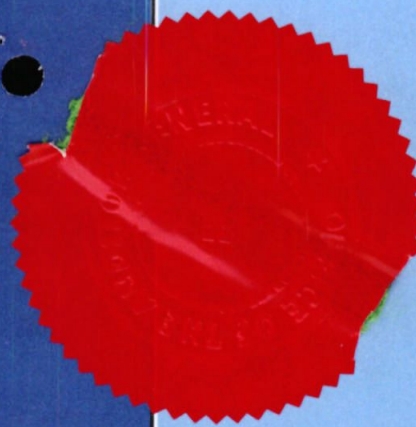


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 10 APR 2023 DAY: THURSDAY OF

TABLED BY: HON. SILVANUS OSORO, MP  
MAJORITY PARTY WHIP

CLERK-AT-THE-TABLE: INIZOTU KIKALALE

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**KABIANGA HIGH SCHOOL**

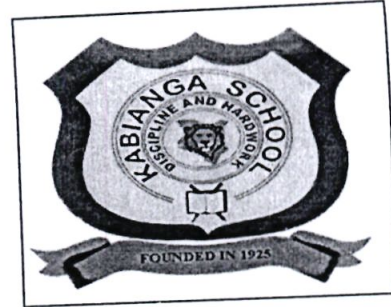
**FOR THE YEAR  
ENDED 30 JUNE, 2023**

**KERICHO COUNTY**

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



OFFICE OF THE AUDITOR GENERAL  
P.O. BOX 42 MOMBASA  
7881 KRC  
02 AUG 2024  
**RECEIVED**  
KILIFI REGIONAL OFFICE



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**KABIANGA HIGH SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2023**

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



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	Page
1. Acronyms and Glossary of Terms.....	ii
2. Key School Information and Management .....	iii
3. Summary Report of Performance of The School .....	ix
4. Statement of School Management Responsibility .....	xii
5. Report Of The Independent Auditors <i>(To be attached)</i> .....	xiv
6. Statement Of Receipts and Payments For the Year Ended 30 <sup>th</sup> June 2023 .....	1
7. Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2023 .....	2
8. Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2023 .....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2023 .....	5
10. Significant Accounting Policies.....	10
11. Notes To The Financial Statements .....	13
12. Annexes.....	24

**1. Acronyms and Glossary of Terms**

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

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

## 2. Key School Information and Management

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

### (a) Background information

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

The school was registered in 30<sup>TH</sup> September, 2020 under registration number 035/S/3000/0812/2020 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a day/boarding school and had xxx number of students as at 30<sup>th</sup> June 2023, It has 48 streams and 99 teachers of which 23 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	Mr. Lazurus Koech	Chairman	15TH MARCH 2022
2	Mr. Ezekiel Kurgat	Secretary - Principal	30TH JAN 2023
3	Dr.Kibet Ngeno	Member –Special Intrest	15TH MARCH 2022
4	Dr. George Got	Member- PA Rep	15TH MARCH 2022
5	Dr. Stephen Oluoch	Member - PA Rep	15TH MARCH 2022
6	Prof. Issa Mwamzandi	Member- PA Rep	15TH MARCH 2022
7	Dr. Julius Okora	Member	15TH MARCH 2022
8	Hon..Lady Justice Rachel Ngetich	Member -Community	15TH MARCH 2022
9	Ms. Everyne Maritim	Member Rep Teachers	15TH MARCH 2022
10	Ms. Josphine Chepngetich Ms. Valorine Chemutai Dr. Mary Wosyanju	Member -Community Member - Community Member -CEB	15TH MARCH 2022
11	Mr. Hillary Kipngetich Bii	Member - Community	15TH MARCH 2022
12	Dr. Samwel Tororei	MemberSpecial Needs	15TH MARCH 2022
13	Mr. Christopher Otieno	Rep Students	15TH MARCH 2022

Principal Reported on 30<sup>th</sup> Jan 2023

(Kabianga High school)

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

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

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

**(c) Committees of the Board**

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	MR. LAZARUS KOECH	CHAIRMAN	2 out of 2
		DR. KIBET NGENO	VICE CHAIRMAN	1 out of 2
		MR. EZEKIEL KURGAT	SECRETARY	1 out of 2
		PROF. ISSA MWAMZANDI	PA CHAIRMAN	2 out of 2
		HON. JUSTICE RACHEL NG'ETICH	MEMBER	1 out of 2
2	Audit Committee	DR. OLUOCH STEPHEN	CHAIRMAN	0 out of 0
		MR. HILLARY BII	MEMBER	0 out of 0
		PROF. ISSA MWAMZANDI	MEMBER	0 out of 0
3	Finance, procurement and general purposes Committee	Dr. George Got	Chair	1 out of 1
		Mr. Ezekiel kurgat	Secretary	1 out of 1
		Dr. Kibet Ngeno	Member	1 out of 1
		Dr. Samwel Tororei	Member	0 out of 1

4	<b>Academic Committee</b>	Prof. Issa Mwamzandi Mr. Ezekiel kurgat Dr. Mary Wosyanju Dr. Julius Okora	Chair Secretary Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
5	<b>Development Committee(SIC)</b>	Ms. Valorine Chemutai Mr. Lazurus Koech Mr. Ezekiel kurgat Ms. Josephine Chepngetich Prof. Issa Mwamzandi Mr. Amos Bett Mr. Charles Anyika	Chair Member Secretary  Member  Member SCDE	3 out of 3 3 out of 3 2 out of 3 2 out of 3 1 out of 1 3 out of 3 3 out of 3
6	<b>Discipline and welfare Committee</b>	Dr. Mary Wosyanju Mr. Ezekiel kurgat Hon Lady Justice Rachel Ngetich Ms. Evalyne Maritim Mr. Christopher Otieno	Chair Secretary	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
7	<b>Adhoc Committee (if any during the year)</b>	Mr. Peterson Osunga Mr. Thomas Wanjala Mr. Dennis Ayieko Mr. Dennis Korir Mr. Fredrick Onduru Ms. Sarah Ndumi	Chair Secretary Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

**(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	Ezekiel Kurgat	313187
2	Deputy Principal	Amos Bett	363648
3	School Bursar	Dennis Korir	22205845
4	Accounts Clerk	Chepkwony Robert	28404835

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 18-20201 Kabianga  
Telephone: 0798432828  
E-mail: KabiangaSchool2015@gmail.com  
Website: Kabiangaschool@info  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1103489127
2. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1102299812
3. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1103523791
4. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1103521926
5. Name of Bank: EQUITY  
Branch: KERICHO  
Account Number: 0280290950527

6. Name of Bank: EQUITY  
Branch: KERICHO  
Account Number: 0280299082973

7. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1164934813

8. Name of Bank: KCB  
Branch: KERICHO  
Account Number: 1288315473

9. MPESA Pay Bill No. 522123 attached to 1103489127 bank account

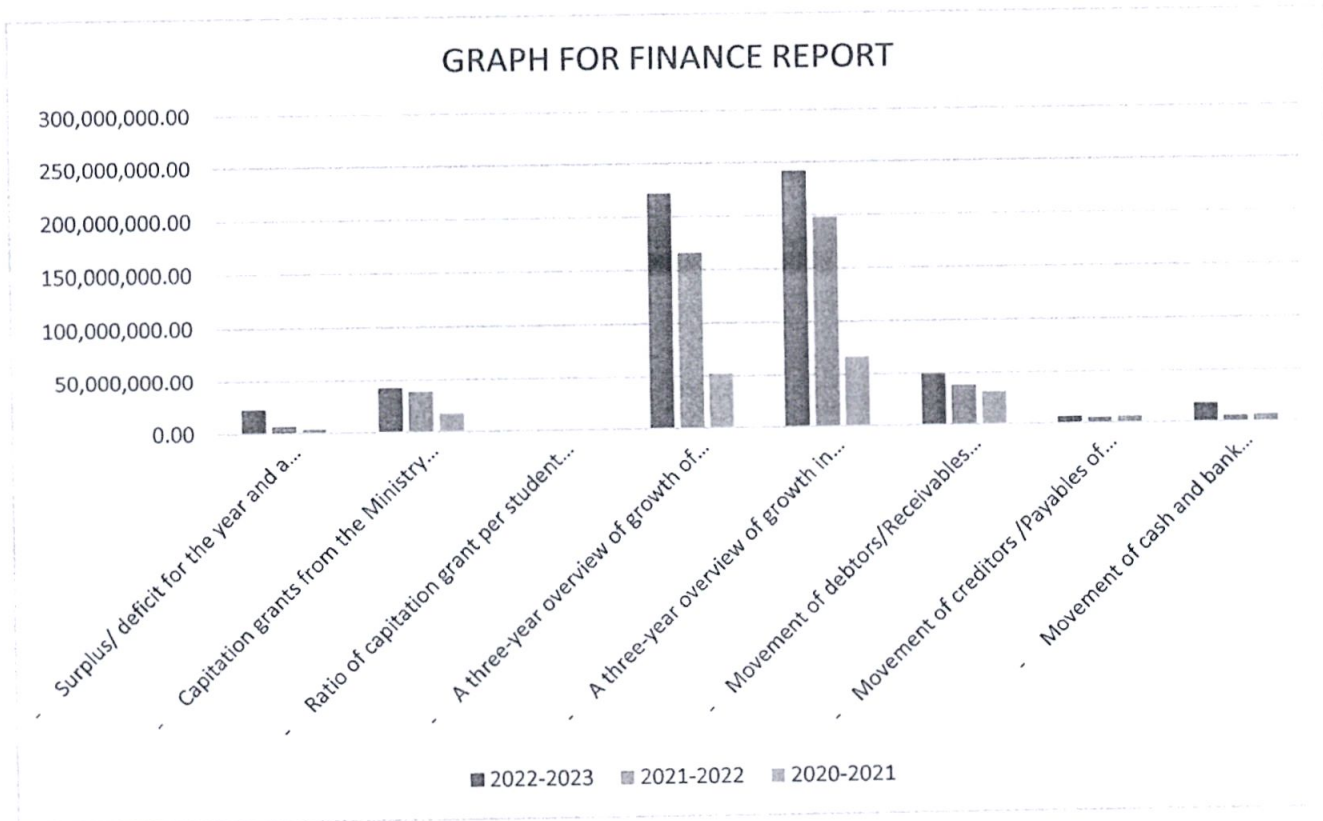
**(g)Independent Auditors**

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

### 3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:	2022-2023	2021-2022	2020-2021
- Surplus/ deficit for the year and a comparison of the same for the last three years	26,144,221.41	7,383,735.10	(1,229,193.20)
- Capitation grants from the Ministry of Education for the last three years	42,582,791.65	38,741,555.00	17,224,352.25
- Ratio of capitation grant per student over the last three years	22,244.00	18,503.82	8,363.13
- A three-year overview of growth of other income(s) earned by the school.	269,031,079.90	205,993,589.11	72,357,639.80
- A three-year overview of growth in expenditure of the school	242,886,858.49	198,609,854.01	74,579,598.00
- Movement of debtors/Receivables of the school over the last three years	50,062,049.00	38,193,792.00	31,325,053.00
- Movement of creditors /Payables of the school over the last three years	132,600.00	5,357,800.00	6,039,319.80
- Movement of cash and bank balances over the last three years	17,531,370.05	5,390,754.64	6,459,988.34



## a) Teacher Student ratio:

	2022-2023	2021-2022
<b>b) Teacher Student ratio:</b>		
The teacher to student ratio	1:38	1:29
Number of teachers recruited and posted to the school within the year	3	2
Number of teachers that were transferred/ retired during the period	5	6
Number of teachers employed by TSC	76	73
Number of teachers employed by BOM.	23	14
Number of teachers the school has for each subject in order to indicate shortage/ allocation of resources		
	<b>NO.of</b>	<b>NO.of</b>
<b>SUBJECTS</b>	<b>Teachers</b>	<b>Teachers</b>
KISWAHILI/HISTORY	5	5
ELECTRICITY	-	-
AVIATION	-	-
BIOLOGY/CHEMISTRY	8	7
ENGLISH/LITERATURE	12	12
KISWAHILI/CRE	5	4
MATHS/PHYSICS	10	7
FRENCH/ENGLISH	0	-
AGRICULTURE/BIOLOGY	3	3
GEOGRAPHY/MATHS	3	3
PHYSICS/CHEMISTRY	4	4
HISTORY/GEO	1	1
HISTORY/CRE	3	4
BUSINESS /GEOGRAPHY	1	4
MATHS/CHEMISTRY	5	5
GERMANY /CRE	1	1
BUSINESS/MATHS	4	4
WOODWORK/MATHS	1	1
DRAWING AND DESIGN/BC	1	1
COMPUTER/MATHS	1	1
COMPUTER/BUSINESS	1	1
KISWAHILI/GEOGRAPHY	4	3
MATHS/BIOLOGY	3	2
BIOLOGY/GEOGRAPHY	0	-
	<b>76</b>	<b>73</b>
<b>performance of the school for each over the last three years</b>		
No. of students that have since transitioned to institutions of higher learning.	569	482

Mean score	8.5	9.2
comment on improvement or otherwise as compared to the school's set score.	-0.7	-0.1
set score of c and above	531	473
Number of candidates sitting for KCSE over the last three years.	569	482
Number of students in the school	2943	2506
Dormitories	17	16
Dinning hall,	1	1
labolatories,	4	4
Toilets	70	60
Land with legal ownership	Available	Land title available
Other amenities.	1	1

**F). Development projects carried out by the school:**

PROJECT	SOURCE OF FUND	INITIAL COST	AMOUNT SPENT	EXPECTED COMPLETION TIME
CONSTRUCTION OF TWO STOREY CLASSROOMS(PRAMIG O HOLDING	M.I	15,338,260.00	14,968,460.00	1 <sup>ST</sup> SEPTEMBER 2023
CONSTRUCTION LAYING CABROS (COUNTY CONCRETE)	DEV	1,346,252.00	1,346,252.00	1 <sup>ST</sup> AUGUST 2023

Sign



School Principal



- *(Kabianga High school)*

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

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#### 4. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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

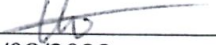
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

**Name:** Mr. Lazarus Koech  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 25/08/2023

**Name:** Mr. Ezekiel Kurgat  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 25/08/2023

**Name:** Mr. Korir Dennis  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 25/08/2023



# REPUBLIC OF KENYA



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Email: info@oagkenya.go.ke  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON KABIANGA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KERICHO COUNTY**

---

### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kabianga High School – Kericho County set out on pages 1 to 23, which comprise of the statement of assets and liabilities

as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and summary statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kabianga High School – Kericho 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. Unsupported Receipts**

The statement of receipts and payments reflects school fund income - other receipts of Kshs.37,224,890 as disclosed in Note 5 to the financial statements. However, the reported income was not supported by a detailed schedule of the incomes and issued student invoices.

In the circumstances, the accuracy and completeness of school fund income - other receipts of Kshs.37,224,890 could not be confirmed.

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

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.17,531,370 which includes bank balances totalling to Kshs.17,524,820 as disclosed in Notes 10 and 11 to the financial statements. However, the bank balances were not supported by cash books and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.17,531,820 could not be confirmed.

### **3. Accounts Receivables**

#### **3.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.50,062,049 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.50,062,049 could not be confirmed.

### **3.2 Long Outstanding Account Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.50,062,049 which includes fees arrears balance of Kshs.49,691,349 disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.32,996,258 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.50,062,049 could not be confirmed.

### **4. Unsupported Fixed Assets**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.773,931,664 in respect of fixed assets balance as at 30 June, 2023. However, the asset register maintained by the School had not been updated to include all assets and also did not reflect the assets historical costs.

In the circumstances, the accuracy and completeness of the non-current assets balance of Kshs.773,931,664 could not be confirmed.

### **5. Unsupported Inventory Balances**

Note 19 to the financial statements reflects stock/inventory balance of Kshs.8,012,870 as at 30 June, 2023. However, the inventory balance was not supported by stock take certificates and stock valuation reports. In addition, the reported opening balance of Kshs.6,028,289 is not in agreement with the prior year balance of Kshs.6,954,904 resulting in a variance of Kshs.926,615.

In the circumstances, the accuracy, completeness and existence of stock/inventory balance of Kshs.8,012,870 could not be confirmed.

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

The statement of budgeted versus actual amounts reflects actual receipts of Kshs.237,046,516 whereas, the statement of receipts and payments reflects actual receipts of Kshs.269,031,080 resulting in a variance of Kshs.31,984,564. Similarly, the statement of budgeted versus actual amounts reflects actual expenditure of Kshs.228,964,573 while the statement of receipts and payments reflects actual expenditure of Kshs.241,962,402 resulting in a variance of Kshs.12,997,829. The variances have not been reconciled.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kabianga High School Management in

accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.28,111,756 and Kshs.237,046,516 respectively, resulting to an excess-receipts of Kshs.25,741,611 or 14 % of the budget. However, the School spent a balance of Kshs.228,964,574 against actual receipts of Kshs.228,964,573, resulting to an under-utilization of Kshs.8,081,942 or 4 % of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were key audit matters to report in the year under review.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. 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.206,674,607 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,908,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective,

efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.1,908,000 could not be confirmed.

## **2. Excess Supply of Books**

During the year/period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed seven thousand seven hundred and fifty-six (7,756) books to the School in addition to an opening stock of two thousand four hundred and twenty eight (2,428) books. However only nine thousand four hundred and twenty-four (9,424) books were issued to the students, resulting to an unexplained excess text books of seven hundred and sixty (760) books in the School store. In addition, physical verification showed that textbook storage facilities were inadequate, resulting in the School storing the remaining textbooks in unsafe conditions. This exposes the textbooks to damage in the event of heavy downpours or water spillage during cleaning sessions.

In the circumstances, value for money on the excess seven hundred and sixty (760) text books could not be confirmed.

## **3. Under Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.6,858,022 and Kshs.35,724,770, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of two thousand, eight hundred and twenty (2,820) students while the enrolment records provided by the School indicated a total number of two thousand nine hundred and forty three (2,943) students, resulting to an unexplained variance of one hundred and sixteen (116) students. As a result of the variances, the School was under funded by an amount of Kshs.1,747,295.

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

## **4. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.42,582,792. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial period 2022/2023, NEMIS reflected two thousand, eight hundred and twenty-seven (2,827) students while records from the County Director of Education had two thousand eight hundred and twenty-seven (2,827) students, resulting to an underfunding of the School by an amount of Kshs.4,310,218. This was contrary to the Ministry of Education Circular

MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

#### **5. Failure to Prepare School Improvement Plan**

During the year/period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three (3) 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 Policy Guidelines.

#### **6. Irregular Prequalification of Suppliers**

During the year under review, management identified forty-three (43) categories of goods and services and prequalified a number of suppliers for each category. However, it was noted that twenty-nine (29) out of forty-three (43) categories of goods and services had fewer than three (3) suppliers, contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015, which states that requests shall be given to as many persons as necessary to ensure effective competition and shall be given to at least three (3) persons, unless that is not possible. No justification was provided as to why the number of registered suppliers for these categories was below the threshold of the regulations.

In the circumstances, Management was in breach of the Public Procurement and Asset Disposal Regulations, 2020.

#### **7. Over-Representation in the Board of Management**

The audit revealed that the County Director of Education and the TSC County Director attended board meetings alongside the nominated representative from the County Education Board as per Section 20(1)(b)(d) of the Basic Education Act, 2013. Their presence constituted overrepresentation in the Board of Management, as the County Education Board was already represented through the nominated person.

Additionally, it was observed that, other than the teacher elected to represent the teaching staff, two (2) additional teachers namely, the Deputy Principal Academics and the Deputy Principal Administration sat on the Board of Management. This is contrary to Section 56(1)(c) of the Basic Education Act, 2013, which states that the teaching staff will elect one(1) representative to the Board of Management.

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

The audit was conducted in accordance with the 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.646,935,610 in respect of fixed assets which includes land with a balance of Kshs.97,000,000. However, land ownership documents were not provided for audit.

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

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

During the year under review, the School had not constituted an audit committee and an Internal Audit Unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the Internal Audit Unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. In addition, the School's Board of Management had also not established a discipline, ethics and integrity committee and Human Rights and Student Welfare Committee contrary to Section 61(2) of the Basic Education Act, 2013

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

#### **3. Lack of Approved ICT Policy**

Review of the School ICT environment revealed that there was no formal approved ICT policy in place. Further, the School does not have a data security and disaster recovery plan in place. In addition, Management did not provide an ICT organization structure for audit review.

In the circumstances, the security and reliability of the School's data including the management information system could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

15 January, 2025


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	6,858,021.50	8,057,557.80
Capitation grants for operations	2	35,724,770.15	30,683,997.20
Infrastructure	3	00.00	00.00
School Fund Income- Parents' Contributions	4	189,223,398.00	134,507,466.00
School Fund Income- Other receipts	5	37,224,890.25	32,744,568.11
Proceeds from borrowings		00.00	00.00
<b>TOTAL RECEIPTS</b>		<b>269,031,079.90</b>	<b>205,993,589.11</b>
<b>PAYMENTS</b>			
Payments for Tuition	6	6,848,060.00	6,926,757.00
Payments for operations	7	20,676,527.60	33,787,775.95
Payments for Infrastructure	8	7,763,206.99	00.00
Boarding and school fund payments	9	206,674,606.90	157,895,321.06
<b>TOTAL PAYMENTS</b>		<b>241,962,401.49</b>	<b>198,609,854.01</b>
<b>SURPLUS/DEFICIT</b>		<b><u>27,068,678.41</u></b>	<b><u>7,383,735.10</u></b>

The school financial statements were approved on 30<sup>th</sup> June\_ 2023 and signed by:



Mr. Lazarus Koech



Mr. Ezekiel Kurgat



Mr. Korir Dennis

CHIEF PRINCIPAL  
KABIANGA HIGH SCHOOL  
25 AUG 2023  
TEL: 052-72021  
P. O. Box 18-20201, KABIANGA

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

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	17,524,820.05	5,380,454.64
Cash balances	11	6,550.00	10,300.00
<b>Total cash and cash equivalent</b>		<b>17,531,370.05</b>	<b>5,390,754.64</b>
Account's receivables	13	50,062,049.00	38,193,792.00
<b>Total financial assets</b>		<b>67,593,419.05</b>	<b>43,584,546.64</b>
<b>Financial liabilities</b>			
Accounts payables	14	(6,558,177.00)	(9,617,983.00)
<b>Net financial assets</b>		<b>61,035,242.05</b>	<b>33,966,563.64</b>
<b>Represented by</b>			
<b>Accumulated fund b/fwd</b>	15	33,966,563.64	26,582,828.54
<b>Surplus/deficit for the year</b>		27,068,678.41	7,383,735.10
<b>Net financial position</b>		<b>61,035,242.05</b>	<b>33,966,563.64</b>

The school's financial statements were approved on 25/08/2023 and signed by:



Name: Mr. Lazarus Koech  
Chair BOM  
Date: 25/08/2023



Name: Mr. Ezekiel Kurgat  
School Principal/ Secretary  
Date: 25/08/2023



Name: Mr. Korir Dennis  
Bursar/ Finance Officer  
Date: 25/08/2023

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

CHIEF PRINCIPAL  
KABIANGA HIGH SCHOOL  
25 AUG 2023  
2  
TEL: 052-72021  
P. O. Box 18-20201, KABIANGA

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		6,858,021.50	8,057,557.80
Government grants for operations		35,724,770.15	30,683,997.20
Government grants for infrastructure		0.00	00
School fund income- parents contributions/ fees		197,869,737.00	122,475,834.00
Other income		13,177,811.25	32,744,568.11
<b>Total receipts</b>		<b>253,630,339.90</b>	<b>193,961,957.11</b>
<b>Payments</b>			
Cash outflows for tuition		6,848,060.00	8,138,757.00
Cash outflows for operations		33,628,934.59	31,155,710.75
Cash outflows Boarding/lunch and school fund payments		201,012,729.90	155,736,723.06
<b>Total payments</b>		<b>241,489,724.49</b>	<b>195,031,190.81</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>12,140,615.41</b>	<b>(1,069,233.70)</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		0.00	0.00
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
<b>Net cash inflow/outflows from investing activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		0.00	1,435,256.00
Repayment of principal borrowings		0.00	(1,435,256.00)
<b>Net cash inflow/outflow from financing activities</b>		<b>0.00</b>	<b>00</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>12,140,615.41</b>	<b>(1,069,233.70)</b>
Cash and cash equivalent at beginning of 1 <sup>ST</sup> July 2022		5,390,754.64	6,459,988.34
<b>Cash and cash equivalent at end of 30<sup>th</sup> June 2023</b>		<b>17,531,370.05</b>	<b>5,390,754.64</b>

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

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

(Kabianga High school)

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

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The school's financial statements were approved on **25/08/2023** and signed by:



**Name: Mr.Lazarus Koech**

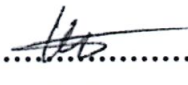
**Chair BOM**

**Date: 25/08/2023**



**Name: Mr.Ezekiel Kurgat**  
**School Principal/ Secretary to BOM**

**Date: 25/08/2023**



**Name: Mr .Korir Dennis**

**Bursar/ Finance Officer**

**Date: 25/08/2023**

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

**CHIEF PRINCIPAL**  
**KABIANGA HIGH SCHOOL**  
**25 AUG 2023**  
TEL: 052-72021  
P. O. Box 18-20201, KABIANGA

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
<b>Receipts</b>					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	9,945,600.00	0.00	9,945,600.00	6,858,021.50	69%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Other vote heads (p.e, ew&c, lt&t and adm.)	22,560,000.00	0.00	22,560,000.00	19,857,520.15	88%
Repairs And Maintenance	12,000,000.00	0.00	12,000,000.00	13,938,000.00	116%
Local Transport / Travelling					
Electricity And Water					
Medical/insurance	4,800,000.00	0.00	4,800,000.00	493,800.00	10%
Administration Costs					
Activity	3,600,000.00	0.00	3,600,000.00	1,435,450.00	40%
Smasse	480,000.00	0.00	480,000.00	0.00	0%

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
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE					
M&I parents' contribution	10,800,000.00	0.00	10,800,000.00	14,610,697.00	135%
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
<b>(4) Fees Charged on Parents</b>					
Other vote heads(p.e,ew&c,lt&t &adm.)	48,890,400.00	0.00	48,890,400.00	60,809,900.00	124%
Repairs And Maintenance	4,800,000.00	0.00	4,800,000.00	4,362,239.00	91%
Local Transport / Travelling					
Electricity And Water					
B.O.M teachers	3,600,000.00	0.00	3,600,000.00	4,520,249.00	91%
Administration Costs					
Activity	1,915,200.00	0.00	1,915,200.00	2,370,145.00	124%
SMASSE					
Fee On Boarding Equipment and Stores	72,924,000.00	0.00	72,924,000.00	92,497,538.00	127%
<b>5) Miscellenous Income</b>					
Loans / Borrowing					
Rent income					
Income From Farming Activities	12,619,560.00	0.00	12,619,560.00	12,922,811.25	102%
Insurance Compensation					
Income From Posho Mill					

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 Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
<b>Total Income</b>	<b>208,934,760.00</b>	<b>0.00</b>	<b>208,934,760.00</b>	<b>237,046,515.90</b>	<b>113%</b>
<i>(6) Expenditure For Tuition</i>					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	9,945,600.00	0.00	9,945,600.00	6,843,310.00	69%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
<i>(7) Expenditure For Operations</i>					
Other vote heads(p.e,ew&c,lt&t &adm.)	22,560,000.00	0.00	22,560,000.00	17,099,302.00	76%
Repairs, Maintenance & Improvements					
Local Transport / Travelling					

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
Electricity, Water and Conservancy					
Medical/insurance	4,800,000.00	0.00	4,800,000.00	1,305,506.00	27%
Administration Costs					
Activity Expenses	3,600,000.00	0.00	3,600,000.00	2,285,170.00	63%
Gratuity					
SMASSE	480,000.00	0.00	480,000.00	0.00	0%
<b>(8) Expenditure For infrastructure</b>					
Construction of 2 storey classrooms	12,000,000.00	0.00	12,000,000.00	12,952,406.99	108%
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Other vote heads(p.e,ew&c,lt&t &adm.)	48,890,400.00	0.00	48,890,400.00	61,058,578.00	125%
Repairs, Maintenance and Improvements	4,800,000.00	0.00	4,800,000.00	4,300,000.00	90%
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical Expenses					

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
B.O.M teachers	3,600,000.00	0.00	3,600,000.00	5,184,640.00	144%
Activity	1,915,200.00	0.00	1,915,200.00	2,479,070.00	129%
Gratuity					
Boarding Equipment and Stores	72,924,000.00	0.00	72,924,000.00	91,309,897.00	125%
Expenditure For Income Generating Activity	12,619,560.00	0.00	12,619,560.00	11,096,693.30	89%
Insurance Costs					
Other Expenses On Investments	10,800,000.00	0.00	10,800,000.00	13,050,000.00	120%
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
<b>Totals</b>	<b>208,934,760.00</b>	<b>0.00</b>	<b>208,934,760.00</b>	<b>228,964,573.29</b>	<b>110%</b>

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

- i. Over utilization on receipts of most voteheads occurs due to increase in school population, thus above 100%
- ii. Underutilization on expenditure of most voteheads occurs due to proper budget management, thus below 100%

## 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, im prest, 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.

*(Kabianga High school)*

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

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**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
Teaching / Learning Materials	6,858,021.50	8,057,557.80
<b>Total</b>	<b>6,858,021.50</b>	<b>8,057,557.80</b>

\*Include others as per MOE circulars

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Repairs And Maintenance	13,938,000.00	10,632,000.00
Medical/insurance	493,800.00	
Activity	1,435,450.00	
Other Vote Heads (P.E, EW&C,LT&T &ADM)	19,857,520.15	20,014,997.20
Rent		37,000.00
<b>Total</b>	<b>35,724,770.15</b>	<b>30,683,997.20</b>

\*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	00	00
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (development)	00	00
<b>Total</b>	<b>00.00</b>	<b>00</b>

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	4,362,239.00	6,076,210.00
Local transport / travelling		
Electricity and water		

Description	2022-2023	2021-2022
	Kshs	Kshs
Medical		
Bom Teachers	4,520,249.00	3,452,945.00
Activity	2,370,145.00	2,346,866.00
Fee on Boarding Equipment and stores	113,495,112.00	74,298,850.00
PA Levies*	3,665,753.00	
Others (P.E,EW&C,LT&T &ADM.)	60,809,900.00	48,332,595.00
<b>Total</b>	<b>189,223,398.00</b>	<b>134,507,466.00</b>

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

#### 5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	986,100.00	1,159,844.00
Income From Farming Activities	12,071,864.25	10,631,617.11
Development Income	14,610,697.00	18,611,108.00
Salary advance		547,000.00
Income From Bus Hire	155,000.00	
Fee refund	6,370,229.00	71,000.00
Tender		155,000.00
Teachers Trip	3,031,000.00	
PA Welfare		1,142,699.00
CBC Training		426,300.00
<b>Total</b>	<b>37,224,890.25</b>	<b>32,744,568.11</b>

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

\*Ensure proper authorization from MOE before obtaining loans/borrowings.

\*Indicate what other income relates to including income arising from writebacks if any.

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching / Learning Materials	6,843,310.00	6,924,707.00
Bank Charges	4,750.00	2,050.00
<b>Total</b>	<b>6,848,060.00</b>	<b>6,926,757.00</b>

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Service Gratuity	80,000.00	
Rent		59,500.00
Repairs And Maintenance & Improvements		13,262,809.20
Bank charges	6,549.60	56,614.75
Medical /Insurance Cost	1,305,506.00	550,867.00
Activity Expenses	2,285,170.00	
Others (p.e, ew&c,lt&t &adm.)	16,999,302.00	19,857,985.00
<b>Total</b>	<b>20,676,527.60</b>	<b>33,787,775.95</b>

## Notes to the Financial Statements (continued)

## 8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of 2 storey classrooms	7,758,827.00	00
Construction of laboratory		
Construction of dormitory		
Others (bank charges)	4,379.99	00
<b>Total</b>		<b>00</b>

## 9 Boarding and School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Activity	2,479,070.00	2,375,136.00
Service Gratuity	334,250.00	
Repairs And Maintenance & Improvements	4,300,000.00	5,132,431.00
Savings	177,000.00	
Development Expenses		18,603,919.00
Joint Exams	597,000.00	
Fees Refund	6,735,277.00	
Bank Charges	77,165.75	27,404.35
Expenses On Income Generating Activities**	10,072,511.15	10,407,722.71
Fee On Boarding Equipment and Stores	103,237,819.00	61,375,486.00
Rent Expenses	1,104,380.00	2,037,410.00
Insurance Cost (bus)	52,000.00	690,750.00
Medical	205,780.00	
Tender	220,690.00	220,666.00
Salary Advance		457,000.00
Fees Prepayments	4,260,183.00	5,162,893.00
Bus Expenses		65,000.00
Teachers Trip	3,031,000.00	
PA expenses	3,547,263.00	1,116,490.00
Bom Teachers Salaries	5,184,640.00	2,565,330.00
CBC Training		426,300.00
Others (pe,ewc,ltt&,adm)	61,058,578.00	47,231,383.00
<b>Total</b>	<b>206,674,606.90</b>	<b>157,895,321.06</b>

(Kabianga High school)

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

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(Expenses on income generating activities\*\* should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1103521926	24,379.05	14,417.55
Operations Account	Active	1103523791	3,177,340.55	16,948.00
School Fund Account/Boarding	Active	1103489127	374,872.34	1,652,657.94
Savings Account	Active	1102299812	1,726,330.65	3,190,825.65
Parent Association Development Account	Active	1288315473	118,490.00	26,209.00
Income Generating Activities Account	Active	0280290950527	281,711.11	455,593.16
Infrastructural Account	Active	1164934813	11,821,696.35	23,803.34
<b>Total</b>			<b>17,524,820.05</b>	<b>5,380,454.64</b>

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	6,550.00	10,300.00
<b>Total</b>	<b>6,550.00</b>	<b>10,300.00</b>

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

## Notes to the Financial Statements (continued)

## 13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	49,691,349.00	38,193,792.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	313,700.00	0
Imprest (list/schedule attached)	15,000.00	0
Rent arrears (list/schedule attached)	42,000.00	0
<b>Total</b>	<b>50,062,049.00</b>	<b>38,193,792.00</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	16,695,091.00	34%	9,649,827.00	25%
Between 1- 2 years	9,649,827.00	19%	1,440,353.00	4%
Between 2-3 years	1,440,353.00	3%	2,458,350.00	6%
Over 3 years	21,906,078.00	44%	24,645,262.00	65%
<b>Total (should tie to note 13 a)</b>	<b>49,691,349.00</b>	<b>100%</b>	<b>38,193,792.00</b>	<b>100%</b>

## 14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	132,600.00	5,357,800.00
Prepaid Fees	6,425,577.00	4,260,183.00
Retention Monies	0	0
Unpaid salaries and statutory deductions	0	0
Caution money	0	0
Other payables ( <i>specify</i> )	0	0
<b>Total</b>	<b>6,558,177.00</b>	<b>9,617,983.00</b>

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current 2022-2023	% of the total	Comparative 2021-2022	% of the total
Less than 1 year	132,600.00	100%	5,357,800.00	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
<b>Total (should tie to note 14)</b>	<b>132,600.00</b>	<b>100%</b>	<b>5,357,800.00</b>	<b>100%</b>

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	17,524,820.05	5,380,454.64
Cash Balances	6,550.00	10,300.00
Short Term Investments	0	0
Receivables	50,062,049.00	38,193,792.00
Payables	(6,558,177.00)	(9,617,983.00)
<b>Total</b>	<b>61,035,242.05</b>	<b>33,966,563.64</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	00.00	00.00
Outstanding Leases	00.00	00.00
Hire Purchase	00.00	00.00
Gratuity And Leave Provision	00.00	00.00
Others (specify)	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

**17 Biological assets**

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	32	1,920,000.00	1,860,000.00
Pigs	16	120,000.00	75,000.00
Trees	12,000	600,000.00	125,000.00
Tea Plantation	120,000	1,200,000.00	1,200,000.00
<b>Total</b>		<b>3,840,000.00</b>	<b>3,260,000.00</b>

**18 Borrowings**

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings at beginning of the year	00	00
Borrowings during the year	00	1,435,256.00
Repayments during the year	00	1,435,256.00
<b>Balance at the end of the year</b>	<b>00.00</b>	<b>00.00</b>

Other important disclosure notes

19 Stock/ Inventory


Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	4,332,000.00	3,315,562.00
Lab consumables	997,130.00	723,394.00
Farm produce	173,980.00	120,565.00
Medication	67,900.00	60,282.00
Construction Materials	2,441,860.00	1,808,486.00
Others (specify)	0.00	0.00
	<b>8,012,870.00</b>	<b>6,028,289.00</b>

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

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

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

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

-----  
  
Sign and Date  
Principal

**CHIEF PRINCIPAL**  
KABIANGA HIGH SCHOOL  
**25 AUG 2023**  
TEL: 052-72021  
P. O. Box 18-20201, KABIANGA

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
CBC Classroom	788,220.00	16 <sup>TH</sup> May 2022	655,620.00	132,600.00	00.00	
1.						
2.						
Sub-Total						
<b>Supply Of Goods</b>						
3.						
4.						
Sub-Total						
<b>Supply Of Services</b>						
5.						
6.						
7.						
Sub-Total						
<b>Grand Total</b>				<b>132,600.00</b>	<b>00.00</b>	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
Land	97,000,000.00	00	00	97,000,000.00
Buildings And Structures	500,000,000.00	19,531,302.80	00	519,531,302.80
Motor Vehicles	18,000,000.00	00	00	18,000,000.00
Office Equipment, Furniture And Fittings	2,000,000.00	200,000.00	00	2,200,000.00
Textbooks	10,415,000.00	3,500,000.00	00	13,915,000.00
ICT Equipment	1,500,000.00	00	00	1,500,000.00
Tools And Apparatus	110,125,304.00	00	00	110,125,304.00
Other Machinery And Equipment	3,000,000.00	00	00	3,000,000.00
Heritage And Cultural Assets	1,200,000.00	00	00	1,200,000.00
Intangible Assets- Soft Ware	7,460,050.00	00	00	7,460,050.00
<b>Total</b>	<b>750,700,361.00</b>	<b>23,231,302.80</b>		<b>773,931,663.80</b>

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