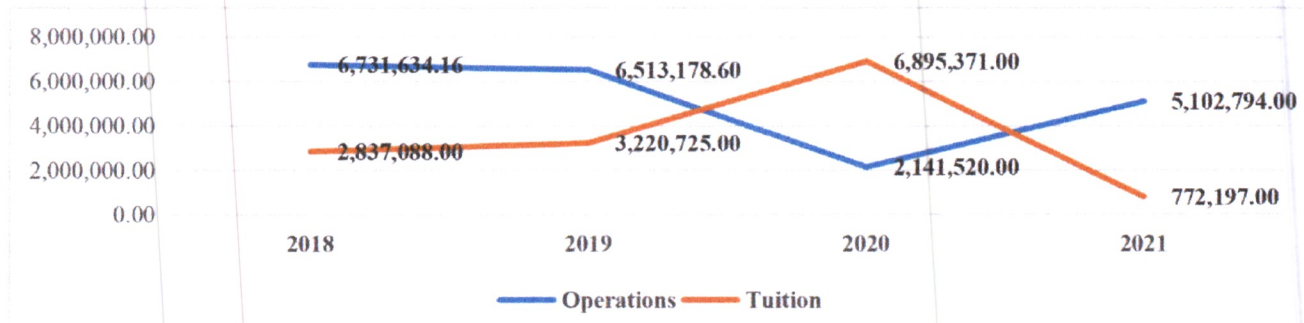
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
S/NO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	11,848,864	6,895,371.00	6,513,178.60	6,731,634.16
2	Tuition Account	1,742,167	2,141,520.00	3,220,725.00	2,837,088.00
	Total	13,591,031	9,036,891.00	23,289,468.00	9,568,722.16
	Increase/Decrease	4,554,140.00	(14,252,577.00)	13,720,745.84	2,711,520.16
	No of Students	694	524	538	536
	Ratio of Capitation per student	1:8465.40	1:17245.96	1:43288.97	1:17852.09

Trend Over the Last Three Years



Trend over the Last Three Years



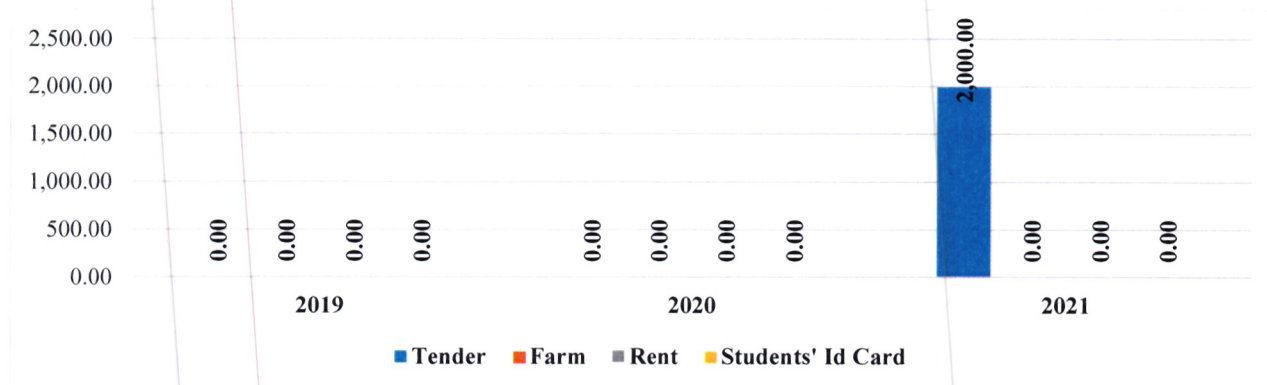
The total capitation grants for the financial year 2021 was Kshs **13,591,031** as compared to Kshs **9,036,891.6** in the financial year 2020 representing an increase of Kshs **4,554,140.00**. The net increase is mainly attributed by all students' receiving the capitation and shorter period of six months.

The total capitation for the year 2020 was Kshs **9,036,891.00** as compared to Kshs **23,289,468.00** in the financial year 2019 representing a decrease of Kshs **14,252,577.00** which resulted from not all students' received capitation grant, prolonged abrupt closure of the school due to Covid-19 and not all capitation grant were disbursed by the end of financial year 2020.

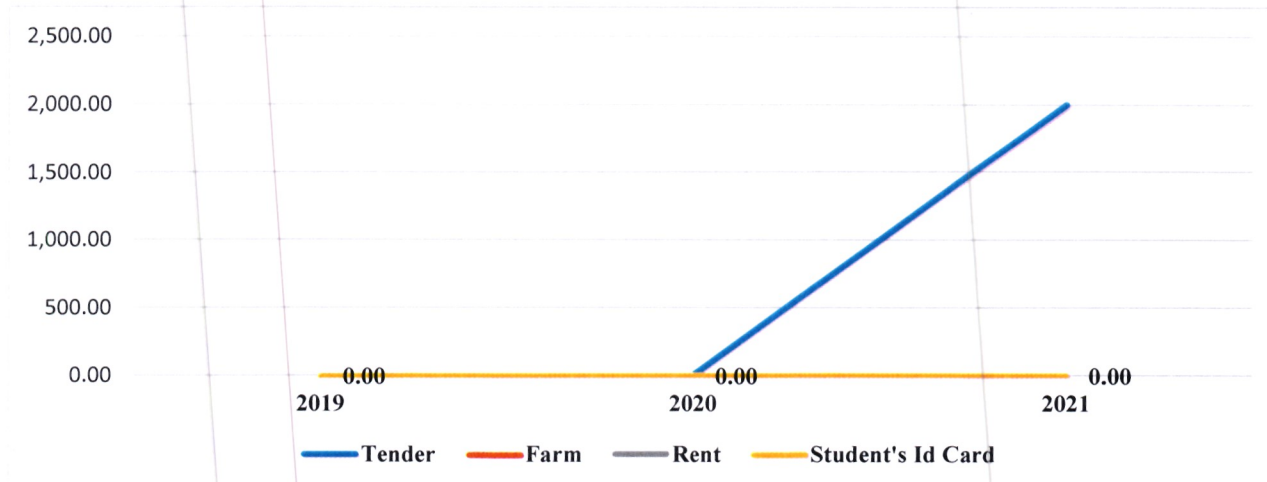
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

SNO	ACCOUNTS	2021 KSHS	2020 KSHS	2019 KSHS
1	Tender	3,000	0.00	0.00-
2	Rent	0.00	0.00	0.00-
	Total	0.00	0.00	0.00
	Increase/Decrease	3,000	0.00	0.00

Trend over the Last Two Years



Trend Over the Last Three Years

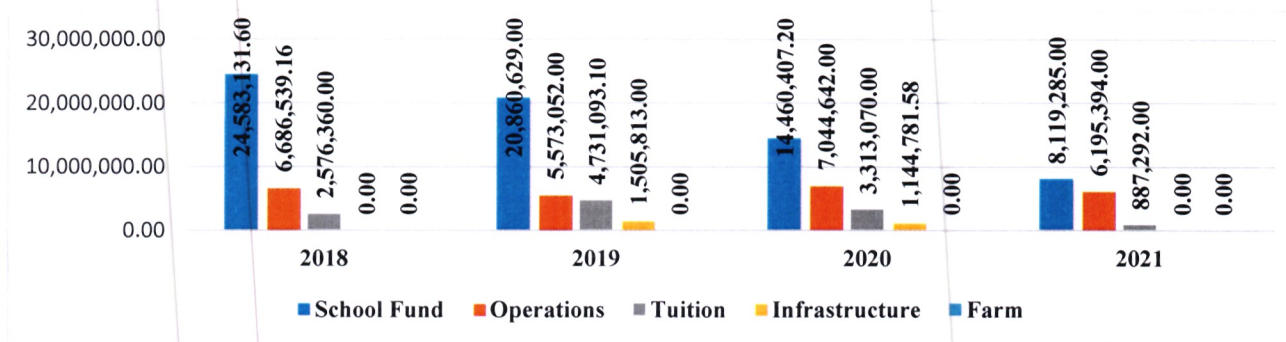


The School has no other income generating activities for the financial year 2019 & 2020. the year 2021 the only income was tender of kshs 3,000 only, the income from Bus Hire was hindered by Covid-19 pandemic.

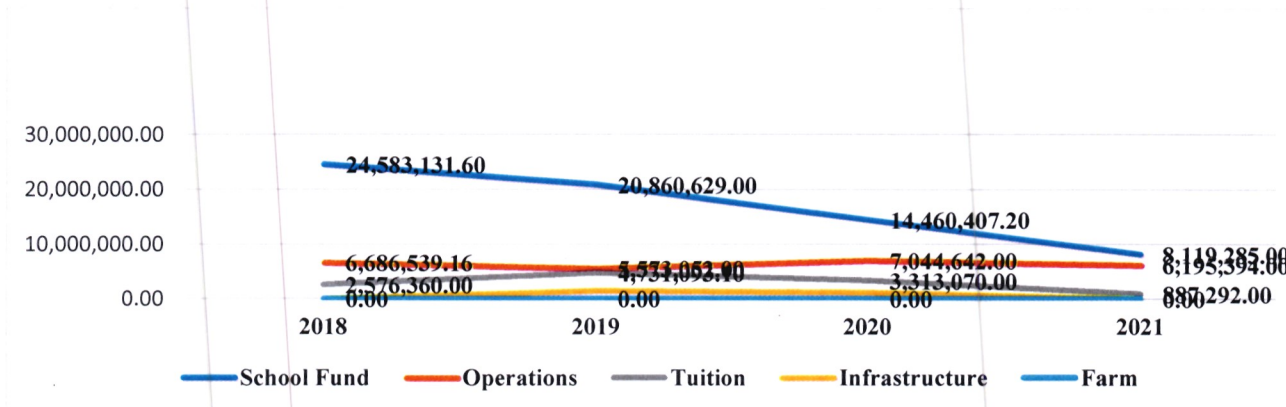
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	21,927,469.00	14,460,407.20	20,860,629.00	24,583,131.6
2	Operations Account	13,090,765.00	7,044,672.00	5,573,052.00	6,686,539.16
3	Tuition Account	3,028,812.00	3,313,070.00	4,731,093.10	2,576,360.00
4	Infrastructure Account	-	1,144,781.58	1,505,813.00	-
5	Farm Account	-	-	-	-
	Total	38,047,046.00	25,962,930.78	19,383,010.10	15,949,438.32
	Increase/Decrease	12,084,115.00	6,579,920.68	3,433,571.78	(20,927,121.68)

Trend over the Last Three Years



Trend over the Last Three Years

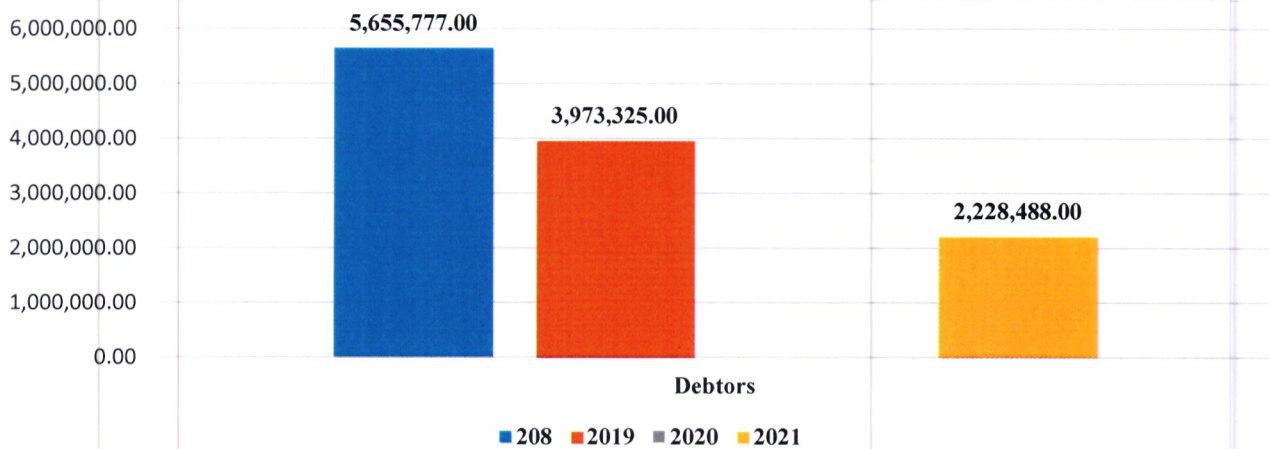


In the financial year 2021 shows a increase of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Debtors	3,601,209	2,228,488.00	3,973,325.00	3,933,890.00
	Total	3,601,209	2,228,488.0	3,973,325.00	3,933,890.00
	Increase/Decrease	1,372,721	1,744,837	39,435	1,111,300.00

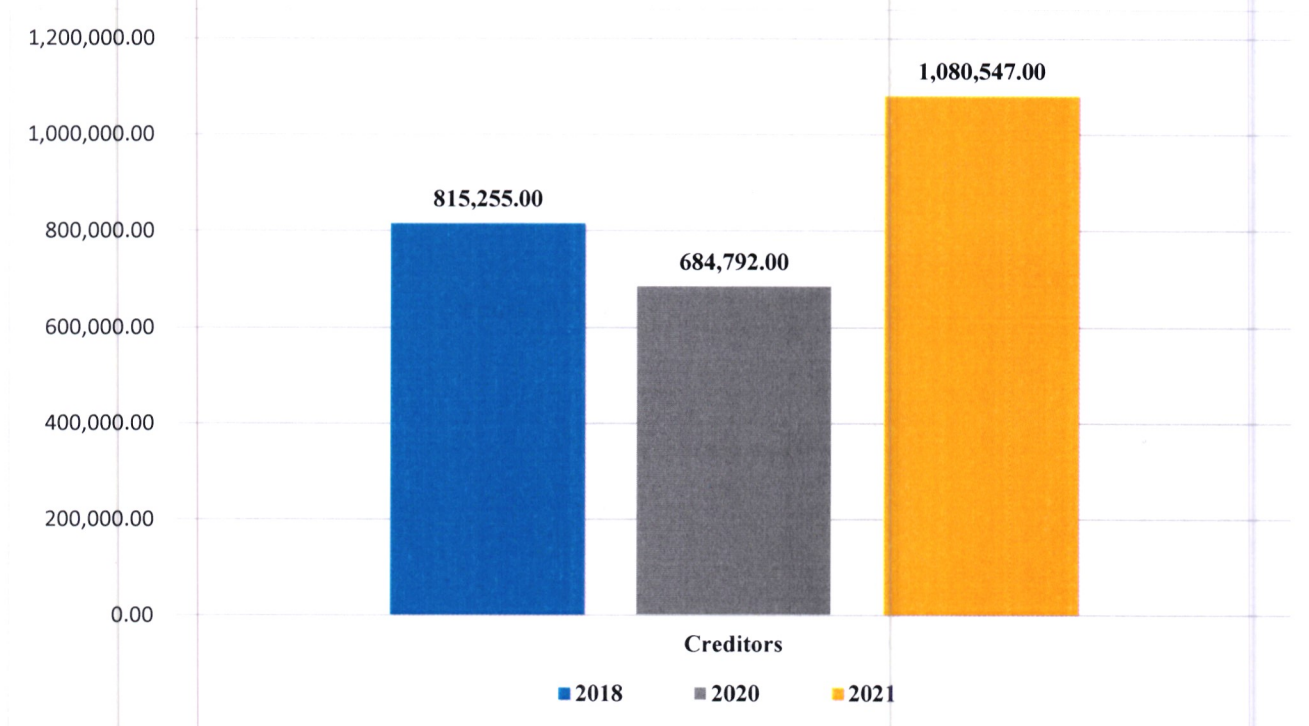
Trend over the Last Three Years



Total debtors as at 30th June 2021 decreased by 63.67% to Kshs **3,601,209** compared to Kshs **5,655,777.00** as at the end of the financial year 2020. The main contributors to the decrease in total debtors is the students' having less fees balances.

MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2021	2020	2019	2018
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Creditors	756,750	684,792	1,024,532	815,255
	Total	756,750.00	684,792	1,024,532	815,255
	Increase/Decrease	395,755.00	(339,740.00)	236,373.50	(705,893.00)

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)



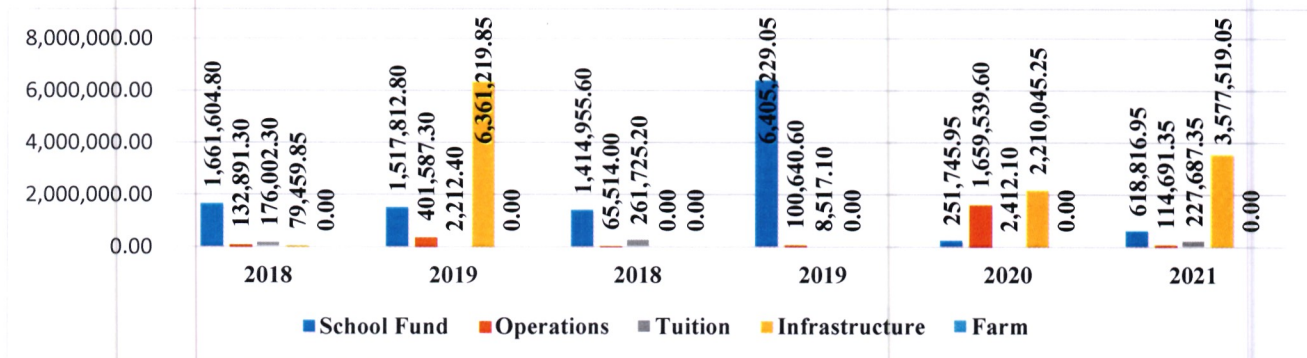
Trend over the Last Three Years

Total creditors as at 30th June 2021 increased by Kshs **395,755.00** compared to Kshs **(339,740.00)** as at the end of the financial year 2020. The main contributors to the increase in total creditors are trade and other payables (prepaid fees).

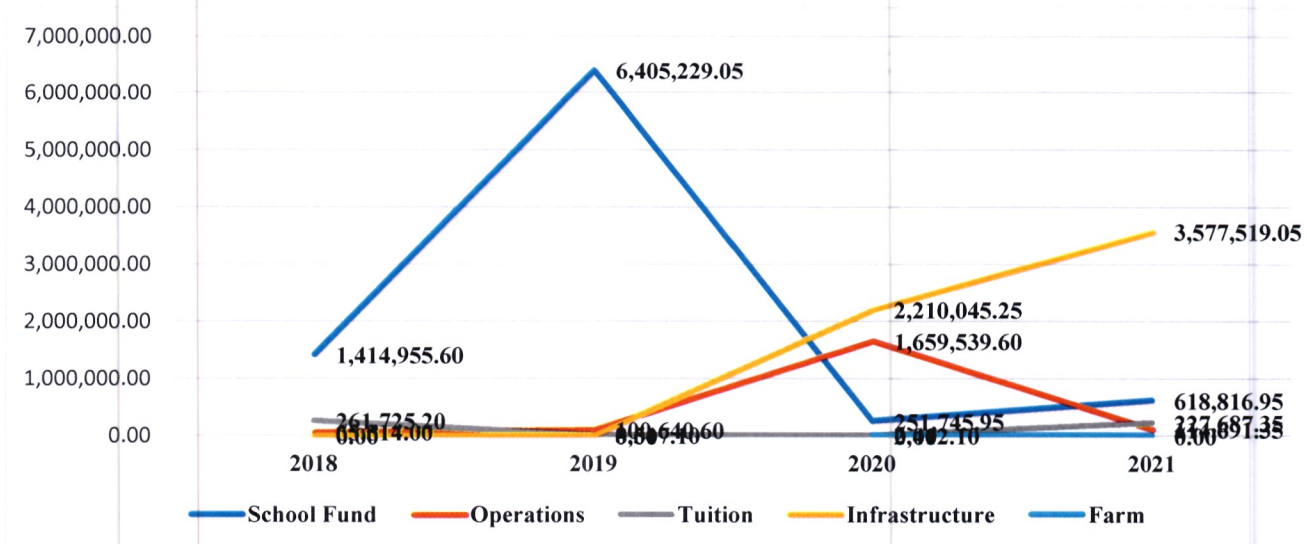
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF CASH AND BANK BALANCES					
SN	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	618,169.95	251,7645.95	6,405,229.05	1,414,955.60
2	Operations Account	110,132.75	1,659,539.60	1,005,640.60	65,514.00
3	Tuition Account	227,687.35	2,412.10	8,517.10	261,725.20
4	Infrastructure Account	3,577,519.00	-	-	-
5	Farm Account	-	-	-	-
	Total	4,625,063.05	4,179,597.65	7,419,386.75	1,742,194.80
	Increase/Decrease	445,465.40	(3,239,789.10)	5,677,191.95	(3,567,725.50)

Trend over the Last Four Years



Trend Over the Last Four Years



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

b) Teacher Student ratio:

Between the month of January 2021 and June 2021, the status of the teaching staff is as follows:

There are 30 teachers posted by the Teachers Service Commission and 2 recruited by the Board of Management. We are grateful that 1 teacher has been posted to school after one (1) transferred to Moiben County. Although the teacher student ratio lies at 1: 24. We have a shortage of 6 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

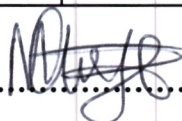
c) Mean score in the year 2018, 2019 and 2020KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	127	5.67	37	29	7.5	
2020	111	6.65	58	52	7.5	
2019	122	6.66	66	54.0	8.5	

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

d) Development projects carried out by the school:

S/no.	Project	Year	Status	Amount	Fund Source
1	Construction of 4No. Classrooms & Library Block	2018-2019	InComplete-4no.classrooms Library Block	8,047,925.28	CDF Project
2	Construction of 4No. Classrooms & Library Block	2019-2020	InComplete-4no.classrooms Library Block	8,047,925.28	CDF Project
3	Construction of 4No. Classrooms & Library Block	2021-2021	Completed-4no.classrooms Library Block Stalled	8,047,925.28	CDF Project
4	Construction of Home Science-classroom	2020-2021	Completed	3,950,000.00	Maintenance & Improvement from G.O.K and Parents



Dr. Mary Sambu
Chair,
Board of Management

Seko Girls' High School

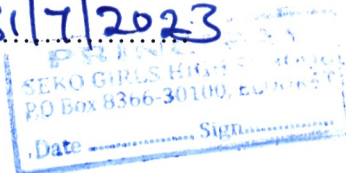
Date: 31/7/23



Janet A.O Otieno (Mrs)
Secretary,
Board of Management
/Principal

Seko Girls' High School

Date: 31/7/2023




Fridah Ruto (Mrs)
Finance Officer

Seko Girls' High School

Date: 31/7/2023

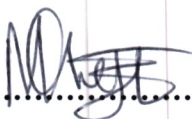
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each Extra County 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 of Kenya from time to time.

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

The Board of Management of **Seko Girls' High School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

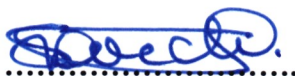


.....

Dr. Mary Sambu
Chair,
Board of Management

Seko Girls' High School

Date: 31/7/23.....



.....

Janet A.O Otieno (Mrs)
Secretary,
Board of Management
/Principal

Seko Girls' High School

Date: 31/7/2023

PRINCIPAL
SEKO GIRLS HIGH SCHOOL
P.O Box 8366-30100, ELDORET
Date Sign.....



.....

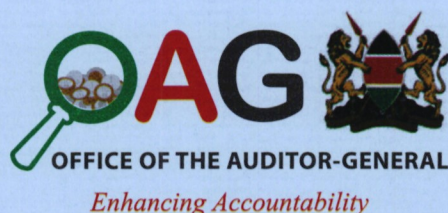
Fridah Ruto (Mrs)
Finance Officer

Seko Girls' High School

Date: 31/7/2023.....

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SEKO GIRLS HIGH SCHOOL FOR THE EIGHTEEN (18) MONTHS PERIOD ENDED 30 JUNE, 2021 – UASIN GISHU 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 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 period 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 Seko Girls High School – Uasin Gishu County set out on pages 18 to 31, which comprise of the statement of financial

Report of the Auditor-General on Seko Girls High School for the Eighteen (18) months period ended 30 June, 2021 – Uasin Gishu County

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period 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 Seko Girls High School – Uasin Gishu County as at 30 June, 2021, 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. Variances in the Financial Statements

Review of the financial statements for the period revealed the following variances;

- i. The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.13,232,873 while the statement of cash flows reflects Kshs.5,206, resulting in a variance of Kshs.13,227,667. In addition, the statement of cash flows reflects total payments amount of Kshs.38,047,046 while the re-casted total is Kshs.65,307,046, resulting in a casting error of Kshs.27,260,000.
- ii. The statement of budgeted versus actual amounts reflects final income budget and actual on comparable basis of Kshs.30,946,592 and 15,947,323 respectively while re-casted amounts to Kshs.42,373,313 and Kshs.20,673,763, resulting in unexplained and unreconciled variances of Kshs.11,426,721 and Kshs.4,726,440 respectively.
- iii. The trial balance as at 30 June, 2021 did not include balances for the period from 1 January, 2020 to 30 December, 2020.
- iv. The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.3,495,608 which includes Kshs.353,797 relating to prepaid fees. However, the summary of balances and overpayment from school system balance reflects Kshs.690,852, resulting in an unexplained and an unreconciled variance of Kshs.337,055. In addition, Annex 1 to the financial statements reflects the analysis of the accounts payable balance of Kshs.726,750 leading to unexplained variance of Kshs.2,768,858.
- v. The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs. 5,829,697. However, the supporting ledgers reflected a balance of Kshs.2,947,032, resulting in unexplained and unreconciled variance of Kshs.2,882,665.

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

2. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities and as disclosed in Note 8 and 9 to the financial statements reflects cash and cash equivalents balance of Kshs.13,232,873. Included in the balance is a bank balance of Kshs.13,227,657 and cash balance of Kshs.5,216. However, the following anomalies were noted;

- i. Receipts in the series 0619-0629 amounting to Kshs.56,645 were recorded in the cash book on 14 April, 2021 as Kshs. 81,645, resulting in a variance of Kshs.25,000.
- ii. Receipts in the series 0635-0723 amounting to Kshs.598,440 were recorded in the cash book as Kshs.590,440, resulting in a variance of Kshs.8,000.

In addition, the cash balance of Kshs.5,206 was not supported by board of survey report nor did the school management present for audit review the certificates of bank balances.

In circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.13,232,873 could not be confirmed.

3. Unsupported Capitation for Students

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,742,167 and Kshs.11,848,864 as disclosed in Notes 1 and 2 to the financial statements respectively, all totaling Kshs.13,591,031. Available records indicated that the School received the capitation money in full as disbursed from the Ministry of Education. However, no evidence was provided to show that the School applied to the Principal Secretary for Basic Education for the funds through the Sub-County Director of Education. This is contrary to Paragraph 3.1.1 of the Operational Manual for Utilization of Learner Capitation Grant.

In the circumstances, the regularity, accuracy and completeness of the capitation and operations grants totaling Kshs.13,591,031 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Seko Girls High 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 period 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. Non-Compliance with Public Procurement Laws

1.1 Payments of Tuition

The statement of receipts and payments reflects payments for tuition balance of Kshs.3,028,812. Included in the balance are expenditures of Kshs.1,010,508 and Kshs.1,910,815 relating to laboratory equipment and teaching/learning materials respectively. However, the expenditure was not supported by annual audit plan, advertisements, list of registered suppliers, requests for quotations, award or regret letters, procurement ad hoc committees' reports, professional opinions and inspection and acceptance committee reports.

In the circumstances, the value for money on payments for tuition of Kshs.3,028,812 could not be confirmed.

1.2 Boarding and School Fund Operations

The statement of receipts and payments reflects Kshs.21,882,469 as boarding and school fund payments. However, the expenditure was not supported by a procurement plan and list of suppliers.

In the circumstances, the value for money on boarding and school fund operations of Kshs.21,882,469 could not be confirmed.

2. Irregular Staff Recruitment

The statement of receipts and payments reflects payments for operations amount of Kshs.13,090,765 which included personnel emoluments amount of Kshs.4,604,038 as disclosed in Note 6 to the financial statements. During the year under review, two (2) members of staff were employed by the board of management. However, there was no evidence of competitive recruitment of the two (2) teaching staff, contrary to Section B.4 (1) of the Human Resource Policies and Procedures Manual for the Public Service May, 2016. In addition, the School did not have an approved staff establishment.

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

3. Irregularities in Procurement of Goods - Administration Costs

The statement of receipts and payments reflects payments for operations balance of Kshs. 13,090,765 which includes administration costs of Kshs.1,756,601 as reflected in Note 6 to the financial statements. Included in Kshs.1,756,601 is Kshs.466,520 for the supply of stationery and printing papers. However, the expenditure was not supported by a professional opinion and inspection and acceptance reports.

In the circumstances, the value for money on stationery and printing papers of Kshs.466,520 could not be confirmed.

4. Failure to Maintain Updated Fixed Assets Register

The financial statements at Annex 2 for summary of fixed assets register reflects total assets costs of Kshs.401,331,477. However, the school did not maintain an updated fixed asset register for buildings and structures, motor vehicles, office equipment, furniture and fittings, ICT equipment and other ICT assets, tools and apparatus, textbooks, other machinery and equipment, and intangible assets-software. Further, fixed assets valuation report was not provided for audit.

In addition, the school's motor vehicle's logbook had not been transferred to the School.

In the circumstances, the ownership and valuation of the fixed assets costing Kshs.401,331,447 could not be confirmed.

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 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 Risk Assessment Policy and Disaster Recovery Plan

Review of the internal controls revealed that the school management had not developed a risk management policy nor were risk assessments performed for the period under review. This is contrary to Regulations 165(1) and 170(1) of the Public Finance

Management (National Government) Regulations, 2015 which requires each national government entity to develop risk management strategies and a system of risk management. In addition, a disaster recovery plan or business continuity plan was not in place.

In the circumstances, the school may not be able to mitigate any risk in case of any eventuality.

2. Weaknesses in Information Communication Technology (ICT) Environment

Review of the ICT internal controls revealed the following anomalies;

- i. The school did not have an approved ICT policy, IT security policy, policy on physical access to IT environment and IT continuity and disaster recovery plan in place to guide ICT operations.
- ii. The school did not have an IT strategic committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in achieving organizational objectives in an economic, efficient and effective way.
- iii. The school did not have an IT steering committee and periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.
- iv. Most of the procedures and functions in the finance and accounting department were manually performed as the department is yet to embrace ICT in all of its operational areas.

In the circumstances, the security of the school data 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 control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain 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.

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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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 School's 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 the Management.
- Conclude on the appropriateness of the 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 the 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

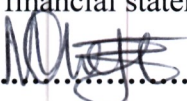
Nairobi

12 October, 2023

V.STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2021-2020
		18 Months
		Kshs
RECEIPTS		
Capitation grants for tuition	1	1,742,167.00
Capitation grants for operations	2	11,848,864.00
School Fund Income- Parents' Contributions	3	25,181,574.00
School Fund Income- Other receipts	4	13,000.00
TOTAL RECEIPTS		38,785,605.00
PAYMENTS		
Payments for Tuition	5	3,028,812
Payments for Operations	6	13,090,765.00
Boarding and school fund payments	7	21,927,469.00
School Fund Income- Other payments	8	45,000.00
TOTAL PAYMENTS		38,092,046.00
SURPLUS/DEFICIT		693,559.00

The accounting policies and explanatory notes to these financial statements for an integral part of the financial statements. The report covers the eighteen months for the period ended 30th June 2021 and accompanying comparatives cover the twelve months period ended 31st December 2020. The financial statements should be read in conjunction with the accompanying notes.

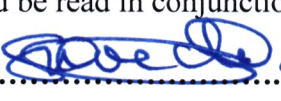
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Dr. Mary Sambu (Mrs)

**Chair,
Board of Management**

Seko Girls' High School

Date: 31/7/23

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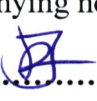
Janet A.O Otieno (Mrs)

**Secretary,
Board of Management
/Principal**

Seko Girls' High School

Date: 31/7/2023



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Fridah Ruto (Mrs)

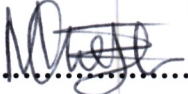
Finance Officer

Seko Girls' High School

Date: 31/7/2023

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2021-2020
		18 MONTHS
FINANCIAL ASSETS		Kshs
Cash and Cash Equivalents		
Bank Balances	9	13,227,657.00
Cash Balances	10	5,216.00
Total Cash and cash equivalent		13,232,873.00
Account's receivables	11	5,829,697.00
TOTAL FINANCIAL ASSETS		19,062,570.00
FINANCIAL LIABILITIES		
Accounts Payables	12	3,495,608.00
NET FINANCIAL ASSETS		15,566,962.00
REPRESENTED BY		
Accumulated Fund b/fwd	14	11,190,571.00
Surplus/Deficit for the year		693,559.00
Accrual to cash adjustments		-
Prior year Adjustment		3,682,832.00
NET FINANCIAL POSITION		15,566,962.00
		-


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Dr. Mary Sambu
Chair,
Board of Management

Seko Girls' High School

Date: 31/7/23


.....

Janet A.O Otieno (Mrs)
Secretary,
Board of Management
/Principal

Seko Girls' High School

Date: 31/7/2023


.....

Fridah Ruto (Mrs)
Finance Officer

Seko Girls' High School

Date: 31/7/2023

VII.STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

	Notes	2021-2020
		Kshs
Receipts for operating income		
Capitation grants for tuition	1	1,742,167.00
Capitation grants for operations	2	11,848,864.00
School fund income- Parents contributions/ fees	3	25,181,574.00
School fund income- other receipts	4	13,000.00
Infrastructure		
Farm		
Total receipts		38,785,605.00
Payments		-
Payments for Tuition	5	30,288,812.00
Payments for Operations	6	13,090,765.00
Boarding and school fund payments	7	21,927,469.00
Payments for Infrastructure		
Payment for Farm		
Total payments		38,047,046.00
Net cash flow from operating activities		738,559.00
Adjusted for		
Changes in Accounts Receivables	11	1,372,721.00
Changes in Accounts Payable	12	1,334,514.00
Accrual to cash adjustments		38,207.00
Net cash flow from operating activities		
CASHFLOW FROM INVESTING ACTIVITIES		
Decrease in Bus Project	8	34,000.00
Decrease in Investment		-
Decrease in Livestock		-
Decrease in Farm		-
Net cash flows from Investing Activities		-
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans		
Repayment of principal borrowings		
Net cash flow from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalent at BEGINNING of the year	10	10
Cash and cash equivalent at END of the year	10	5206

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

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021						
Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable	Budget Utilization	% of Utilization
	a	b	c = a+b	Basis	Difference	
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	f = d/c
(1) CAPITATION GRANT ON TUITION						
Exercise Books	529,701	-	636,000	402,000.00	234,000.00	63.21%
Lab. Equipment	800,000.00	-	800,000.00	199,758.00	600,242.00	24.97%
T/L Materials	366,500.00	-	366,500.00	65,100.00	301,400.00	17.76%
Internal Exam	650,000.00	-	650,000.00	79,776.00	570,224.00	12.27%
Ref/Lib(Textbooks)	343,500.00	-	343,500.00	19,200.00	324,300.00	5.59%
SMASSE	-	-	-	0.00		
SUB-TOTAL	2,796,000.00	0.00	2,796,000.00	2,796,000.00	2,030,166.00	=
(2) CAPITATION GRANT ON OPERATIONS						
Local, Transport & Travelling	799,578.00	-	799,578.00	436,652.00	362,926.00	54.61%
Electricity, Water & Conservancy	904,165.00	-	904,165.00	606,555.00	297,610.00	67.08%
Repair, Maintenance & Improvement	2,965,000.00	-	2,965,000.00	1,851,500.00	1,113,500.00	62.45%
Activity (i)	1,012,125.00	-	1,012,125.00	0	1,012,125.00	0.00%
Medical/Insurance	1,018,750.00	-	1,018,750.00	0.00	1,018,750.00	0.00%
Personal Emoluments	3,999,240.00	-	3,999,240.00	1,363,052.00	2,636,188.00	34.08%
Administration Costs	727,863.00		727,863.00	668,687.00	59,176.00	91.87%

SEKO GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUB-TOTAL	11,426,721.00	-	11,426,721.00	4,926,446.00	6,500,275.00	-
STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021 (Continued)						
(3) FEES CHARGED ON PARENTS						
Boarding, Equipment & Stores	21,042,725.00	-	21,042,725.00	8,190,452.00	12,852,273.00	38.92%
Local, Transport & Travelling	545,312.00	-	545,312.00	566,080.00	-20,768.00	103.81%
Electricity, Water & Conservancy	3,747,750.00	-	3,747,750.00	2,648,692.00	1,099,058.00	70.67%
Repair, Maintenance & Improvement	1,843,800.00	-	1,843,800.00	1,119,579.00	724,221.00	60.72%
Activity	104,380.00	-	104,380.00	282,825.00	-178,445.00	270.96%
Personal Emoluments	2,383,250.00	-	2,383,250.00	2,036,010.00	347,240.00	85.43%
Administration Costs	1,279,375.00	-	1,279,375.00	1,103,685.00	175,690.00	86.27%
SUB-TOTAL	30,946,592.00	-	30,946,592.00	15,947,323.00	14,999,269.00	-
STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021 (Continued)						
EXPENDITURE FOR:						
(1) TUITION						
Exercise Books	636,000		636,000.00	485,294.00	150,706.00	76.30%
Lab. Equipment	800,000.00	-	800,000.00	219,364.00	580,636.00	27.42%
T/L Materials	366,500.00	-	366,500.00	200,400.00	166,100.00	54.68%
Internal Exam	650,000.00	-	650,000.00	65,100.00	584,900.00	10.02%
Ref/Lib(Textbooks)	343,500.00	-	343,500.00	100,000.00	243,500.00	29.11%
SMASSE		-	0.00	0.00	0.00	
Bank Charges	1200	-	1,200.00	984	216.00	82.00%

SEKO GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUB-TOTAL	2,797,200.00	-	2,797,200.00	1,876,329.00					
(2) OPERATIONS									
Local, Transport & Travelling	799,578.00	-	799,578.00	695,490.00	104,088.00				86.98%
Electricity, Water & Conservancy	904,165.00	-	904,165.00	697,327.00	206,838.00				77.12%
Repair, Maintenance & Improvement	2,965,000.00	-	2,965,000.00	1,811,702.00	1,153,298.00				61.10%
Activity (i)	1,012,125.00	-	1,012,125.00		1,012,125.00				0.00%
Medical/Insurance	1,018,750.00	-	1,018,750.00	227,552.00	791,198.00				22.34%
Personal Emoluments	3,999,240.00	-	3,999,240.00	1,547,706.00	2,451,534.00				38.70%
Administration Costs	727,863.00	-	727,863.00	850,846.00	-122,983.00				116.90%
SUB-TOTAL	11,426,721.00	-	11,426,721.00	5,830,623.00	5,596,098.00				
(3) SCHOOL FUND									
Boarding, Equipment & Stores	21,042,725.00	-	21,042,725.00	5,414,240.00	15,628,485.00				25.73%
Local, Transport & Travelling	545,312.00	-	545,312.00	424,525.00	120,787.00				77.85%
Electricity, Water & Conservancy	3,747,750.00	-	3,747,750.00	363,706.00	3,384,044.00				9.70%
Repair, Maintenance & Improvement	1,843,800.00	-	1,843,800.00	200130	1,643,670.00				10.85%
Activity	104,380.00		104,380.00	33,000.00	71,380.00				31.62%
Personal Emoluments	2,383,250.00		2,383,250.00	501,872.00	1,881,378.00				21.06%
Administration Costs	1,279,375.00		1,279,375.00	481,133.00	798,242.00				37.61%
Expenditure from Income Generating Activities	0.00		0.00	0.00	0.00				
SUB-TOTAL	30,946,592.00		30,946,592.00	7,418,606.00	23,527,986.00				

[Provide below a commentary on significant under utilization (below 90% of utilization) and any over-utilization above 100%]

- i. The school has only received 36.2% of the expected revenue from 4th January 2021 to 30th June 2021
- ii. The school has only utilized 52.31% of the fees collected from 4th January 2021 to 30th June 2021

VIII. 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 legislation 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 imp-rest, salary advances and other receivables and b) payables that include deposits and retention and payable s 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 recognizes 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.

5. **Accounts Receivable**

For the purposes of these financial statements, imp-rests and advances to authorized 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 imp-rest payments are recognized as expenditure when fully accounted for by the imp-rest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fulfillment 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 30th June 2021.

IX. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION FOR TUITION

		2021-2020
		18 MONTHS
Exercise books		386,004.75
Laboratory equipment		412,204.75
Teaching / learning materials		882,559.25
Internal exams		40,940.00
Textbooks and reference materials		20,458.50
SMASSE		
Total		<u>1,742,167.00</u>

2. CAPITATION FOR OPERATION

		2021-2020
		Kshs
Personnel emoluments		4,431,698.99
Repairs and maintenance		4,232,500.00
Local transport / travelling		769,302.43
Electricity and water		1,066,955.28
BOM Teachers		240,000.00
Insurance and Property		230,120.00
Administration costs		878,287.45
Activity		
Total		<u>11,848,864.00</u>

3. PARENTS CONTRIBUTIONS/FEES

		2021-2020
		Kshs
Boarding, Equipment & Stores		17,505,439.00
Local transport / travelling		455,801.00
Electricity, Water & Conservancy		2,713,264.00
Repairs and maintenance		1,379,980.00
Activity		125,094.00
Personnel emoluments		1,824,061.00
Administration costs		1,095,035.00
House Rent		82,900.00
Total		<u>25,181,574.00</u>

4. OTHER RECEIPTS-SCHOOL FUND

		2021-2020
		Kshs
Tender		13,000

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Total		<u>13,000.00</u>
		2021-2020
5.PAYMENTS FOR TUITION		Kshs
Exercise books		105,200.00
Laboratory equipment		1,010,508.00
Teaching / learning materials		1,910,815.00
Internal exams		
Textbooks and reference materials		
SMASSE		
Bank Charges		2,289.00
Total		<u>3028812.00</u>
		2021-2020
6.PAYMENTS FOR OPERATION		Kshs
Personnel emoluments		4,604,038.00
Repairs and maintenance		3,484,177.00
Local transport / travelling		1,066,924.00
Electricity and water		1,481,353.00
Medical		457,672.00
Administration costs		1,756,601.00
BOM Teachers		240,000
Total		<u>13090765.00</u>
		2021-2020
7.BOARDING AND SCHOOLFUND PAYMENTS		Kshs
Boarding,Equipment & Stores		15,315,401.00
Local transport / travelling		1,845,520.00
Electricity, Water & Conservancy		1,313,097.00
Repairs and maintenance		640,063.00
Activity		81,330.00
Personnel emoluments		1,648,546.00
Administration costs		1,015,723.00
Insurance		19,333.00
Bank charges		3,456.00
Total		<u>21882469.00</u>
8.OTHER PAYMENTS		
tender		11,000
Bus hire		34,000
TOTAL		<u>45,000</u>

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9. BANK ACCOUNTS		
Name of Bank, Account No. & currency	Bank Account Number	2021-2020
		Kshs
Standard Chartered -OPERATION	0102817663900	1,769,672.35
Standard Chartered-SCH/FUND	0102017663900	869,915.90
KCB-TUITION	11034887164	230,099.35
KCB-M &I	1284017044	3,577,519.00
KCB- PTA	1111254931	2,554,693.58
KCB- CDF	1168444837	4,150,698.80
KCB-GRATUITY	128176113	75,058.00
Total		<u>13,227,657.00</u>
10. CASH IN HAND		
Description		2021-2020
		Kshs
Operation account		4,559.00
School Fund account		657
Total		<u>5,216.00</u>
Description		2021-2020
11.ACCOUNTS RECEIVABLE		
		Kshs
Fees arrears		5,623,897.00
Other non-fees receivables		205,800.00
Total		<u>5,829,697.00</u>
Description		2021-2020
		Kshs
Fees arrears for current year		3,601,209.00
Fees arrears for the previous year		2,228,488.00
Fees arrears for prior periods (over two years)		
Total		<u>5,829,697</u>
12. ACCOUNTS PAYABLE		
Description		2021-2020
		Kshs
Trade creditors (See ageing below and appendix 1)		3,141,811.00
Prepaid fees		353,797.00
Total		<u>3,495,608</u>

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		2020-2020
Description		Kshs
Trade creditors for current year		1,080,547.00
Trade creditors for the previous year		2,415,061.00
Trade creditors for prior periods (Over two years)		1,495,536.00
Total		<u>4,991,144.00</u>
		2021-2020
13. ACCUMULATED FUND BALANCE BROUGHT FORWARD		Kshs
Description		
Tuition		-4,955,470.90
Operations		1,096,831.60
Boarding and School Fund		16,562,532.50
Infrastructure		
Total		<u>12703893.2</u>
14. FUND BALANCE BROUGHT FORWARD		2021-2020
Description		Kshs
Bank balances		13094024
Cash balances		20
Receivables		4,456,976.00
Payables		4,830,122.00
Investments		
Bus Project		0
Livestock		0
Farm		0
Project Fund		-
Total		<u>22381142</u>

Description	2019-2020
	Kshs
Bank loan(s)	
Outstanding Leases	
Hire purchase	
Gratuity and leave provision	
Total	
16. Biological assets	

Description	Numbers	2021-2020
		Kshs
Cattle		
Goats		
Trees		800,000
Coffee or tea plantation		
Poultry		
Total		800,000

Description	2021-2020
	KShs
a) Borrowings	
Borrowing at beginning of the year	
Borrowings during the year	
Repayments of during the year	
Balance at end of the year	
Other important disclosure notes	

Description	2021-2020
	KShs
b) Borrowings	
Stock/ inventory at beginning of the year	
Stock/ inventory purchased during the year	
Stock/ inventory issued during the year	
Balance at end of the year	

1 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.

ANNEX 2 - SUMMARY OF FIXED ASSETS REGISTER

S/no	Asset class	Date purchased	Historical Cost b/f	Historical Cost c/f
			Kshs	Kshs
1	Land-Donated By the community	Balance b/f01/01/2021	40,000,000.00	40,000,000.00
2	Buildings and Structure	Balance b/f01/01/2021	340,540,000.00	340,540,000.00
3	Motor Vehicles	Balance b/f01/01/2021	8,206,884.00	8,206,884.000
4	Office Equipment, furniture and fittings	Balance b/f01/01/2021	2,181,949.00	2,181,949.00
5	ICT Equipment and Other ICT Assets	Balance b/f01/01/2021	3,133,204.00	3,133,204.00
6	Tools and Apparatus	Balance b/f01/01/2021	1,708,730.00	1,708,730.00
7	Textbooks	Balance b/f01/01/2021	3,543,710.00	3,543,710.00
8	Other Machinery and Equipment	Balance b/f01/01/2021	1,717,000.00	1,717,000.00
9	Intangible assets-software	Balance b/f01/01/2021	300,000.00	300,000.0
	Total		401,331,477.00	401,331,477.00