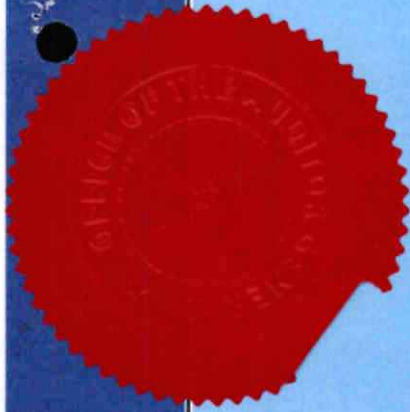
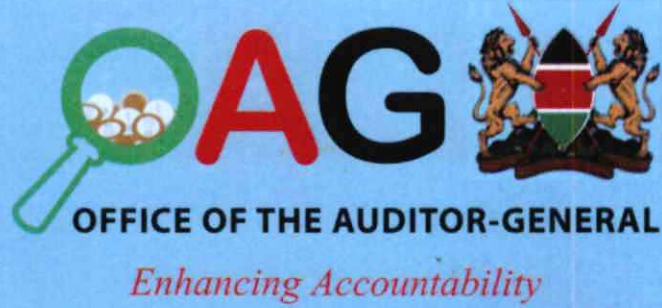


REPUBLIC OF KENYA



**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**ON**

**NAPEILILIM SECONDARY SCHOOL**  
**FOR THE YEAR ENDED**  
**30 JUNE, 2023**

**TURKANA COUNTY**

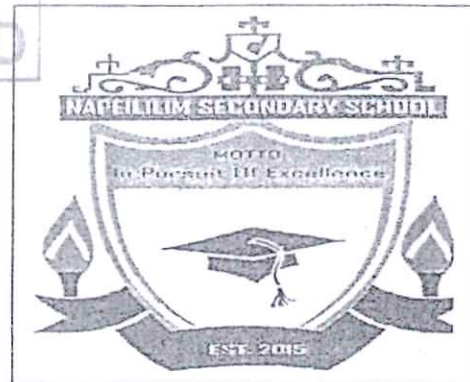
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|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <br><b>THE NATIONAL ASSEMBLY</b><br><b>PAPERS LAID</b> |                                            |
| <b>DATE: 11 MAR 2025</b>                                                                                                                    |                                            |
| <b>DAY:</b><br>Tuesday                                                                                                                      |                                            |
| <b>TABLED BY:</b>                                                                                                                           | Hon. Owen Baya<br>(Deputy Majority Leader) |
| <b>CLERK-AT THE-TABLE:</b>                                                                                                                  | Getrude Chebet                             |

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30054 - 00100, NAIROBI  
REGISTRY

26 AUG 2024

RECEIVED

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



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# NAPEILILIM SECONDARY SCHOOL

Mixed Secondary

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Glossary of Terms

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

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Turkana County, Loima Sub-County.

The school was registered in 08/05/2017 under registration number 23S30000041 and is currently categorized as a Sub-county public school established, owned or operated by the Government.

The school is a boarding school and had 330 number of students as at 30<sup>th</sup> June 2023. It has 2 streams and 15 teachers of which 3 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    | JAMES NATELENG                                      | Chairman               | 23/03/2022          |
| 2    | PHILIP IPAT                                         | Secretary - Principal  | 10/05/2023          |
| 3    | ANN EKUOM                                           | Member                 | 23/03/2022          |
| 4    | PAUL JELINGA                                        | Member                 | 23/03/2022          |
| 5    | JACKSON EREGAE                                      | Member                 | 23/03/2022          |
| 6    | JUSTUS ETIMAT                                       | Member                 | 23/03/2022          |
| 7    | JESCA EDUNG                                         | Member                 | 23/03/2022          |
| 8    | ANAM PATRICK                                        | Member – Rep CEB       | 23/03/2022          |
| 9    | WILLY KIPLAGAT                                      | Member Rep Teachers    | 23/03/2022          |
| 10   | SCOLASTICA AKIRU,<br>REGINA LOGIEL, JAMES<br>LOWOTO | 3 Members - Sponsor    | 23/03/2022          |
| 11   | AMODOI PEETER                                       | Member – Special Needs | 23/03/2022          |
| 12   | GEDION EMONYANG                                     | Member                 | 23/03/2022          |
| 13   | HELLEN AOKO                                         | Member                 | 23/03/2022          |
| 14   | FRANCIS LOKWAR                                      | Member                 | 23/03/2022          |
| 15   | PETER EREGAE ELIPAN                                 | Member                 | 23/03/2022          |
| 16   | THOMAS LOCHI                                        | Member                 | 23/03/2022          |

The functions of the School Board of Management are to:

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

**(c) Committees of the Board**

| Ref: | Name of Committee                                   | Names of Members                                                         | Designation                                     | Number of meetings attended during the year |
|------|-----------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------|
| 1    | Executive Committee                                 | 1. JAMES NATELENG<br>2. PHILIP IPAT<br>3. ANN EKUWOM<br>4. PAUL JELINGA  | CHAIR<br>SECRETARY,<br>MEMBER<br>PTA,           | 5<br>5<br>5<br>5                            |
| 2    | Audit Committee                                     | FRANCIS LOKWAR<br><br>EGAE PETER<br><br>JESCA EDUNG                      | CHAIR<br><br>MEMBER<br><br>MEMBER               | 0                                           |
| 3    | Finance, procurement and general purposes Committee | IPAT PHILIP<br><br>ELOTO JUSTUS<br><br>EREGAEPETER<br><br>FRANCIS LOKWAR | CHAIR<br><br>MEMBER<br><br>MEMBER<br><br>MEMBER | 0                                           |

*NAPEILILIM SECONDARY SCHOOL*

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

|   |                                  |                                                                              |                                        |   |
|---|----------------------------------|------------------------------------------------------------------------------|----------------------------------------|---|
| 4 | Academic Committee               | WILLY KIPLAGAT<br>ANN EKUWOM<br>JUSTUS ELOTO                                 | SECRETARY<br><br>CHAIR                 | 1 |
| 5 | Development Committee            | JUSTUS ELOTO<br>SCHOLASTICA AKIRU<br>REGINA LOBALI                           | CHAIR<br>MEMBER<br>MEMBER              | 0 |
| 6 | Discipline and welfare Committee | TEPEN JOSEPH<br>PHILIP IPAT<br>JAMES NATELENG<br>ANN EKUWOM<br>WILLYKIPLAGAT | CHAIR<br>SECRETARY<br>MEMBER<br>MEMBER | 2 |
| 7 | Human Rights of Students Welfare |                                                                              |                                        |   |

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

| Ref: | Designation      | Name                 | Identification |
|------|------------------|----------------------|----------------|
| 1    | Principal        | PHILIP IPAT          | 441108         |
| 2    | Deputy Principal | GEOFREY IPOO         | 524788         |
| 3    | School Bursar    | NGITIRA ELIMLIM JOHN | 33866805       |

**(e) Schools contacts**

Post Office Box: 235-30500 LODWAR  
 Telephone: 0711235832  
 E-mail: napeililisec2015@gmail.com.

**(f) School Bankers**

1. Name of Bank: KENYA COMMERCIAL BANK  
 Branch: LODWAR  
 Account Number: 1168270480 (SCHOOL FUND)
2. Name of Bank: KENYA COMMERCIAL BANK  
 Branch: LODWAR  
 Account Number: 1168269903 (TUITION)
3. Name of Bank: KENYA COMMERCIAL BANK  
 Branch: LODWAR  
 Account Number: 1168270065 (OPERATIONS)
4. Name of Bank: KENYA COMMERCIAL BANK  
 Branch: LODWAR  
 Account Number: 1217700188 (INFRASTRUCTURE)

**(g) Independent Auditors**

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

3. Summary Report of Performance of The School

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

a) Financial performance:

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

| FINANCIAL YEAR  | 2022-2023  | 2021-2022  | 2020-2021    |
|-----------------|------------|------------|--------------|
| SURPLUS/DEFICIT | 581,983.30 | 418,562.35 | 2,348,382.85 |

- Capitation grants from the Ministry of Education for the last three years

| FINANCIAL YEAR | 2022-2023    | 2021-2022    | 2020-2021    |
|----------------|--------------|--------------|--------------|
| TUITION        | 939,035.75   | 1,488,454.00 | 403,921.00   |
| OPERATIONS     | 4,106,852.95 | 7,863,175.85 | 4,007,971.85 |
| TOTAL          | 5,045,888.7  | 9,351,629.85 | 4,411,892.85 |

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

| FINANCIAL YEAR | 2022-2023    |                | 2021-2022    |                | 2020-2021    |                |
|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                | CAPITATION   | No of students |              | No of students | CAPITATION   | NO OF STUDENTS |
| TUITION        | 1,488452.00  | 350            | 1,488452.00  | 350            | 403,921.00   | 330            |
|                | 4,252.72     | 1              | 4,252.72     | 1              | 1,224.00     | 1              |
| OPERATIONS     | 7,863,173.50 | 350            | 7,863,173.50 | 350            | 4,007,971.85 | 330            |
|                | 22,466.21    | 1              | 22,466.21    | 1              | 12,145.36    | 1              |

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

| FINANCIAL YEAR | 2022-2023     | 2021-2022     | 2020-2021    |
|----------------|---------------|---------------|--------------|
| INCOME EARNED  | 17,952,193.70 | 27,427,691.75 | 9,923,986.85 |

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

| FINANCIAL YEAR | 2022-2023  | 2021-2022     | 2020-2021    |
|----------------|------------|---------------|--------------|
| EXPENDITURE    | 18,507,177 | 27,009,129.40 | 7,575,604.00 |

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

| FINANCIAL YEAR | 2022-2023    | 2021-2022    | 2020-2021    | 2019         |
|----------------|--------------|--------------|--------------|--------------|
| DEBTORS        | 5,877,020.00 | 1,562,331.90 | 2,744,100.00 | 2,182,085.90 |
| CREDITORS      | 1,016,080.00 | 892,11.00    | 0            | 0            |

- Movement of cash and bank balances over the last three years

| FINANCIAL YEAR | 2022-2023    | 2021-2022  | 2020-2021    |
|----------------|--------------|------------|--------------|
| CASH           | 538          | (216.00)   | (429,983.00) |
| BANK           | 1,273,592.80 | 898,535.45 | 1,125,422.70 |

b) Teacher Student ratio.

Teacher to student ratio 1:32, no teacher was recruited and posted to the school within the year. No teacher was transferred/ retired during the period. 11 teachers employed by TSC, and 3 employed by BOM. CBE is 19 teachers, thus the shortage is 8 more teachers needed for the school.

c) Mean score in the 20XX KCSE:

| KCSE YEAR | MEAN SCORE | MEAN GRADE |
|-----------|------------|------------|
| 2022      | 5.7        | C          |
| 2021      | 5.04       | C- (minus) |
| 2020      | 4.37       | D+ (plus)  |
| 2019      | 2.63       | D          |

d) Number of Candidates in the 20XX KCSE.

| KCSE YEAR | NO OF CANDIDATES |
|-----------|------------------|
| 2022      | 56               |
| 2021      | 63               |
| 2020      | 56               |
| 2019      | 48               |

e) Capacity of the school:

The school has a capacity of 350 students. There is need for four dormitories each accommodating 80 students. 10 classrooms, eight for normal classes and two for elective subjects. Three laboratories, dinning/kitchen hall, social hall and an administration block. There is need for 16 modern toilets to cater for needs of students and two more teachers and non-teaching staff

f) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

| Projects                  | Source of funds | Status   | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time   |
|---------------------------|-----------------|----------|---------------------|---------------------|----------------------------|
| 9 DOOR<br>GIRLS<br>TOILET | M.I.F           | COMPLETE | 1,000,000           | 942,020             | 30 <sup>th</sup> June 2023 |

*Handwritten signature and date: 05/08/2024*

School Principal

NAPEILILIM SECONDARY SCHOOL  
 P.O. BOX 30600, LODWAR  
 \_\_\_\_\_  
 Sign

# REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON NAPEILILIM SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE 2023 - TURKANA 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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.

A Qualified Opinion is issued when the Auditor-General concludes that, -except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Napeililim Secondary School – Turkana County set out on pages 1 to 21 which comprise the statement of financial

assets and financial liabilities as at 30 June 2023, statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes 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 the Napeililim Secondary School – Turkana County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Variances Between the Statement of Cash Flows and the Statement of Budgeted Versus Actual Amounts**

Financial statements presented for audit had the following variances which were not explained or reconciled:

| No. | Item                                        | Statement of | Statement of                | Variance  |
|-----|---------------------------------------------|--------------|-----------------------------|-----------|
|     |                                             | Cash Flows   | Budgeted Vs. Actual Amounts |           |
|     |                                             | (Kshs)       | (Kshs)                      | (Kshs)    |
| 1.  | School fund income – parents' contributions | 12,879,308   | 12,615,228                  | 264,080   |
| 2.  | Payments for operations                     | 4,430,183    | 4,703,353                   | (273,170) |

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

#### **2. Unsupported and Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,723,858 in respect of fees arrears as disclosed in Note 13 to the financial statements out of which Kshs.2,527,853 has been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. Further, supporting schedules were not provided for audit review and there was no evidence of efforts being made by the School to recover the long outstanding fees arrears.

In the circumstances, the accuracy and full recoverability of the accounts receivables balance of Kshs.3,723,858 could not be confirmed.

### **3. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities and as disclosed under Note 14 reflects accounts payables balance of Kshs.1,654,461. Included in the balance are trade creditors amounting to Kshs.1,016,080 which were not supported with schedules, invoices, purchase or service orders, delivery notes, award letters, and inspection and acceptance committee certificates.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.1,654,461 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Napeililim Secondary School – Turkana County 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **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 effect of 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. Failure to Prepare School Improvement Plan**

During the year 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.12,879,478 as disclosed in Note 4 to the financial statements. Included in the expenditure is an amount of Kshs.92,400 transferred to Kenya Secondary School Heads Association (KESSHA). However, the organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.92,400 could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and 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, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

#### **Basis for Conclusion**

##### **1. Lack of an Audit Committee**

During the period under review, the School had not established an audit committee contrary to the guidelines on the establishment and functions of the audit committees as per Section (61)(2)(d) of the Basic Education Act, 2013 which requires the board of management to establish the audit committee.

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

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

Annex 2 to the financial statements reflects summary of fixed assets register with total historical cost of Kshs.34,750,000 which includes two parcels of land, one valued at Kshs.12,000,000 and another with no value. However, land ownership documents were not provided for audit.

In the circumstances, the existence of an effective mechanism to safeguard School's 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 Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to 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 overall control environment.

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

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

Nairobi

25 October, 2024

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

| DESCRIPTION OF VOTE HEAD                   | Note | 2022 - 2023          | 2021-2022            |
|--------------------------------------------|------|----------------------|----------------------|
|                                            |      | Kshs                 | Kshs                 |
| <b>RECEIPTS</b>                            |      |                      |                      |
| Capitation grants for tuition              | 1    | 939,032.75           | 1,488,454.00         |
| Capitation grants for operations           | 2    | 3,093,668.95         | 7,863,15.85          |
| Capitation grants for infrastructure       | 3    | 1,013,184            |                      |
| School Fund Income- Parents' Contributions | 4    | 12,879,478.00        | 14,950,622           |
| School Fund Income- Other receipts         |      | -                    | 3,125,439.90         |
| Proceeds from borrowings                   |      | -                    |                      |
| <b>TOTAL RECEIPTS</b>                      |      | <b>17,925,193.70</b> | <b>27,427,691.75</b> |
| <b>PAYMENTS</b>                            |      |                      |                      |
| Payments for Tuition                       | 5    | 916,580.00           | 1,477,614.00         |
| Payments for operations                    | 6    | 3,478,081            | 8,007,801.00         |
| Boarding and school fund payments          | 7    | 13,160,414.00        | 17,523,714.40        |
| Payments for infrastructure                | 8    | 952,102              |                      |
| <b>TOTAL PAYMENTS</b>                      |      | <b>18,507,177.00</b> | <b>27,009,129.35</b> |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>(581,983.3)</b>   | <b>418,562.35</b>    |

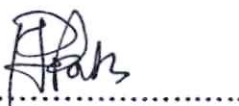
The school financial statements were approved on 05/08 2024 and signed by:



Name: JAMES NATELENG


Chair BOM

Date: 5/8/2024



Name: PHILIP IPATA  
School Principal/ Secretary to BOM

Date: 05/08/2024



Name: ELIMLIM JOHN

Bursar/ Finance Officer

Date: 05/08/2024

PRINCIPAL  
PEILILIM SECONDARY SCHOOL  
LUDWAR

7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023

|                                       | Note | 2022-2023<br>ksh    | 2021-2022<br>ksh    |
|---------------------------------------|------|---------------------|---------------------|
| <b>FINANCIAL ASSETS</b>               |      |                     |                     |
| Cash and Cash Equivalents             |      |                     |                     |
| Bank Balances                         | 10   | 1,273,592.80        | 898,535.45          |
| Cash Balances                         | 11   | 538                 | (730)               |
| Short term Investment                 |      | -                   | 0.00                |
| <b>Total Cash and cash equivalent</b> |      | <b>1,274,130.8</b>  | <b>897,805.45</b>   |
| Accounts receivables                  | 13   | 3,723,875.7         | 4,795,065.65        |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>4,998,006.5</b>  | <b>5,692,871.10</b> |
| <b>FINANCIAL LIABILITIES</b>          |      |                     |                     |
| Accounts Payables                     | 14   | 1,654,461           | 1,960,342.25        |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>3,343,545.5</b>  | <b>3,732,528.35</b> |
| <b>REPRESENTED BY</b>                 |      |                     |                     |
| Accumulated Fund b/fwd                | 15   | 3,927,528.50        | 3,313,966.00        |
| Surplus/Deficit for the year          |      | (581,983.)          | 418,562.35          |
| <b>NET FINANCIAL POSITION</b>         |      | <b>3,343,545.50</b> | <b>3,732,528.95</b> |

The school's financial statements were approved on 05/08 2024 and signed by:

  
.....

Name: JAMES NATELENG

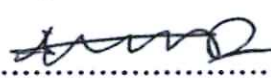
Chair BOM

Date: 5/8/2024

  
.....

Name: PHILIP IPAT  
School Principal/ Secretary to  
BOM

Date: 05/08/2024

  
.....

Name: ELIMLIM JOHN

Bursar/ Finance Officer

Date: 05/08/2024

NAPEILILIM SECONDARY SCHOOL  
P.O. BOX 208-30800, LODWAR  
.....

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023

|                                                          |   | 2022-2023           | 2021-2022            |
|----------------------------------------------------------|---|---------------------|----------------------|
|                                                          |   | Ksh                 | Ksh                  |
| <b>Receipts for operating income</b>                     |   |                     |                      |
| Capitation grants for tuition                            | 1 | 939,033             | 1,488,454.00         |
| Capitation grants for operations                         | 2 | 4,106,853           | 7,863,175.85         |
| School fund income- Parents contributions/ fees          | 3 | 12,879,308          | 14,950,622.00        |
| School fund income- other receipts                       | 4 | -                   | 3,125,439.90         |
| <b>Total receipts</b>                                    |   | <b>17,925,194</b>   | <b>27,427,691.75</b> |
| <b>Payments</b>                                          |   |                     |                      |
| Payments for Tuition                                     | 5 | 916,580.00          | 1,477,614.00         |
| Payments for operations                                  | 6 | 4,430,183           | 8,007,801.00         |
| Boarding and school fund payments                        | 7 | 13,160,414          | 17,523,714.40        |
| <b>Total payments</b>                                    |   | <b>18,507,177</b>   | <b>27,009,129.40</b> |
| <b>cash flow from operating activities</b>               |   | <b>(581,983 )</b>   | <b>418,562.35</b>    |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |   |                     |                      |
| Proceeds from Sale of Assets                             |   | 0.0                 | 0.00                 |
| Acquisition of Assets                                    |   | (0.00)              | (0.00)               |
| Proceeds from investments                                |   | 0.0                 | 0.00                 |
| Purchase of investments                                  |   | (0.00)              | (0.00)               |
| <b>Net cash flows from Investing Activities</b>          |   |                     | <b>0</b>             |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |   |                     |                      |
| Proceeds from borrowings/ loans                          |   |                     | 0.00                 |
| Repayment of principal borrowings                        |   |                     | 0.00                 |
| <b>Net cash flow from financing activities</b>           |   |                     | <b>0.00</b>          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>         |   | <b>376,325.65</b>   | <b>202,365.75</b>    |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |   | <b>897805.45</b>    | <b>695,439.70</b>    |
| <b>Cash and cash equivalent at END of the year</b>       |   | <b>1,274,130.80</b> | <b>897,805.45</b>    |

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

The school's financial statements were approved on 05/08 2024 and signed by:



Name: JAMES NATELENG


Chair BOM

Date: 5/8/2024



Name: PHILIP IPAT  
School Principal/ Secretary to BOM

Date: 05/08/2024



Name: ELIMLIM JOHN

Bursar/ Finance Officer

Date: 05/08/2024

NAPEILILIM SECONDARY  
P. O. Box 235-30500, LODWAR

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

| Receipt/Expenses Item                     | Original Budget | Adjustments | Final Budget | Actual On Comparable Basis | % Of Utilization |
|-------------------------------------------|-----------------|-------------|--------------|----------------------------|------------------|
|                                           | a               | b           | c=a+b        | d                          | e=d/c %          |
|                                           | Kshs            | Kshs        | Kshs         | Kshs                       | Kshs             |
| Receipts                                  |                 |             |              |                            |                  |
| <i>(1) Capitation Grant on Tuition</i>    |                 |             |              |                            |                  |
| Reference Materials                       |                 |             |              |                            |                  |
| Exercise Books                            |                 |             |              |                            |                  |
| Laboratory Equipment                      |                 |             |              |                            |                  |
| Internal Exams                            |                 |             |              |                            |                  |
| Teaching / Learning Materials             | 1,677,200       | 0.0         | 1,677,200    | 939032.75                  | 55.98%           |
| Exams And Assessment                      |                 |             |              |                            |                  |
| <i>(2) Capitation Grant on Operations</i> |                 |             |              |                            |                  |
| Personnel Emoluments                      |                 |             |              |                            |                  |
| Repairs And Maintenance                   | 1,750,000       | 0.0         | 1,750,000    | 1,303494                   | 74.49%           |
| Local Transport / Travelling              |                 |             |              |                            |                  |
| Electricity And Water                     |                 |             |              |                            |                  |
| Medical                                   |                 |             |              |                            |                  |
| Administration Costs                      |                 |             |              |                            |                  |
| Activity                                  |                 |             |              |                            |                  |
| Gratuity                                  |                 |             |              |                            |                  |
| Other vote heads                          | 3,658,550       | 0.0         | 3,658,550    | 2,803,852.95               | 76.49%           |

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

| Receipt/Expenses Item                | Original Budget<br>a<br>Kshs | Adjustments<br>b<br>Kshs | Final Budget<br>c=a+b<br>Kshs | Actual On<br>Comparable<br>Basis<br>d<br>Kshs | % Of Utilization<br>e=d/c %<br>Kshs |
|--------------------------------------|------------------------------|--------------------------|-------------------------------|-----------------------------------------------|-------------------------------------|
| <b>3) FDSE for infrastructure</b>    |                              |                          |                               |                                               |                                     |
| Maintenance & Improvement MoE        |                              |                          |                               |                                               |                                     |
| M&I parents' contribution            |                              |                          |                               |                                               |                                     |
| Economic Stimulus Programs           |                              |                          |                               |                                               |                                     |
| Transition Infrastructure Grants     |                              |                          |                               |                                               |                                     |
| Administration Block                 |                              |                          |                               |                                               |                                     |
| <b>(4) Fees Charged on Parents</b>   |                              |                          |                               |                                               |                                     |
| Personnel Emoluments                 | 1,085,000                    | 0.0                      | 1,085,000                     | 452,910                                       | 41.74%                              |
| Repairs And Maintenance              | 700,000                      | 0.0                      | 700,000                       | 241810                                        | 34.4%                               |
| Local Transport / Travelling         | 262500                       | 0.0                      | 262,500                       | 90,585                                        | 34.5%                               |
| Electricity And Water                | 535,500                      | 0.0                      | 535,500                       | 476,900                                       | 86.16%                              |
| Medical                              |                              |                          |                               |                                               |                                     |
| Administration Costs                 |                              |                          |                               |                                               |                                     |
| Activity                             | 52,500                       | 0.0                      | 52,500                        | 66,967                                        | 127.52%                             |
| SMASSE                               |                              |                          |                               |                                               |                                     |
| Fee On Boarding Equipment and Stores | 8,452,500                    | 0.0                      | 8,452,500                     | 11,286,056                                    | 133.52%                             |
| <b>5) Miscellaneous Income</b>       |                              |                          |                               |                                               |                                     |
| Loans / Borrowing                    |                              |                          |                               |                                               |                                     |
| Rert income                          |                              |                          |                               |                                               |                                     |
| Income From Farming Activities       |                              |                          |                               |                                               |                                     |
| Insurance Compensation               |                              |                          |                               |                                               |                                     |

| Receipt/Expenses Item                 | Original Budget   | Adjustments | Final Budget      | Actual On Comparable Basis | % Of Utilization |
|---------------------------------------|-------------------|-------------|-------------------|----------------------------|------------------|
|                                       | a                 | b           | c=a+b             | d                          | e=d/c %          |
|                                       | Kshs              | Kshs        | Kshs              | Kshs                       | Kshs             |
| Income From Posho Mill                |                   |             |                   |                            |                  |
| Income From Bus Hire                  |                   |             |                   |                            |                  |
| Fee For Hire of Ground and Equipment  |                   |             |                   |                            |                  |
| Interest Income                       |                   |             |                   |                            |                  |
| Income From Any Other Investment      |                   |             |                   |                            |                  |
| <b>Total Income</b>                   | <b>18,821,250</b> | <b>0.0</b>  | <b>18,821,250</b> | <b>17,999,344.95</b>       | <b>95.63%</b>    |
| <i>(6) Expenditure For Tuition</i>    |                   |             |                   |                            |                  |
| Textbooks                             |                   |             |                   |                            |                  |
| Reference Materials                   |                   |             |                   |                            |                  |
| Exercise Books                        |                   |             |                   |                            |                  |
| Laboratory Equipment                  |                   |             |                   |                            |                  |
| Internal Exams                        |                   |             |                   |                            |                  |
| Teaching / Learning Materials         | 1,677,200         | 0.0         | 1,677,200         | 916,580                    | 54.65%           |
| Chalks                                |                   |             |                   |                            |                  |
| Exams And Assessment                  |                   |             |                   |                            |                  |
| Teachers Guides                       |                   |             |                   |                            |                  |
| Administration Costs                  |                   |             |                   |                            |                  |
| Bank Charges                          |                   |             |                   |                            |                  |
|                                       |                   |             |                   |                            |                  |
| <i>(7) Expenditure For Operations</i> |                   |             |                   |                            |                  |
| Personnel Emoluments                  |                   |             |                   |                            |                  |
| Repairs, Maintenance & Improvements   | 1,750,000         | 0.0         | 1,750,000         | 1,294,850                  | 73.94%           |

| Receipt/Expenses Item                                 | Original Budget | Adjustments | Final Budget | Actual On Comparable Basis | % Of Utilization |
|-------------------------------------------------------|-----------------|-------------|--------------|----------------------------|------------------|
|                                                       | a               | b           | c=a+b        | d                          | e=d/c %          |
|                                                       | Kshs            | Kshs        | Kshs         | Kshs                       | Kshs             |
| Local Transport / Travelling                          |                 |             |              |                            |                  |
| Electricity, Water and Conservancy                    |                 |             |              |                            |                  |
| Medical                                               |                 |             |              |                            |                  |
| Administration Costs                                  |                 |             |              |                            |                  |
| Activity Expenses                                     |                 |             |              |                            |                  |
| Gratuity                                              |                 |             |              |                            |                  |
| SMASSE                                                |                 |             |              |                            |                  |
| Other vote heads                                      | 3,658,550       | 0.0         | 3,658,550    | 3,408,503                  | 93.17%           |
|                                                       |                 |             |              |                            |                  |
| <i>(8) Expenditure For infrastructure</i>             |                 |             |              |                            |                  |
| Construction of classrooms                            |                 |             |              |                            |                  |
| Construction of LAB                                   |                 |             |              |                            |                  |
| Construction of DORMS                                 |                 |             |              |                            |                  |
| Purchase of furniture                                 |                 |             |              |                            |                  |
| Purchase of equipment                                 |                 |             |              |                            |                  |
| Purchase of machinery                                 |                 |             |              |                            |                  |
| <i>(9) Expenditure For school fund/lunch/boarding</i> |                 |             |              |                            |                  |
| Personnel Emoluments                                  | 1,085,000       | 0.0         | 1,085,000    | 1,545,700                  | 142.46%          |
| Repairs, Maintenance and Improvements                 | 700,000         | 0.0         | 700,000      | 347,470                    | 49.64%           |
| Local Transport / Travelling                          | 265,500         | 0.0         | 265,500      | 541,228                    | 203.85%          |

Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023

| Receipt/Expenses Item                      | Original Budget | Adjustments | Final Budget  | Actual On  | % Of Utilization |
|--------------------------------------------|-----------------|-------------|---------------|------------|------------------|
|                                            | a<br>Kshs       | b<br>Kshs   | c=a+b<br>Kshs | d<br>Kshs  | e=d/c %<br>Kshs  |
| Electricity, Water and Conservancy         | 535,500         | 0.0         | 535,500       | 247100     | 46.14%           |
| Medical Expenses                           |                 |             |               |            |                  |
| Administration Costs                       | 647,500         | 0.0         | 647,500       | 1,861,837  | 287.54%          |
| Activity                                   | 52,500          | 0.0         | 52,500        | 193,534    | 368.64%          |
| Gratuity                                   |                 |             |               |            |                  |
| Lunch Programme                            |                 |             |               |            |                  |
| Boarding Equipment and Stores              | 8,452,500       | 0.0         | 8,452,500     | 8,364,085  | 98.95%           |
| Expenditure For Income Generating Activity |                 |             |               |            |                  |
| Insurance Costs                            |                 |             |               |            |                  |
| Other Expenses On Investments              |                 |             |               |            |                  |
| Rent Expenses                              |                 |             |               |            |                  |
| Bank Charges                               |                 |             |               | 19,534     |                  |
| Loan Interest Repayment                    |                 |             |               |            |                  |
| Loan Principal Repayment                   |                 |             |               |            |                  |
| Acquisition Of Assets                      |                 |             |               |            |                  |
| Totals                                     | 18,824,250      | 0.0         | 18,824,250    | 19,459,279 | 103.4            |

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

- i. Due to the underfunding from the government and low collection of fees
- ii. On the expenditure side due to low collection some vote heads are underutilized for the fund received used to other more important vote heads
- iii. For the vote heads with more 100% the fund came from the arrears received and was utilized to support the vote head due to low funding.

## 10. Significant Accounting Policies

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

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

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

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

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

### 2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**11. Notes To The Financial Statements****1 Government Grants for Tuition**

| Description                   | 2022-2023         | 2021-2022        |
|-------------------------------|-------------------|------------------|
|                               | Kshs              | Kshs             |
| Reference Materials           | 0.0               | 0.0              |
| Exercise Books                | 0.0               | 0.0              |
| Laboratory Equipment          | 0.0               | 0.0              |
| Internal Exams                | 0.0               | 0.0              |
| Teaching / Learning Materials | 939,032.75        | 797,488          |
| Others (specify) *TUITION     | 0.0               | 690,966          |
| <b>Total</b>                  | <b>939,032.75</b> | <b>1,448,454</b> |

**2 Government Grants for Operations**

| Description                        | 2022-2023           | 2021-2022           |
|------------------------------------|---------------------|---------------------|
|                                    | Kshs                | Kshs                |
| Personnel Emoluments               | 0.0                 | 0.0                 |
| Repairs And Maintenance            | 1,303,494.0         | 2,487,750.0         |
| Local Transport / Travelling       | 0.0                 | 0.0                 |
| Electricity And Water              | 0.0                 | 0.0                 |
| Medical                            | 0.0                 | 0.0                 |
| Administration Costs               | 0.0                 | 40,000              |
| Infrastructure grand for classroom | 0.0                 | 3,094,000.0         |
| Activity                           | 0.0                 | 0.0                 |
| Other Vote Heads (specify)*        | 2,803,852.95        | 2,241,425.85        |
| <b>Total</b>                       | <b>4,106,852.95</b> | <b>7,863,175.85</b> |

**3 Government Grants for infrastructure**

| Description                             | 2022-2023 | 2021-2022 |
|-----------------------------------------|-----------|-----------|
|                                         | Kshs      | Kshs      |
| Maintenance & Improvement               | 1,013,184 | 0.0       |
| Transition infrastructure grants        | 0.0       | 0.0       |
| Administration Block                    | 0.0       | 0.0       |
| Economic stimulus grants                | 0.0       | 0.0       |
| Other (specify) (NGCDF and County govt. | 0.0       | 0.0       |

| Description  | 2022-2023        | 2021-2022  |
|--------------|------------------|------------|
|              | Kshs             | Kshs       |
| <b>Total</b> | <b>1,013,184</b> | <b>0.0</b> |

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

| Description                          | 2022-2023            | 2021-2022         |
|--------------------------------------|----------------------|-------------------|
|                                      | Kshs                 | Kshs              |
| Personnel emoluments                 | 452,910.00           | 5,711,906.00      |
| Repairs and maintenance              | 241,810.00           | 4,254,260.00      |
| Local transport / travelling         | 90,585.00            | 468,529.00        |
| Electricity and water                | 476,900              | 2,059,925.00      |
| Medical                              | 0.0                  | 0.0               |
| Administration costs                 | 267,080.0            | 2,282,676.00      |
| Activity                             | 66,967.00            | 173,326.00        |
| Fee on Boarding Equipment and stores | 7,790,578.00         | 3,045,439.90      |
| PA Levies*                           | 0.0                  | 0.0               |
| Others (ARREAS)                      | 3,495,478.00         | .0                |
| <b>Total</b>                         | <b>12,879,308.00</b> | <b>14,870,622</b> |

## Notes to the Financial Statements (continued)

## 5. Payments for Tuition

| Description                   | 2022-2023        | 2021/2022           |
|-------------------------------|------------------|---------------------|
|                               | Kshs             | Kshs                |
| Exercise Books                | 0.0              | 352,400.00          |
| Textbooks                     | 0.0              | 0.0                 |
| Reference materials           | 0.0              | 0.0                 |
| Laboratory Equipment          | 619,580.00       | 493,820.00          |
| Teaching / Learning Materials | 291,000.0        | 627,800.00          |
| Exams And Assessment          | 0.0              | 0.0                 |
| Teachers Guides               | 0.0              | 0.0                 |
| Bank Charges                  | 6000             | 3594                |
| Others ( <i>specify</i> )     | 0.0              | 0.0                 |
| <b>Total</b>                  | <b>916,580.0</b> | <b>1,477,614.00</b> |

## 6. Payments for Operations

| Description                            | 2022-2023           | 2021/2022           |
|----------------------------------------|---------------------|---------------------|
|                                        | Kshs                | Kshs                |
| Personnel Emoluments                   | 775,100             | 1,703,654.00        |
| Service Gratuity                       | 0.0                 | 0.0                 |
| Administration Cost                    | 1,408,735.00        | 1,409,931.00        |
| Repairs And Maintenance & Improvements | 273,150.00          | 388,815.00          |
| Local Transport / Travelling           | 254,893.00          | 887,720.00,         |
| Electricity And Water                  | 224,015.00          | 286,225.00          |
| Medical                                | 0.0                 | 13,850.00           |
| Activity Expenses                      | 0.0                 | 0.0                 |
| Insurance Cost                         | 0.0                 | 0.0                 |
| Sundry creditor                        | 79660.00            |                     |
| Bank charges                           | 12610.00            |                     |
| Infrastructure account                 | 460,0000.00         |                     |
| Others (Acquisition of Assets)         | 942,020.00          | 3,129,409.00        |
| <b>Total</b>                           | <b>4,430,183.00</b> | <b>8,007,801.00</b> |

## Notes to the Financial Statements (continued)

## 7. Boarding and School Fund payments

| Description                                | 2022-2023            | 2021/2022            |
|--------------------------------------------|----------------------|----------------------|
|                                            | Kshs                 | Kshs                 |
| Personnel Emoluments                       | 1,545,700.00         | 995,341.00           |
| Service Gratuity                           | 0.0                  | 0.00                 |
| Repairs And Maintenance & Improvements     | 387,470.00           | 4,576,970.00         |
| Local Transport / Travelling               | 541,228.00           | 1,147,345.00         |
| Electricity And Water                      | 247,100.00           | 967,290.00           |
| Medical Expenses                           | 0.0                  | 350,614.00           |
| Administration Costs                       | 1,861,837.00         | 565,390.00           |
| Activity                                   | 193,460.00           | 0.0                  |
| Lunch Programme                            | 0.0                  | 0.0                  |
| Bank Charges                               | 19,534.00            | 23,744.00            |
| Expenses On Income Generating Activities** | 0.0                  | 0.0                  |
| Fee On Boarding Equipment and Stores       | 8,364,085.00         | 8,517,101.40         |
| Rent Expenses                              | 0.0                  | 0.0                  |
| Insurance Cost ( <i>Life Property</i> )    | 0.0                  | 0.0                  |
| Loan Principal Repayment                   | 0.0                  | 0.0                  |
| Loan Interest Repayment                    | 0.0                  | 0.0                  |
| Acquisition Of Assets                      | 0.0                  | 0.0                  |
| PA expenses                                | 0.0                  | 348,000.00           |
| Others (specify)                           | 0.0                  | 0.0                  |
| <b>Total</b>                               | <b>13,160,414.00</b> | <b>17,523,714.00</b> |

## 8. Payments for Infrastructure

| Description                     | 2022-2023      | 2021/2022 |
|---------------------------------|----------------|-----------|
|                                 | Kshs           | Kshs      |
| Construction of classrooms      | 0.0            |           |
| Construction of laboratory      | 0.0            |           |
| Construction of ABOLUTION BLOCK | 942,020.00     |           |
| Purchase of furniture           | 0.0            |           |
| Purchase of equipment           | 0.0            |           |
| Purchase of apparatus           | 0.0            |           |
| Drilling of boreholes           | 0.0            |           |
| Others BANK CHARGES             | 12082          |           |
| <b>Total</b>                    | <b>954,102</b> |           |

Notes to the Financial Statements (continued)

10 Bank Accounts

| Account Name & Currency                | Status         | Bank Account Number | 2022-2023           | 2021/2022         |
|----------------------------------------|----------------|---------------------|---------------------|-------------------|
|                                        | Active/Dormant |                     | Kshs                | Kshs              |
| Tuition Account                        | ACTIVE         | 1168269903          | 35,624.50           | 13171.00          |
| Operations Account                     | ACTIVE         | 1168270065          | 701,906.40          | 3680.55           |
| School Fund Account/Boarding           | ACTIVE         | 1168270480          | 532,258.40          | 853,912.40        |
| Savings Account                        | -              | -                   | 0.0                 | 0.0               |
| Parent Association Development Account | -              | -                   | 0.0                 | 0.0               |
| Income Generating Activities Account   | -              | -                   | 0.0                 | 0.0               |
| Infrastructural Account                | ACTIVE         | 1217700188          | 3803.50             | 27,771.50         |
| <b>Total</b>                           |                |                     | <b>1,273,592.80</b> | <b>893,535.45</b> |

11 Cash In Hand

| Description     | 2022-2023     | 2021/2022    |
|-----------------|---------------|--------------|
|                 | Kshs          | Kshs         |
| Notes and Coins | 538.00        | (730)        |
| <b>Total</b>    | <b>538.00</b> | <b>(730)</b> |

12 Short Term Investments

| Description            | 2022-2023  | 2021/2022  |
|------------------------|------------|------------|
|                        | Kshs       | Kshs       |
| Cooperative Shares     | 0.0        | 0.0        |
| Treasury Bills         | 0.0        | 0.0        |
| Fixed Deposit accounts | 0.0        | 0.0        |
| Other Investments      | 0.0        | 0.0        |
| <b>Total</b>           | <b>0.0</b> | <b>0.0</b> |

Notes to the Financial Statements (continued)

13 Accounts Receivable

| Description                              | 2022-2023           | 2021/2022           |
|------------------------------------------|---------------------|---------------------|
|                                          | Kshs                | Kshs                |
| Fees Arrears                             | 3,723,875.70        | 4,795,065,65        |
| Other Non-Fees Receivables               | 0.0                 | 0.0                 |
| Salary Advances (list/schedule attached) | 0.0                 | 0.0                 |
| Imprest (list/schedule attached)         | 0.0                 | 0.0                 |
| Rent arrears (list/schedule attached)    | 0.0                 | 0.0                 |
| <b>Total</b>                             | <b>3,723,875.70</b> | <b>4,795,065,65</b> |

13 b Ageing Analysis of Accounts Receivable

| Description                            | 2022-2023           |                | 2021/2022           |                |
|----------------------------------------|---------------------|----------------|---------------------|----------------|
|                                        | Kshs                |                | Kshs                |                |
|                                        | Current FY          | % of the total | Comparative FY      | % of the total |
| Less than 1 year                       | 1,196,022.70        | 57%            | 2,160,024.25        | 45%            |
| Between 1- 2 years                     | 2,527,853.00        | 43%            | 2,653,041.40        | 55%            |
| Between 2-3 years                      |                     | %              |                     | %              |
| Over 3 years                           |                     | %              |                     | %              |
| <b>Total (should tie to note 13 a)</b> | <b>3,723,875.70</b> | <b>100%</b>    | <b>4,795,065.65</b> | <b>100%</b>    |

14 Accounts Payable

| Description                                       | 2022-2023           | 2021/2022           |
|---------------------------------------------------|---------------------|---------------------|
|                                                   | Kshs                | Kshs                |
| Trade Creditors (See Ageing Below and Appendix 1) | 1,016,080.00        | 1,960,342.15        |
| Prepaid Fees                                      | 638,381.00          | -                   |
| Retention Monies                                  | -                   | -                   |
| Unpaid salaries and statutory deductions          | -                   | -                   |
| Caution money                                     | -                   | -                   |
| Other payables ( <i>specify</i> )                 | -                   | -                   |
| <b>Total</b>                                      | <b>1,654,461.00</b> | <b>1,960,342.15</b> |

## Notes to the Financial Statements (continued)

## 14a. Ageing Analysis of Accounts Payable

| Description                          | 2022-2023          |                | 2021/2022        |                |
|--------------------------------------|--------------------|----------------|------------------|----------------|
|                                      | Kshs               |                | Kshs             |                |
|                                      | Current FY         | % of the total | Comparative FY   | % of the total |
| Less than 1 year                     | 1,016,080.00       | 100%           | 1,472,390.00     | 60%            |
| Between 1- 2 years                   | -                  | %              | 970,519.00       | 40%            |
| Between 2-3 years                    | -                  | %              | -                | %              |
| Over 3 years                         | -                  | %              | -                | %              |
| <b>Total (should tie to note 14)</b> | <b>1,06,080.00</b> | <b>10000%</b>  | <b>2,442,909</b> | <b>100%</b>    |

## 15 Fund Balance Brought Forward

| Description            | 2022-2023           |  | 2021/2022           |  |
|------------------------|---------------------|--|---------------------|--|
|                        | Kshs                |  | Kshs                |  |
| Bank Balances          | 893,535.45          |  | 481,764.85          |  |
| Cash Balances          | (730.00)            |  | (2008.00)           |  |
| Short Term Investments | 0                   |  | 0                   |  |
| Receivables            | 4,795,065.65        |  | (5,061,435.90)      |  |
| Payables               | (1,960,342.15)      |  | (2,442,909.00)      |  |
| <b>Total</b>           | <b>3,927,528.50</b> |  | <b>3,313,966.60</b> |  |

Other important disclosure notes

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

16 Non-current Liabilities Summary

| Description                  | 2022-2023  | 2021/2022  |
|------------------------------|------------|------------|
|                              | Kshs       | Kshs       |
| Bank Loans                   | 0.0        | 0.0        |
| Outstanding Leases           | 0.0        | 0.0        |
| Hire Purchase                | 0.0        | 0.0        |
| Gratuity And Leave Provision | 0.0        | 0.0        |
| Others (specify)             | 0.0        | 0.0        |
| <b>Total</b>                 | <b>0.0</b> | <b>0.0</b> |

17 Biological assets

| Description              | Numbers | 2022-2023       | 2021/2022       |
|--------------------------|---------|-----------------|-----------------|
|                          |         | Kshs            | Kshs            |
| Cattle                   |         | 0.0             | 0.0             |
| Goats                    |         | 0.0             | 0.0             |
| Trees                    |         | 40,000.0        | 4,0000.0        |
| Coffee Or Tea Plantation |         | 0.0             | 0.0             |
| Poultry                  |         | 0.0             | 0.0             |
| Others (specify)         |         | 0.0             | 0.0             |
| <b>Total</b>             |         | <b>40,000.0</b> | <b>40,000.0</b> |

18 Borrowings

| Description                           | 2022-2023  | 2021/2022  |
|---------------------------------------|------------|------------|
| Borrowings at beginning of the year   | 0.0        | 0.0        |
| Borrowings during the year            | 0.0        | 0.0        |
| Repayments during the year            | 0.0        | 0.0        |
| <b>Balance at the end of the year</b> | <b>0.0</b> | <b>0.0</b> |

## Other important disclosure notes

## 19 Stock/ Inventory

| Description                                    | 202-2023        | 2021-2022        |
|------------------------------------------------|-----------------|------------------|
| <b>MAIZE (90KGS)</b>                           | kshs            | ksh              |
| <b>a) Borrowings</b>                           |                 |                  |
| Stock/ inventory at beginning of the year 0    | 10,000          | 5,000.00         |
| Stock/ inventory purchased during the year 106 | 900,000.00      | 795,000.00       |
| Stock/ inventory issued during the year 103    | (905,000.00)    | (790,000.00)     |
| <b>Balance at end of the year 3</b>            | <b>5,000.00</b> | <b>10,000.00</b> |

| Description                                    | 202-2023        | 2021-2022        |
|------------------------------------------------|-----------------|------------------|
| <b>BEANS (90 KGS)</b>                          | kshs            | ksh              |
| <b>b) Borrowings</b>                           |                 |                  |
| Stock/ inventory at beginning of the year 2    | 32,000.00       | 0.00             |
| Stock/ inventory purchased during the year 100 | 1,300,000.00    | 1,200,00.00      |
| Stock/ inventory issued during the year 102    | (1,330,000.00)  | (1,168,000.00)   |
| <b>Balance at end of the year 0</b>            | <b>2,000.00</b> | <b>32,000.00</b> |

| Description                                   | 202-2023     | 2021-2022    |
|-----------------------------------------------|--------------|--------------|
| <b>RICE (25KGS)</b>                           | kshs         | ksh          |
| <b>c) Borrowings</b>                          |              |              |
| Stock/ inventory at beginning of the year 0   | 0.00         | 0.00         |
| Stock/ inventory purchased during the year 50 | 350,000.00   | 225,000.00   |
| Stock/ inventory issued during the year 48    | (350,000.00) | (225,000.00) |
| <b>Balance at end of the year 2</b>           | <b>0.00</b>  | <b>0.00</b>  |

| Description                                   | 202-2023        | 2021-2022       |
|-----------------------------------------------|-----------------|-----------------|
| <b>SUGAR (50 KGS)</b>                         | kshs            | ksh             |
| <b>d) Borrowings</b>                          |                 |                 |
| Stock/ inventory at beginning of the year 1   | 8,000.00        | 8,000.00        |
| Stock/ inventory purchased during the year 30 | 400,000.00      | 360,000.00      |
| Stock/ inventory issued during the year 28    | (404,000.00)    | (360,000.00)    |
| <b>Balance at end of the year 3</b>           | <b>4,000.00</b> | <b>8,000.00</b> |

| Description                                   | 202-2023     | 2021-2022       |
|-----------------------------------------------|--------------|-----------------|
| <b>COOKING OIL (20LITRES)</b>                 | kshs         | ksh             |
| <b>e) Borrowings</b>                          |              |                 |
| Stock/ inventory at beginning of the year 0   | 6,500        | 0.00            |
| Stock/ inventory purchased during the year 32 | 320,000.00   | 312,000.00      |
| Stock/ inventory issued during the year 32    | (320,000.00) | (305,500.00)    |
| <b>Balance at end of the year</b>             | <b>6,500</b> | <b>6,500.00</b> |

| Description                                   | 202-2023      | 2021-2022   |
|-----------------------------------------------|---------------|-------------|
| <b>SALT (BUNDLES 1KG)</b>                     | kshs          | ksh         |
| <b>f) Borrowings</b>                          |               |             |
| Stock/ inventory at beginning of the year 1   | 0.00          | 980.00      |
| Stock/ inventory purchased during the year 16 | 25,000.00     | 23,520.00   |
| Stock/ inventory issued during the year 16    | (24,500.00)   | (24,500.00) |
| <b>Balance at end of the year 1</b>           | <b>500.00</b> | <b>0.00</b> |

| Description                                  | 202-2023     | 2021-2022    |
|----------------------------------------------|--------------|--------------|
| <b>POWDERED MILK (25KGS)</b>                 | kshs         | ksh          |
| <b>g) Borrowings</b>                         |              |              |
| Stock/ inventory at beginning of the year 0  | 0.00         | 17,000.00    |
| Stock/ inventory purchased during the year 6 | 153,000.00   | 153,000.00   |
| Stock/ inventory issued during the year 6    | (153,000.00) | (170,000.00) |
| <b>Balance at end of the year 0</b>          | <b>0.00</b>  | <b>0.00</b>  |

| Description                                    | 202-2023       | 2021-2022        |
|------------------------------------------------|----------------|------------------|
| <b>MAIZE FLOUR (90KGS)</b>                     | kshs           | ksh              |
| <b>h) Borrowings</b>                           |                |                  |
| Stock/ inventory at beginning of the year 5    | 35,000.00      | 0.00             |
| Stock/ inventory purchased during the year 140 | 1,500,000.00   | 1,435,000.00     |
| Stock/ inventory issued during the year 143    | (1,535,000.00) | (1,400,000.00)   |
| <b>Balance at end of the year 2</b>            | <b>0.00</b>    | <b>35,000.00</b> |

| Description                                   | 202-2023     | 2021-2022        |
|-----------------------------------------------|--------------|------------------|
| <b>LIQUID OMO (20L JERICAN)</b>               | kshs         | ksh              |
| <b>i) Borrowings</b>                          |              |                  |
| Stock/ inventory at beginning of the year 2   | 10,000.00    | 6,000.00         |
| Stock/ inventory purchased during the year 40 | 90,000.00    | 100,000.00       |
| Stock/ inventory issued during the year 38    | (100,000.00) | (96,000.00)      |
| <b>Balance at end of the year 4</b>           | <b>0.00</b>  | <b>10,000.00</b> |

*NAPEILILIM SECONDARY SCHOOL*

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

20 Progress On Follow Up Of Auditor Recommendations

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

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

*Praks as of 08/2024*

-----  
Sign and Date  
Principal

**PRINCIPAL**  
NAPEILILIM SECONDARY SCHOOL  
P. O. Box 235-30500, LODWAF  
Date:.....Sign:.....

12. Annexes

Annex I - Analysis of Pending Accounts Payable

| Supplier Of Goods Or Services    | Original Amount<br>A<br>Kshs | Date Contracted<br>b<br>Kshs | Amount Paid To-Date<br>C<br>Kshs | Outstanding Balance Current FY<br>d=a-c<br>Kshs | Outstanding Balance Comparative FY<br>Kshs | Comments |
|----------------------------------|------------------------------|------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------------|----------|
| <b>Construction Of Buildings</b> |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
| <b>Sub-Total</b>                 |                              |                              |                                  |                                                 |                                            |          |
| <b>Supply Of Goods</b>           |                              |                              |                                  |                                                 |                                            |          |
| 1. Gabkeylumalle                 | 1,016,080                    | 1 <sup>st</sup> June 2021    | 0.00                             | 1,016,080.00                                    | 1,016,080.00                               |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
| <b>Sub-Total</b>                 |                              |                              |                                  |                                                 | 1,016,080                                  |          |
| <b>Supply Of Services</b>        |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
|                                  |                              |                              |                                  |                                                 |                                            |          |
| <b>Sub-Total</b>                 |                              |                              |                                  |                                                 |                                            |          |
| <b>Grand Total</b>               |                              |                              |                                  |                                                 | 1,016,080.00                               |          |

Annex 2 – Summary of Fixed Assets Register

| Asset Class                              | Date purchased | Location    | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|------------------------------------------|----------------|-------------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| Land 1                                   | 2015           | Napeilimlim | 12,000,000                                           | 0.00                             | 0.00                             | 12,000,000                                            |
| Land 2                                   |                | Napeilimlim | 0.0                                                  | 0.00                             | 0.00                             | 0.0                                                   |
| Buildings and structures                 |                | Napeilimlim | 15,000,000                                           | 0.00                             | 0.00                             | 15,000,000                                            |
| Motor vehicles                           | 2019           | Napeilimlim | 4,000,000                                            | 0.00                             | 0.00                             | 4,000,000                                             |
| Office equipment, furniture and fittings |                | Napeilimlim | 200,000                                              | 0.00                             | 0.00                             | 200,000                                               |
| ICT Equipment, and Other ICT Assets      |                | Napeilimlim | 1,000,000                                            | 0.00                             | 0.00                             | 1,000,000                                             |
| Tools and apparatus                      |                | Napeilimlim | 300,000                                              | 0.00                             | 0.00                             | 300,000                                               |
| Textbooks                                |                | Napeilimlim | 3,000,000                                            | 0.00                             | 0.00                             | 3,000,000                                             |
| Other Machinery and Equipment            |                | Napeilimlim | 200,000                                              | 0.00                             | 0.00                             | 200,000                                               |
| Heritage and cultural assets             |                | Napeilimlim | 0.00                                                 | 0.00                             | 0.00                             | 0.00                                                  |
| Intangible assets- soft ware             |                | Napeilimlim | 0.00                                                 | 0.00                             | 0.00                             | 0.00                                                  |
| Total                                    |                |             | 35,700,000.00                                        | 0.00                             | 0.00                             | 35,700,000.00                                         |