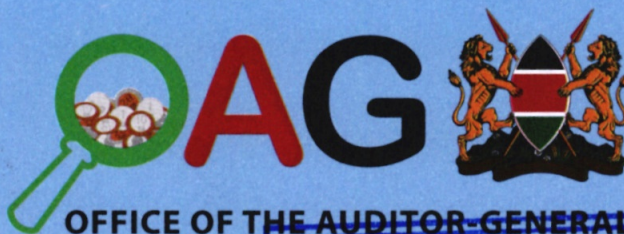


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 20 NOV 2024

DAY.
Wednesday

PARLIAMENT
OF KENYA
LIBRARY

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Majority Whip

CLERK-AT
THE-TABLE:

Jirene Nduku

OF

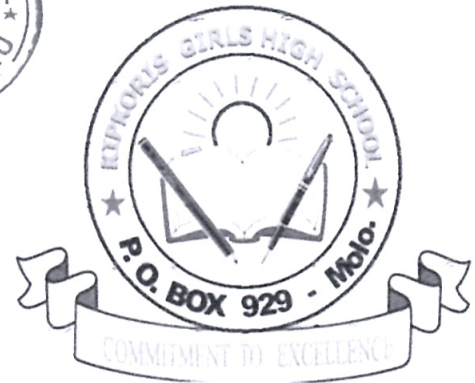
THE AUDITOR-GENERAL

ON

KIPKORIS GIRLS SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS'
PERIOD ENDED 30 JUNE, 2021**

NAKURU COUNTY



KIPKORIS GIRLS 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)



KIPKORIS GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2021

Table of content

i)	KEY SCHOOL INFORMATION AND MANAGEMENT.....	1
ii)	SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	5
iii)	STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY.....	12
iv)	REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF KIPKORIS GIRLS SECONDARY SCHOOL OF THE YEAR ENDING 30TH JUNE 2021.....	13
v)	STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021.....	14
vi)	STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021.....	15
vii)	STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021.....	16
viii)	STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021	17
ix)	SIGNIFICANT ACCOUNTING POLICIES	21
x)	NOTES TO THE FINANCIAL STATEMENTS	23

KIPKORIS GIRLS SECONDARY SCHOOL

Reports and Financial Statements
For the year ended 30th June 2021

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

Kipkoris Girls Secondary School is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Kuresoi North Sub-County

The school was registered in April/2016 under registration number 32530000027 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a boarding school and had 262 numbers of students as at 30th June 2021. It has two streams and 15 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1.	Fr. Murimi Simon	Chairman	14 TH May 2019
2.	Evaline Chumba	Secretary- Principal	14 TH May 2019
3.	Leonard Langat	Member	14 TH May 2019
4.	James Cheruiyot	Member	14 TH May 2019
5.	Sammy Teituk	Member	14 TH May 2019
6.	Emilly Kalya	Member	14 TH May 2019
7.	Gilbert Cheruiyot	Member	14 TH May 2019
8.	Joseph Koech	Member – Rep CEB	14 TH May 2019
9.	Denis Rotich	Member Rep Teachers	14 TH May 2019
10.	Rosemary Kamau	3 Members - Sponsor	14 TH May 2019
11.	David Chirchir	Member - Community	14 TH May 2019
12.	Benard Tonui	Member Special Needs	14 TH May 2019
13.	Abigael Chepkorir	Rep Students	14 TH May 2019

KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 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 pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Fr. Murimi simon Evaline chumba Gilbert cheruiyot Rosemary kamau Joseph koech	Chairman Member Member Member	1/3
2	Audit Committee	-	-	-
3	Finance, procurement and general purposes Committee	Fr. Murimi Simon Evaline Chumba Sammy Teituk David chirchir Gilbert cheruiyot	Chairman Member Member Member Member	2/3
4	Academic Committee	Robert kosgei Wilson langat Isiah terer Daisy koech Daisy mabwai	Chairman-d.o.s member member	2/3
5	Development Committee	Fr murimi simon Evaline chumba James cheruiyot Leonard langat David chirchir	Chairman Member member member member	3/3
6	Tender Committee	-	-	-
7	Discipline and welfare Committee	Denis Rotich Prisca turungi Robert kosgei Wesley kosgei	Member Chairperson Member Member	1/3

• **KIPKORIS GIRLS SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

8	Adhoc Committee (if any during the year)	Evaline chumba Florence rono Daisy koech Patricia chepkoech Denis rotich	Member member chairperson member member	1/3

(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.	Principal	Evaline chumba	419142
2.	Deputy Principal	Prisca Turungi	271950
3.	School Bursar	Patricia chepkoech	N/A

KIPKORIS GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 929-20106
Telephone: 0757160352
E-mail: kipkorisgirls@gmail.com
Website: -
Facebook: -
Twitter: -

(f) School Bankers

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

1. Bank: National Bank
Account Name: Kipkoris Girls Secondary School (Operations Account)
Branch: Molo
Account Number: 01025082249900
2. Bank: National Bank
Account Name: Kipkoris Girls Secondary School (Tuition Account)
Branch: Molo
Account Number: 01025082249901
3. Bank: National Bank
Account Name: Kipkoris Girls Secondary School (Infrastructure Account)
Branch: Molo
Account Number: 01025082249902
4. MPESA Pay bill No.247247, Account number 929000#Adm attached to equity bank account
5. Bank: Equity Bank
Account Name: Kipkoris Girls Secondary School (Boarding Account)
Branch: Molo
Account Number: 0230263694921

(g) Independent Auditors

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

KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

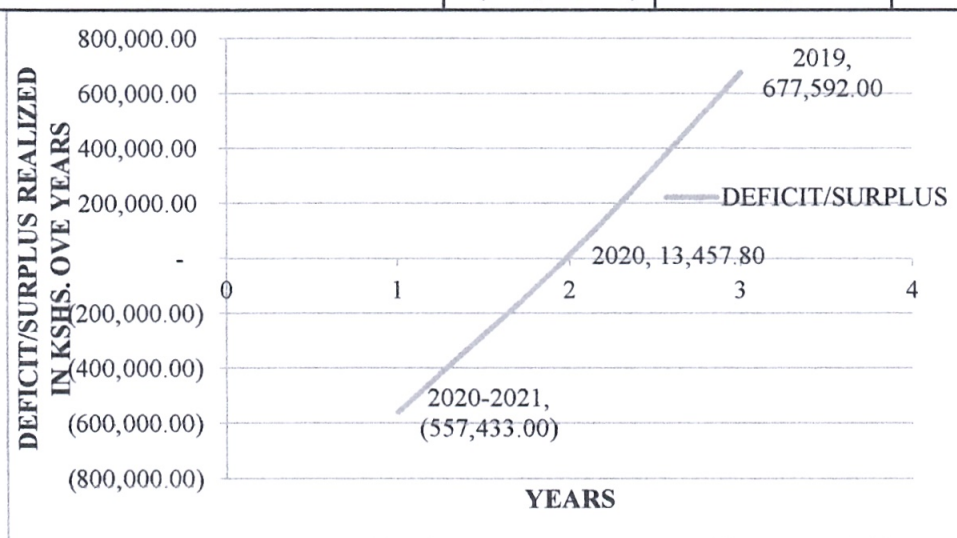
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

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

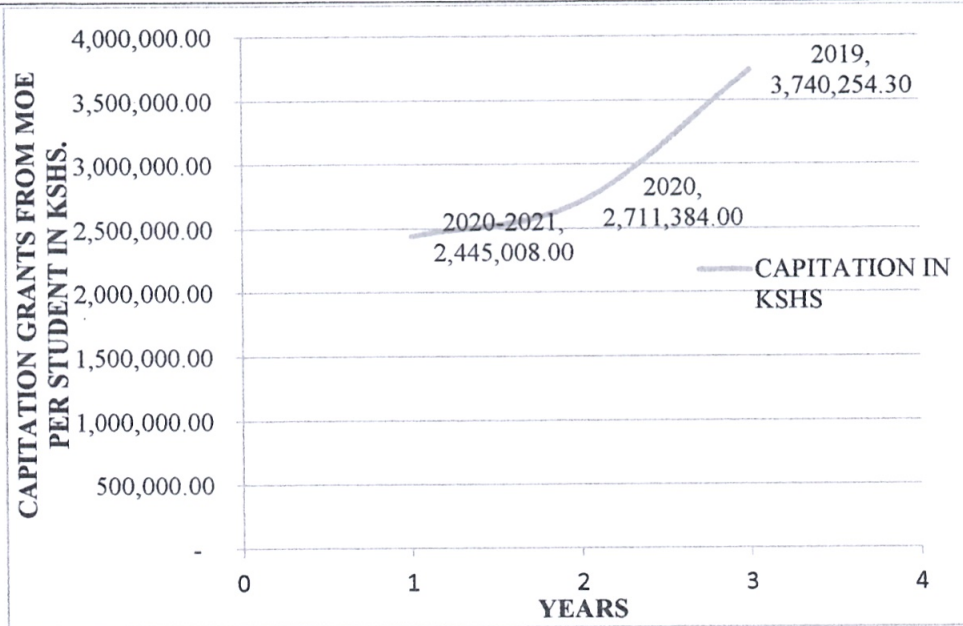
YEAR	2020-2021	2020	2019
DEFICIT/SURPLUS	(557,433.00)	13,457.80	677,592.00



– *Capitation grants from the Ministry of Education for the last three years*

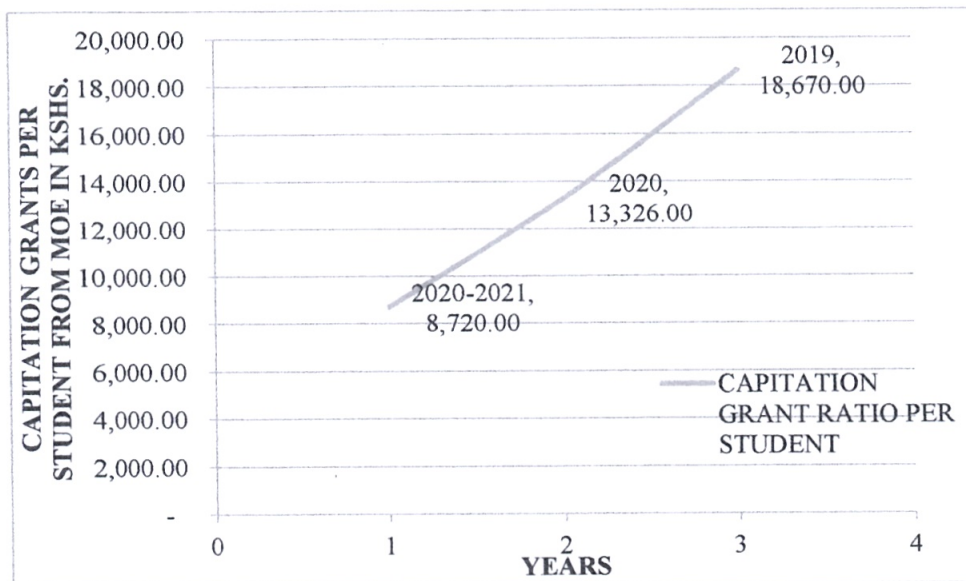
YEAR	2020-2021	2020	2019
CAPITATION IN KSHS	2,445,008.00	2,711,384.00	3,740,254.30

KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021



– Ratio of capitation grant per student over the last three years

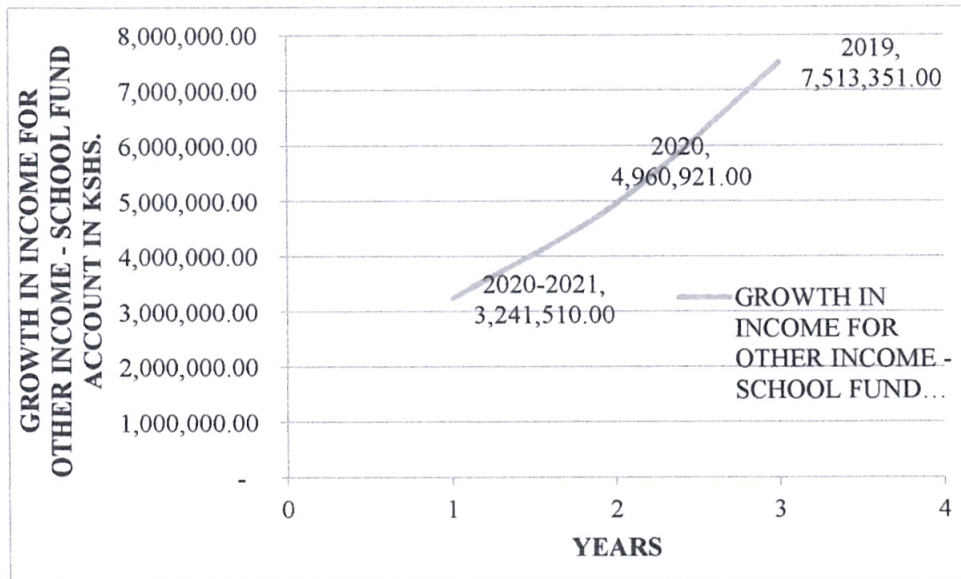
YEARS	2020-2021	2020	2019
CAPITATION GRANT RATIO PER STUDENT	8,720.00	13,326.00	18,670.00



KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

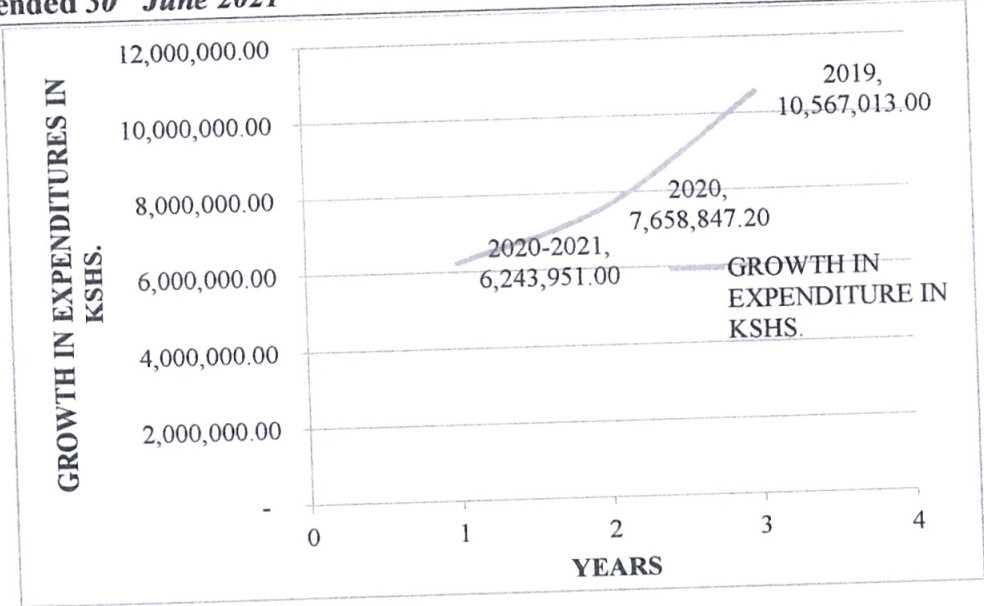
YEARS	2020-2021	2020	2019
GROWTH IN INCOME FOR OTHER INCOME - SCHOOL FUND ACCOUNT	3,241,510.00	4,960,921.00	7,513,351.00



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

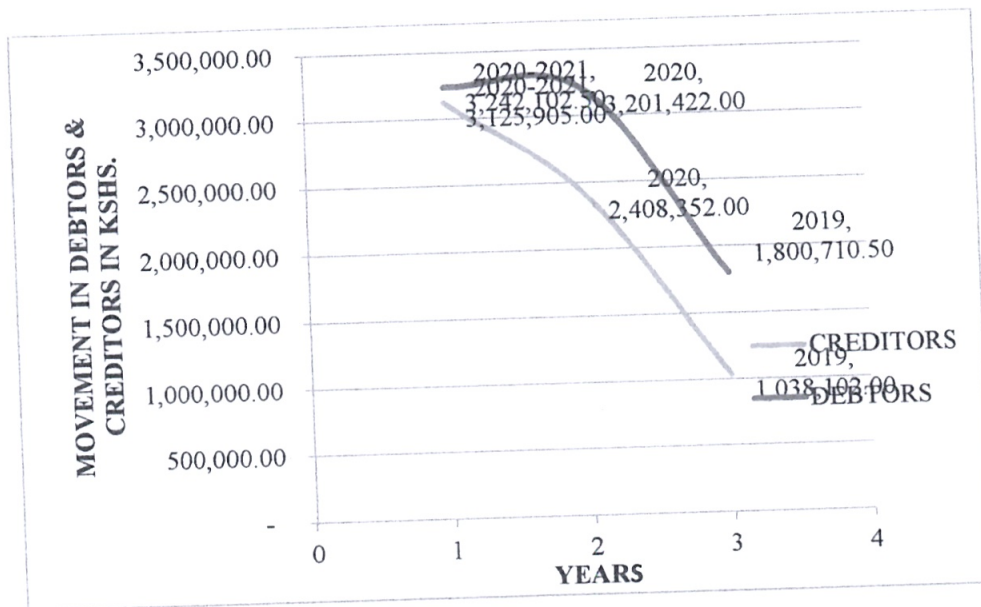
YEARS	2020-2021	2020	2019
GROWTH IN EXPENDITURE IN KSHS.	6,243,951.00	7,658,847.20	10,567,013.00

KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021



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

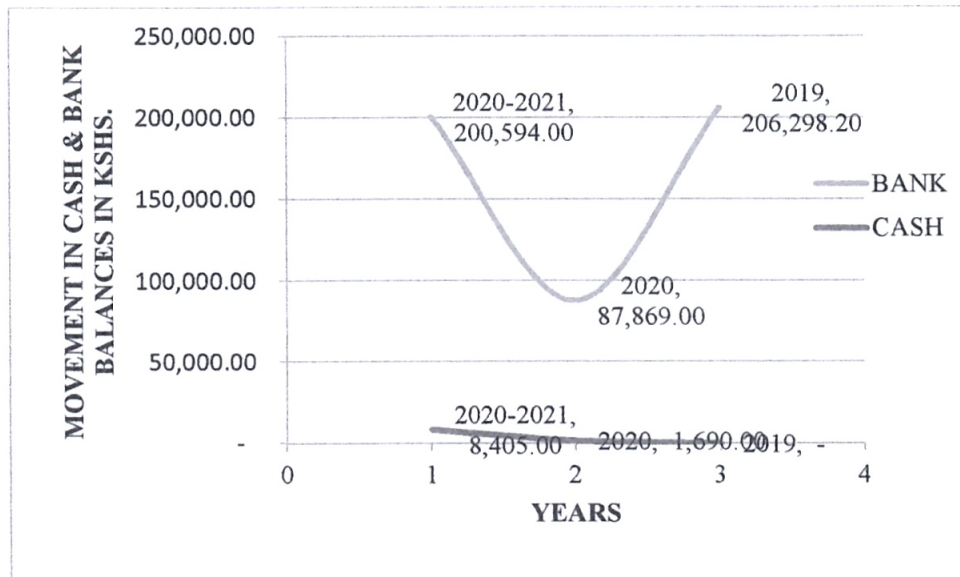
YEARS	2020-2021	2020	2019
CREDITORS	3,125,905.00	2,408,352.00	1,038,102.00
DEBTORS	3,242,102.50	3,201,422.00	1,800,710.50



KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

– *Movement of cash and bank balances over the last three years*

YEARS	2020-2021	2020	2019
BANK	200,594.00	87,869.00	206,298.20
CASH	8,405.00	1,690.00	-



b) **Teacher Student ratio:**

1. **Teachers recruited in the year**

	Gender		Total
	Male	Female	
Number of teachers employed by TSC	4	6	10
Number of teachers employed by B.O.M.	2	3	5
Number of teachers transferred or Retired during the year	-	-	-
Number of TSC teachers posted during the year	-	-	-
Number of B.O.M. teachers posted during the year	-	-	-

2. **Teacher student ratio**

NO. OF STUDENTS	NO. OF TEACHERS	TEACHER STUDENT RATIO
262	15	1:18

3. Teacher subject distribution

SUBJECT	NO. OF TEACHERS	NO. OF LESSONS PER SUBJECT PER WEEK
English	3	56
Kiswahili	2	46
Mathematics	4	54
Biology	2	36
Physics	1	36
Chemistry	2	36
History	2	28
Geography	1	32
C.R.E.	4	28
Agriculture	1	28
Business Studies	2	28
Shortage as per C.B.E – 5 Teachers		

c) Mean score in the 2018 - 2020 KCSE

YEARS	2020	2019	2018
MEAN SCORE	4.26	3.97	2.92
NO. OF STUDENTS TRANSITIONING TO INSTITUTIONS OF HIGHER LEARNING	32	26	6
NUMBER OF CANDIDATES SITTING FOR KCSE	81	90	112

KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

d) Capacity of the school:

S/NO.	AMENITY	NO. OF AMENITIES	NO. OF STUDENTS USING THE AMENITY
1.	Classrooms	9	262
2.	Laboratories	2	262
3.	Library	1	262
4.	Dormitories	3	262
5.	Bathrooms	30	262
6.	Administration block	1	262
7.	Girl's Toilets	27	262

e) Development projects carried out by the school:

S/NO	PROJECT	SOURCE OF FUNDING	STATUS
1.	Ablution Block	MOE/PARENTS	ONGOING
2.	Surveillance Cameras	MOE/PARENTS	COMPLETED
3.	Fire Extinguishers	PARENTS	COMPLETED
4.	Classroom	MOE	ONGOING
5.	Dining Hall	CDF	ONGOING

Sign



School Principal

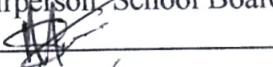
III STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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 of Kenya from time to time.

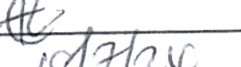
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

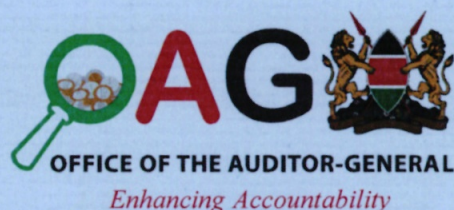
Name: FR. MURIMI SIMON
Designation: Chairperson School Board of Management
Sign: 
Date: 18/07/2024

Name: MS. EVALINECHUMBA
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 18/7/24

Name: MS. CHEPKOECH PATRICIA
Designation: Bursar/ Finance Officer
Sign: 
Date: 18/7/24

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 KIPKORIS GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NAKURU 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, 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 Kipkoris Girls Secondary School - Nakuru County set out on pages 14 to 31, which comprise of the statement of financial 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 six(6) months' period 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 Kipkoris Girls Secondary School - Nakuru County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of budget versus actual amounts reflects budgeted income and expenditure amounts of Kshs.6,950,534 and Kshs.6,904,539 respectively resulting to a variance of Kshs.45,995. Further, the statement reflects incorrectly under payments for operations positive and negative utilization differences as indicated in the table: -

Item	Utilization Difference (Kshs)	Correct Amount (Kshs)	Variance (Kshs)
Personal Emoluments	352,700	(352,700)	705,500
Administration Cost	12,820	(12,820)	25,640
Repair and Maintenance and Improvements	758,700	(758,700)	1,517,400
Local Transport/ Travelling	(29,710)	29,710	(59,420)
Electricity and Water	(235,210)	235,210	(470,420)
Activity Expenses	(90,500)	90,500	(181,000)
Total Payments for Operations	(39,200)	39,200	(78,400)

In the circumstances, the budget is not correctly presented and is not balanced contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced. Further, the accuracy and completeness of the statement of budgeted versus actual amounts 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 amounting to Kshs.208,999 as disclosed in Notes 8 and 9 to the

financial statements. However, a board of survey report as at 30 June, 2021 confirming the cash at hand and bank balances was not provided for audit.

In addition, bank reconciliation statements in support of the cash and cash equivalents balance of Kshs.208,999 were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.208,999 could not be confirmed.

3. Misclassification of Bursary Receipts

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects other receipts – school fund account balance of Kshs.2,109,899. Review of provided documents and information for other receipts revealed that the receipts were bursaries received as school fees which were classified in the financial statements as fee on boarding equipment and stores instead of school fund income – parents' contribution/fees.

In the circumstances, the accuracy of school fund income – parents' contribution/fees of Kshs.2,109,899 could not be confirmed.

4. Lack of Ledgers and a Trial Balance

The statement of receipts and payments reflects receipts and payments of Kshs.5,686,518 and Kshs.6,243,951 respectively. Further, the statement of financial assets and financial liabilities reflects balances under cash and cash equivalents of Kshs.208,999, accounts receivable of Kshs.3,242,102 and accounts payable of Kshs.3,125,905 as at 30 June, 2021. However, Management did not provide ledgers/schedules and the trial balance to support the balances in the financial statements, contrary to Section 23(1) of the Basic Education Act, 2013 which requires a 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.

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

5. Inaccuracies in Capitation Funds

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.338,715 and Kshs.2,106,293 respectively as disclosed in Notes 1 and 2 respectively to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed amounts of Kshs.431,274 and Kshs.3,451,298 for capitation grants for tuition and operations respectively whereas the NEMIS reflects tuition and operations capitation amounts of Kshs.338,715 and Kshs.2,106,293 respectively, resulting to unexplained variances of Kshs.92,559 and Kshs.1,345,005 respectively. Further comparison of banks statements and the financial statements revealed amounts of Kshs.495,299 and Kshs.3,603,336 respectively, resulting to unexplained variances of Kshs.156,584 and Kshs.1,497,043 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.338,715 and Kshs.2,106,293 respectively could not be confirmed

6. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,242,103 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.1,457,316 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.3,242,103 could not be confirmed.

7.0 Accounts Payables

7.1 Variances in Accounts Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.3,125,905 as disclosed in Note 12 to the financial statements. However, the balance varies with Kshs.2,586,663 reflected at Annex 1 to the financial statements, resulting to an unexplained or an unreconciled variance of Kshs.539,242.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.3,125,905 could not be confirmed.

7.2 Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities and payables balance of Kshs.3,125,905 as disclosed in Note 12 to the financial statements. However, the balance of Kshs.3,125,905 includes trade creditors amounting to Kshs.2,198,875 which had been outstanding for more than two (2) years, contrary to Regulation 42(1)(b) of the Public Finance Management (National Government) Regulations, 2015, which requires debt service payments to form a first charge. Further, the accounts payables balance was not supported by purchase orders, inspection and acceptance/ completion certificates, invoices, goods received notes and delivery notes.

In the circumstances, the accuracy, existence and occurrence of accounts payables balance Kshs.3,125,905 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.6,950,534 and Kshs.5,686,518 respectively, resulting to an under-funding of Kshs.1,264,016 or 18% of the budget. However, the School spent an amount of Kshs.6,243,951 against actual receipts of Kshs.5,686,518, resulting to an over-utilization of Kshs.557,433 or 10% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Under-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.338,715 and Kshs.2,106,293, respectively as disclosed in Notes 1 and Note 2 respectively to the financial statements. During the financial year, NEMIS reported a total of two hundred and sixty (260) students while the enrolment records provided by the School indicated a total of two hundred and sixty-two (262) students, resulting to an unexplained variance of two(2) students. As a result of the variances, the School was underfunded by an amount of Kshs.18,807.

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

2. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.2,445,008. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2020/2021, NEMIS reflected two hundred and sixty (260) students while records from the County Director of Education reflected two hundred and sixty-two (262) students, resulting to an underfunding of the School by an amount of Kshs.18,807. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

3. Failure to Prepare Procurement Plan

Review of procurement records revealed that the School did not prepare an Annual Procurement Plan in the period ended 30 June, 2021, contrary to Regulation 40(1) and (4) 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.

4. Use of Unapproved Procurement Methods

Review of operations and boarding expenses revealed instances of selective use of cash, purchase orders and requisitions in procurement of goods and services amounting to Kshs.226,770. However, there was no indication of the procurement methods, contrary to Regulation 41(g) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that the annual consolidated procurement plan for each procuring entity shall include an indication of the appropriate procurement method for each procurement requirement.

In the circumstances, value for money on the procurement of goods and services costing Kshs.226,770 was not achieved and Management was in breach of the law.

5. Failure to Use Standard Procurement Documents

Examination of procurement records including tenders revealed that tender documents used for supplier prequalification and subsequent tender bidding process did not have physical address, location, KRA Personal Identification Number (PIN), audited financial statements, Company Directors and Date of incorporation among details. The non-compliance was notable in the tender documents relating to the main supplier of food items. This was contrary to Section 57(1) of the Public Procurement and Asset Disposal Act, 2015. .

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

6. Lack of Tender Opening and Evaluation Committee Signed Minutes

Examination of procurement records revealed the following anomalies;

- (i) There were no tender opening minutes, tender evaluation minutes and duly signed contracts between the School and suppliers of goods and services.
- (ii) Further, Management did not advertise tenders for goods and services on the notice board or nearby County offices, contrary to Section 96 of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to bring the invitation to tender to the attention of those who may wish to submit tenders through dedicated Government Tenders' Portals, or least two (2) daily newspapers of nationwide circulation, or post advertisements at any conspicuous place reserved for this purpose in the premises of the procuring entity.

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

7. Ineffective Management of Textbooks

Examination of the School's text books records revealed that there were no requisition forms issued to show the School's requirements and that text books were delivered to the School without considering its requirements. In addition, records of textbooks movements nor records for 2021-2022 and earlier years were not maintained. Further, physical verification done in May, 2024 confirmed that the textbooks requirements were kept in a classroom and gathering dust and were not segregated according to class and subject. In addition, text book records showing dates received or acquired and current status were not provided for audit. Furthermore, it was noted that the School had not engaged staff (Librarian) to manage textbooks.

In the circumstances, the correct number of text books received, lost, in-stock and School requirements could not be confirmed.

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

The financial statements presented for audit refer to 'the year ended 30 June, 2021' instead of 'six (6) months' period ended 30 June, 2021'.

In the circumstances, Management was in breach of the PSASB guidelines.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter(s) described in the Report on The Effectiveness of Internal Controls, Risk Management and Governance, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Prepare School Improvement Plan

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

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

2. Lack of Internal Audit Function and Audit Committee

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

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

3. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register without values which includes land 1 measuring 7.4 acres and land 2 of undisclosed size. However, land ownership documents were not provided for audit.

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

4. Lack of Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register with Nil fixed assets values. Further, a fixed assets register in a format that indicates the asset description, financier, serial/log book number, acquisition date, value, location, opening balances, additions or disposals during the period and the closing balances was not maintained. Instead, a stores ledger of the assets was kept. This was contrary to Regulation 143(1) of Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the accuracy and completeness of the School 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 circumstance.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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


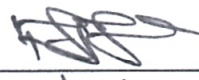

7 November, 2024

KIPKORIS GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for Tuition	1	338,715.00	-
Capitation grants for Operations	2	2,106,293.00	-
School Fund Income- Parents' Contributions	3	1,131,611.00	-
School Fund Income- Other receipts	4	2,109,899.00	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		5,686,518.00	-
PAYMENTS			
Payments for Tuition	5	243,901.00	-
Payments for Operations	6	1,990,360.00	-
Boarding and School Fund	7	4,009,690.00	-
TOTAL PAYMENTS		6,243,951.00	-
SURPLUS/DEFICIT		(557,433.00)	-

The school financial statements were approved on 30TH June 2021 and signed by:

Name: Fr. Martin Mwarini Name: Nancy Odingo Name: Catherine Chepkem
Chairperson, B.O.M. *School Principal/ Secretary to BOM* *Bursar/ Finance Officer*
 Sign:  Sign:  Sign: 
 Date: 18/07/2024 Date: 18/7/24 Date: 18/7/24

KIPKORIS GIRLS SECONDARY SCHOOL




Annual Report and Financial Statements

For the year ended 30th June 2021

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

	Note	2020 - 2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	200,594.00	-
Cash Balances	9	8,405.00	-
Short term Investment	10	-	-
Total Cash and cash equivalent		208,999.00	-
Accounts receivables	11	3,242,102.50	-
TOTAL FINANCIAL ASSETS		3,451,101.50	-
FINANCIAL LIABILITIES			
Accounts Payables	12	3,125,905.00	-
NET FINANCIAL ASSETS		325,196.50	-
REPRESENTED BY			
Accumulated Fund b/fwd	13	882,629.50	-
Surplus/Deficit for the year		(557,433.00)	-
NET FINANCIAL POSSITION		325,196.50	-

The school financial statements were approved on 30th June 2021 and signed by:

Name: <u>Fr Martha Mutini</u>	Name: <u>Nancy Oding</u>	Name: <u>Catherine Chepkem</u>
<i>Chairman, B.O.M.</i>	<i>School Principal/ Secretary to BOM</i>	<i>Bursar/ Finance Officer</i>
Sign: <u></u>	Sign: <u></u>	Sign: <u></u>
Date: <u>18/07/2024</u>	Date: <u>18/07/24</u>	Date: <u>18/7/24</u>

KIPKORIS GIRLS SECONDARY SCHOOL**Annual Report and Financial Statements**For the year ended 30th June 2021**VII STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021**

		2020- 2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	338,715.00	-
Capitation grants for operations	2	2,106,293.00	-
School fund income- Parents contributions/ fees	3	1,131,611.00	-
School fund income- other receipts	4	2,109,899.00	-
Total receipts		5,686,518.00	-
Payments			
Payments for Tuition		243,901.00	-
Payments for operations		1,990,360.00	-
Boarding and school fund payments		4,009,690.00	-
Total payments		6,243,951.00	-
Net cash flow from operating activities		(557,433.00)	-
Adjusted for:			
Changes in Receivables		(40,680.00)	-
Changes in Payables		717,553.00	-
Accruals to cash Adjustments		-	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
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		119,440.00	-
Cash and cash equivalent at BEGINNING of the year		89,559.00	-
Cash and cash equivalent at END of the year		208,999.00	-

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	145,000.00	-	145,000.00	120,000.00	25,000.00	82.8%
Laboratory equipment	103,240.00	-	103,240.00	88,115.00	15,125.00	85.3%
Internal exams	33,500.00	-	33,500.00	44,000.00	(10,500.00)	131.3%
Teaching / learning materials	55,000.00	-	55,000.00	49,600.00	5,400.00	90.2%
Chalks	2,600.00	-	2,600.00	-	2,600.00	0.0%
Exams and assessment	-	-	-	-	-	-
Teachers guides	35,890.00	-	35,890.00	37,000.00	(1,110.00)	0.0%
Reference/Library	-	-	-	-	-	-
Total	375,230.00	-	375,230.00	338,715.00	36,515.00	90.3%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	450,000.00	-	450,000.00	380,620.00	69,380.00	84.6%
Repairs and maintenance	808,000.00	-	808,000.00	863,250.00	(55,250.00)	106.8%
Local transport / travelling	122,560.00	-	122,560.00	285,931.00	(163,371.00)	233.3%
Electricity and water	289,500.00	-	289,500.00	232,986.00	56,514.00	80.5%
Medical	-	-	-	-	-	0.0%
Administration costs	269,000.00	-	269,000.00	343,506.00	(74,506.00)	127.7%
Insurance	-	-	-	-	-	-
Activity	90,500.00	-	90,500.00	-	90,500.00	0.0%
Total	2,029,560.00	-	2,029,560.00	2,106,293.00	(76,733.00)	103.8%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	664,000.00	-	664,000.00	531,241.00	132,759.00	80.0%
Repairs and maintenance	180,500.00	-	180,500.00	113,620.00	66,880.00	62.9%
Local transport / travelling	321,509.00	-	321,509.00	115,947.00	205,562.00	36.1%
Electricity and water	25,850.00	-	25,850.00	-	25,850.00	0.0%

Annual Report and Financial Statements
For the year ended 30th June 2021

Medical	10,500.00	-	10,500.00	-	10,500.00	0.0%
Administration costs	67,890.00	-	67,890.00	266,248.00	(198,358.00)	392.2%
Activity	45,995.00	-	45,995.00	104,555.00	(58,560.00)	227.3%
SMASSE	-	-	-	-	-	
Fee on Boarding Equipment and Stores	-	-	-	-	-	
	1,316,244.00		1,316,244.00	1,131,611.00	184,633.00	86.0%
OTHER INCOME	-	-	-	-	-	
Fee on Boarding Equipment and Stores	3,229,500.00	-	3,229,500.00	2,109,899.00	1,119,601.00	65.3%
Electricity, water & C	-	-	-	-	-	
LT&T	-	-	-	-	-	
Repairs and Maintenance	-	-	-	-	-	
Personal Emoluments	-	-	-	-	-	
Admin Costs	-	-	-	-	-	
Activity	-	-	-	-	-	
LUNCH	-	-	-	-	-	
Caution Money	-	-	-	-	-	
Rent income	-	-	-	-	-	
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	-	-	-	-	-	
TOTAL INCOME	6,950,534.00	-	6,950,534.00	5,686,518.00	1,264,016.00	81.8%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-	-	-	
Exercise books	145,000.00	-	145,000.00	-	145,000.00	0.0%
Laboratory equipment	103,240.00	-	103,240.00	73,000.00	30,240.00	70.7%
Internal exams	33,500.00	-	33,500.00	19,819.00	13,681.00	59.2%
Teaching / learning materials	55,000.00	-	55,000.00	108,402.00	(53,402.00)	197.1%
Chalks	2,600.00	-	2,600.00	-	2,600.00	0.0%

Annual Report and Financial Statements
For the year ended 30th June 2021

Exams and assessment	-	-	-	-	-	-
Teachers guides	35,890.00	-	35,890.00	42,500.00	(6,610.00)	0.0%
Administration Costs				-	-	
Bank Charges	-	-	-	180.00	(180.00)	0.0%
Total	375,230.00	-	375,230.00	243,901.00	131,329.00	65.0%
PAYMENTS FOR OPERATIONS						
Personal Emoluments	450,000.00	-	450,000.00	802,700.00	352,700.00	178.4%
Service Gratuity	-	-	-	-	-	
Administration Cost	269,000.00	-	269,000.00	281,820.00	12,820.00	104.8%
Repairs and maintenance & improvements	-	-	-	758,700.00	758,700.00	
Local transport / travelling	122,560.00	-	122,560.00	92,850.00	(29,710.00)	75.8%
Electricity and water	289,500.00	-	289,500.00	54,290.00	(235,210.00)	18.8%
Medical	-	-	-	-	-	0.0%
Activity Expenses	90,500.00	-	90,500.00	-	(90,500.00)	0.0%
SMASSE	-	-	-	-	-	
Insurance Cost	-	-	-	-	-	
Bank Charges	-	-	-	-	-	
Acquisition of Assets	808,000.00	-	808,000.00		(808,000.00)	0.0%
Total	2,029,560.00	-	2,029,560.00	1,990,360.00	(39,200.00)	98.1%
BOARDING AND SCHOOL FUND PAYMENTS						
Activity	-	-	-	-	-	
Posho mill	-	-	-	-	-	
Bus hire	-	-	-	-	-	
Pocket Money	-	-	-	-	-	
caution Money	-	-	-	-	-	
Personnel emoluments	664,000.00	-	664,000.00	424,600.00	239,400.00	64%
Service Gratuity	-	-	-	-	-	
Repairs and maintenance & Improvements	180,500.00	-	180,500.00	258,148.00	(77,648.00)	143%
Local transport / travelling	321,509.00	-	321,509.00	330,090.00	(8,581.00)	103%
Electricity and water	25,850.00	-	25,850.00	-	25,850.00	0%
Medical Expenses	10,500.00	-	10,500.00	12,905.00	(2,405.00)	123%

Annual Report and Financial Statements

For the year ended 30th June 2021

Administration costs	67,890.00	-	67,890.00	53,800.00	14,090.00	79%
Lunch Programme	-	-	-	-	-	
Bank Charges	-	-	-	-	-	
Expenses on Income Generating Activities	-	-	-	-	-	
Fee on Boarding Equipment and Stores	3,229,500.00	-	3,229,500.00	2,930,147.00	299,353.00	91%
Rent Expenses	-	-	-	-	-	
Insurance Cost (Life Property)	-	-	-	-	-	
Loan Principal repayment	-	-	-	-	-	
Loan Interest repayment	-	-	-	-	-	
Acquisition of Assets	-	-	-	-	-	
TOTAL	4,499,749.00	-	4,499,749.00	4,009,690.00	490,059.00	89.1%
TOTAL EXPENDITURE	6,904,539.00	-	6,904,539.00	6,243,951.00	660,588.00	90.4%

NOTE

- i. *There was increase in enrolment leading to overutilization.*
- ii. *There was underutilization due to funds allocated to pay sundry creditors.*

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.

X. 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 30th June 2021.

XI. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020 - 2021	2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	120,000.00	-
Laboratory equipment	88,115.00	-
Internal exams	44,000.00	-
Teaching / learning materials	49,600.00	-
Chalks	-	-
Exams and assessment	-	-
Teachers guides	37,000.00	-
Total	338,715.00	

2 CAPITATION GRANT FOR OPERATIONS

	2020 - 2021	2020
	Kshs	Kshs
Personnel emoluments	380,620.00	-
Repairs and maintenance	863,250.00	-
Local transport / travelling	285,931.00	-
Electricity and water	232,986.00	-
Medical	-	-
Administration costs	343,506.00	-
Activity	-	-
Total	2,106,293.00	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020 - 2021	2020
	Kshs	Kshs
Personnel emoluments	531,241.00	-
Repairs and maintenance	113,620.00	-
Local transport / travelling	115,947.00	-
Electricity and water	-	-
Medical	-	-
Administration costs	266,248.00	-
Activity	104,555.00	-
Total	1,131,611.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020 - 2021	2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	2,109,899.00	
Rent income	-	-
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	-	-
Total	2,109,899.00	-

5 PAYMENTS FOR TUITION

	2020 - 2021	2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	73,000.00	-
Internal exams	108,402.00	-
Teaching / learning materials	-	-
Chalks	19,819.00	-
Exams and assessment	42,500.00	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	180.00	-
Total	243,901.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020 - 2021	2020
	Kshs	Kshs
Personnel emoluments	802,700.00	
Service Gratuity	-	
Administration Cost	281,820.00	
Repairs and maintenance & improvements	758,700.00	
Local transport / travelling	92,850.00	
Electricity and water	54,290.00	
Medical	-	
Activity Expenses	-	
SMASSE	-	
Insurance Cost	-	
Bank Charges	-	
Acquisition of Assets	-	
TOTAL	1,990,360.00	

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020 - 2021	2020
	Kshs	Kshs
Personnel emoluments	424,600.00	-
Service Gratuity	-	-
Repairs and maintenance & Improvements	258,148.00	-
Local transport / travelling	330,090.00	-
Electricity and water	-	-
Medical Expenses	12,905.00	-
Administration costs	53,800.00	-
Lunch Programme	-	-
Bank Charges	-	-
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	2,930,147.00	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	4,009,690.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020 - 2021	2020
		Kshs	Kshs
Tuition Account		23,519.00	-
Operations Account		7,182.00	-
School Fund Account/Boarding		66,220.00	-
Savings Account		-	-
Parent Association Development Account		-	-
Income generating activities Account		-	-
Infrastructural Account		103,673.00	-
Total		200,594.00	-

9 CASH IN HAND

Description	2020 - 2021	2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	90.00	-
Infrastructural Account	2,200.00	-
School Fund account	6,115.00	-
Total	8,405.00	-

10 SHORT TERM INVESTMENTS

Description	2020 - 2021	2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020 - 2021	2020
	Kshs	Kshs
Fees arrears	3,242,102.50	3,201,422.50
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
Total	3,242,102.50	3,201,422.50

Aging analysis for fee arrears

Description	2020 - 2021	2020
	Kshs	Kshs
Fees arrears for current year	266,248.00	1,744,106.00
Fees arrears received during the year	(225,568.00)	-
Fees arrears for the previous year	1,744,106.00	843,630.00
Fees arrears for prior periods (over two years)	1,457,316.50	613,686.50
Total	3,242,102.50	3,201,422.50

12 ACCOUNTS PAYABLE

Description	2020 - 2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,853,891.00	2,198,875.00
Prepaid fees	272,014.00	-
Retention monies	-	-
Total	3,125,905.00	2,198,875.00

Ageing analysis for the creditors

Description	2020 - 2021	2020
	Kshs	Kshs
Trade creditors for the current year	1,460,716.00	2,198,875.00
Trade creditors paid during the year	(805,700.00)	-
Trade creditors for the previous year	2,198,875.00	-
Trade creditors for prior periods (over two years)	-	-
Total	2,853,891.00	2,198,875.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020 - 2021	2020
	Kshs	Kshs
Bank balances	87,869.00	-
Cash balances	1,690.00	-
Short Term Investments	-	-
Receivables	3,201,422.50	-
Payables	2,408,352.00	-
Total	882,629.50	-

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

Description	2020 - 2021	2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020 - 2021	2020
		Kshs	Kshs
Cattle	6		
Sheep	10		
Trees	2,106		
Coffee or tea plantation	-		
Poultry	-		
Total	2,122		

16 Borrowings

Description	2020 - 2021	2020
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

17 Stock/ Inventory

Description	2020 - 2021	2020
	Kshs	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	-	-

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)

KIPKORIS GIRLS SECONDARY SCHOOLS

Reports and Financial Statements

For the year ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Sammy K. Mutai	187,000	March 2021	77,000	110,000		
2. Eben Ha Ezer	257,000	Feb 2021	115,210	141,790		
3. Extreme Engineers	165,000	July 2019	-	165,000		
4. Shakil Hardware	171,520	March 2021	-	171,520		
Sub-Total	780,520		192,210	588,310		
Supply of goods						
5. Elementaita Pharmacy	30,000	Jan 2021	29,070	930		
6. Takotai Investment	361,700	Nov 2020	-	361,700		
7. Andrew Chelanga	180,000	Jan 2021	-	180,000		
8. Kericho Booksellers	22,500	Nov 2020	-	22,500		
9. Digital Stationers	24,565	Jan 2021	-	24,565		
10. William Kimutai	210,881	Jan 2021	-	210,881		
11. Fancy Chepkoech	14,820	Feb 2020	-	14,820		
12. St. Monicah Catholic Church	150,250	Jan 2021	-	150,250		
13. Victor Bor	127,000	Feb 2020	67,000	60,000		
14. Philip Chepkwony	184,300	Feb 2020	73,880	110,420		
15. Kipchimchim Wholesalers	40,000	Dec 2020	-	40,000		
16. Patmat Bookshop	598,537	Jan 2020	100,000	498,537		
17. Beatrice Ngeno	212,300	Feb 2020	88,800	123,500		
18. Skydro Power	18,650	April 2021	-	18,650		
19. Hellen Keles	121,000	Feb 2020	31,000	90,000		
20.						
Sub-Total	2,563,731		389,750	1,906,753		
Supply of services						

KIPKORIS GIRLS SECONDARY SCHOOL**Annual Report and Financial Statements****For the year ended 30th June 2021**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
21. Robco Office	76,000	June 2021	35,400	40,600		
22. Robert Rono	6,000	June 2021	-	6,000		
23. Isaack Kirui	25,000	March 2021	-	25,000		
24. David Kirui	20,000	June 2021	-	20,000		
Sub-Total	127,000		35,400	91,600		
Grand Total	3,471,251		617,360	2,586,663		

KIPKORIS GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1 – TITLE DEED NO.	7.4 Acres					
Land 2	-					
<i>Buildings and structures</i>						
- Classes	9					
- Laboratory	2					
- Abolition block	3					
Motor vehicles	-					
<i>Office equipment, furniture and fittings</i>						
- Student desks & chairs	271					
- Teachers desks & chairs	15					
- Office cabinets	4					
<i>ICT Equipment, and Other ICT Assets</i>						
- Computers	5					
- Printers	3					
- Projector	1					
<i>Tools and apparatus</i>						
- Farm Tools	15					
- Laboratory apparatus	710					
Textbooks	2,300					

KIPKORIS GIRLS SECONDARY SCHOOL**Annual Report and Financial Statements**For the year ended 30th June 2021

Asset class	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Other Machinery and Equipment	-					
Heritage and cultural assets	-					
<i>Intangible assets- soft ware</i>						
- Software	3					
Total	<u>3,348</u>					