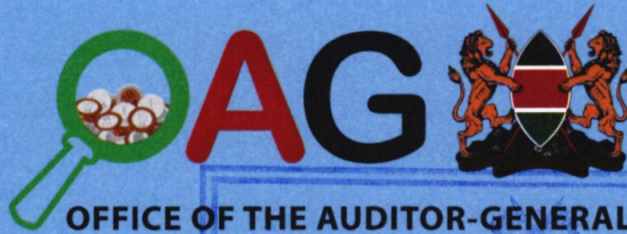


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 NOV 2024

DAY:

TUE

REPORT

BY:

HONI. NAOMI WAGDO MP
DEP. MAJORITY PARTY WHIP

CLERK AT
TABLE:

OF

MERCY CHUMBO



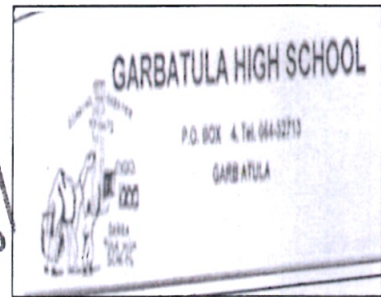
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THE AUDITOR-GENERAL

ON

**GARBATULLA BOYS HIGH SCHOOL
FOR THE YEAR ENDED
30 JUNE, 2023**

ISIOLO COUNTY



GARBATULLA

High School

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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



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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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. BISHOP DAVID KAIGA 2. NTARARA H. KIRIMI 3. YUSSUF WARABO 4. JAFAR GALGALO 5. MARIAM HUKA	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	1
2	Audit Committee	1. STANLEY MUGATHIA 2. JAFAR HALAKE 3. MARIAM HUKA 4. MOHAMED ABKULA 5. HADIJA DIBA	CHAIRPERSON	1
3	Finance, procurement and general purposes Committee	1. MUMINA GOBO 2. DAVID MAWIRA 3. STANLEY MUNGATIA 4. BILQUESS INGRID	CHAIRPERSON	1
4	Academic Committee	1. BILQUESS INGRID 2. WAKO ADAN 3. EDIN DIBA SALESA 4. HUSSEIN LELI 5. MOHAMED WAKO KOSI	CHAIRPERSON	1
5	Development Committee	1. MUMINA GOBO 2. DAVID MAWIRA	CHAIRPERSON	1

GARBATULLA HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

		3. STANLEY MUNGATIA 4. BILQUEES INGRID		
6	Discipline and welfare Committee	1. MUMINA ABDI DOKE 2. HALIMA ALI 3. EDIN DIBA SALESA 4. SHEIKH ABDULLAHI SAMA 5. YUSSUF WARABO	CHAIRPERSON	1
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	NTARARA H. KIRIMI	TSC No. 260639
2	Deputy Principal	AMBROSE SALESA	TSC No. 548570
3	School Bursar	MOHAMED MURSALE	ID No. 24882716

(e) Schools contacts

Post Office Box: 4-60301 GARBATULLA
Telephone: 0721 951 819
E-mail: garbatullaschool@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers**TUITION ACCOUNT**

Name of Bank: KCB
Branch MAUA
Account Number. 1103254715

SCHOOL MAIN ACCOUNT

Name of Bank: KCB
Branch MAUA
Account Number. 1103253522

INFRASTRUCTURE ACCOUNT

Name of Bank: KCB
Branch MAUA
Account Number. 1212796225

OPERATION ACCOUNT

Name of Bank: CONSOLIDATED
 Branch ISIOLO
 Account Number. 10101203000006

(g) Independent Auditors

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

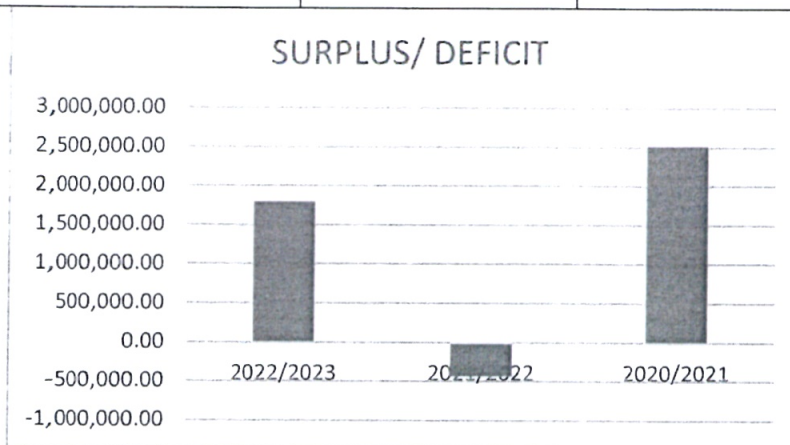
3. Summary Report of Performance of The School

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**

	2022/2023	2021/2022	2020/2021
SURPLUS/ DEFICIT	1,803,935	(547,333)	2,523,215

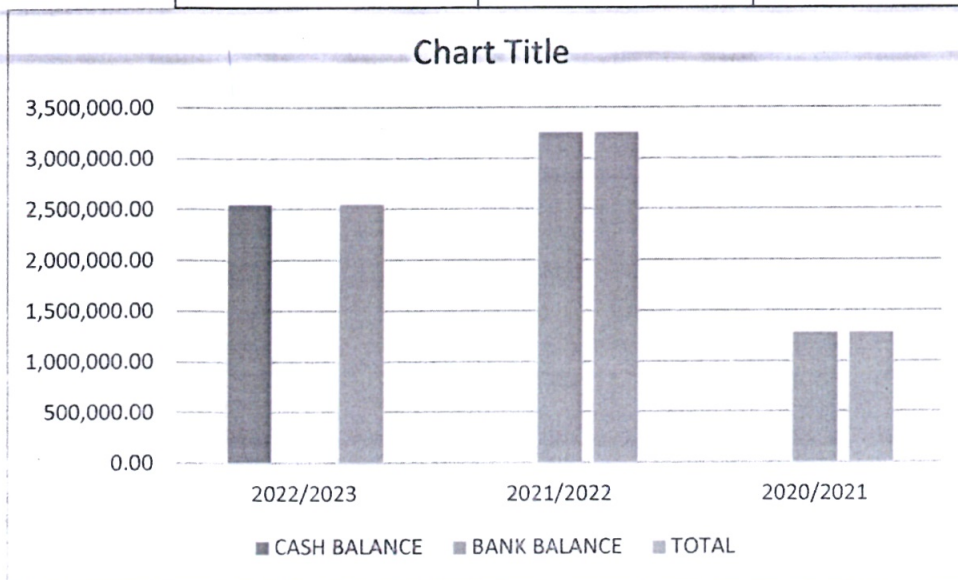


- **Capitation grants from the Ministry of Education for the last three years**

	2022/2023	2021/2022	2020/2021
TUITION AC	327,609	396,911	131,578
OPERATION AC	1,001,759	1,205,337	824,721
INFRASTRUCTURE	503,000	533,000	
TOTAL	1,832,368	2,125,248	956,298

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

	2022/2023	2021/2022	2020/2021
CASH BALANCE	2,551,612	1,360	1,472
BANK BALANCE	3,784	3,258,737	1,286,812
TOTAL	2,555,396	3,260,097	1,288,284



b) Teacher Student ratio:

Subject	ENG	KISW	MATH	BIO	CHEM	PHYS	AGRI	B/S	HIST	CRE	COMP
No. of TSC Teachers	1	1	1	1	1	1	1	1	1	1	1
No. of BOM Teachers	0	0	0	1	0	0	0	0	0	0	0
Surplus											
Shortage	0	0	0	1	0	0	1	0	0	0	0

c) Mean score in the 2021-2019 KCSE:

YEAR	KCSE MEAN SCORE	No. of student that have managed transitioned to institution of higher learning	COMMENT
2021	4.22 D+	2 University	MEAN DROPPED
2020	5 C-	6 University	AVERAGE
2019	4.8 C-	6 University	AVERAGE

d) Number of Candidates in the 2021 - 2019 KCSE:

YEAR	2021	2020	2019
NO.OF CANDIDATES	41	23	20

e) Capacity of the school:

Facility	Available Infrastructure	Quantity Required	Infrastructure Gap	Comment
Classroom	13	13		Adequate
Science laboratories	3	3		Adequate
Computer lab	1	1		Adequate
Dining hall	1	1		Adequate
Dormitories	1	1		Adequate
Modern laboratories	1	1		Adequate
Pitches	1	1		Adequate
School bus	1	1		Adequate
Student toilet	19	19		Adequate
Student bathroom	4	4		Adequate

GARBATULLA HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

Staff washroom	4	4		Adequate
Water tank storage	6	6		Adequate
Department office	3	3		Adequate
Boardroom	1	1		Adequate
Staffroom	1	1		Adequate
Staff houses	11	11		Adequate

f) Development projects carried out by the school:

There was no developing project carried out during this financial year.

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time


 THE SECRETARY
School Principal
 09 AUG 2024
 PRINCIPAL BOM,
 P.O. BOX 4, GARBATULLA.

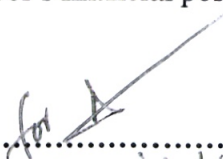
4. Statement of School Management Responsibility

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 (PSASB) of Kenya from time to time.

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


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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

.....
for 
Name: David Kaiga
Designation: Chairman, School Board of Management
Date: 09/08/24

.....

Name: 
Designation: School Principal & Secretary to Board of Management
Date: 09/08/2024

.....

Name: Mohamednoor M.
Designation: Bursar/ Finance Officer
Date: 9/9/2024

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON GARBATULLA BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - ISIOLO 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 Garbatulla Boys High School - Isiolo County set out on pages 1 to 22, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023 and the statement of receipts and payments,

Report of the Auditor-General on Garbatulla Boys High School for the year ended 30 June, 2023 - Isiolo County

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 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 Garbatulla High School - Isiolo 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. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects payments for infrastructure of Kshs.2,259 while the statement of cash flows reflects a nil balance resulting in unreconciled variance of Kshs.2,259. Further, the statement of cash flows reflects total payments of Kshs.8,825,409. However, recasting of the payments amounts to Kshs.8,908,663 resulting in unexplained and unreconciled variance of Kshs.83,254.

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

2. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects bank and cash balances of Kshs.2,551,612 and Kshs.3,784 both totalling to Kshs.2,555,396 as disclosed in Notes 10 and 11 to the financial statements. However, the balances were not supported with certificate of bank balances, bank reconciliation statements and board of survey report.

In the circumstances, the accuracy and completeness of bank and cash balances of Kshs.2,555,396 could not be confirmed.

3. Unsupported Accounts Payable

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.4,632,792 as disclosed in Note 14 to the financial statements. However, the aging analysis and detailed ledger in support of accounts payable balance were not provided for audit.

In the circumstances, the accuracy of accounts payable balance of Kshs.4,632,792 could not be confirmed.

4. Long Outstanding Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.25,021,259. The balance includes arrears totalling to Kshs.21,932,830

that had been outstanding for more than one (1) year. However, there was no policy on impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and recoverability of arrears totalling to Kshs.21,932,830 could not be confirmed

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 1 December, 2023 instead of the statutory deadline of 30 September 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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 payment for operations of Kshs.1,208,653 as disclosed in Note 7 to the financial statements. Included in the amount

is Kshs.152,000 transferred to Kenya Secondary Schools Heads Association (KSSHA). 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 152,000 could not be confirmed.

3. Non-Compliance with the Public Procurement and Assets Disposal Act, 2015

Review of the school procurement records revealed that during the year under review, the school did not have a procurement plan. This was contrary to Section 44(2)(c) of Public Procurement and Asset Disposal Act, 2015 which requires entities to have in place procurement and asset disposal plans that are based on indicative or approved budgets which shall be integrated with the applicable budget process.

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

4. Lack of School Development Plan

During the year under review, the school did not have a school development plan as required by Section 2.2. of the Operation manual for utilization for Learner Capitation Grant and Other Schools Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four keys areas which include curriculum implementation for learning and parental involvement and community engagement for implementation.

In the circumstances, the effectiveness of Management implementation of School Improvement plan could not be confirmed.

5. Excess Supply of Textbooks

Physical inspection of the school library, revealed that various text books of undisclosed value delivered to the school from year 2018/ 2019 had not been issued to students as at 30 June 2024. Further the storage space was poorly maintained exposing the books to damage from leaking roof. In addition, the list of undistributed books and the stock taking report for text books for the year under review were not provided for audit.

In the circumstances, value for money on the excess text books could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion 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. Weak Governance System

During the year under review, the Board of Management held only one (1) meeting contrary to Section 6(1) of the Basic Education Act, 2013 which states that a Board of Management shall meet at least once every four months. Further, examination of individual personal files of the members of the Board of Management revealed that details such as academic qualifications, appointment letters and Curriculum vitae (CVs) were missing in their files.

In the circumstances, the effectiveness of the school governance system could not be confirmed.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.119,800,000 in respect of fixed assets which includes land with a balance of Kshs.20,000,000 and motor vehicles with a balance of Kshs.16,500,000. However, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the ownership of land and motor vehicles 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 controls, 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 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

31 October, 2024

GARBATULLA HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	327,609	396,911
Government grants for operations	2	1,001,759	1,205,337
Government Grants for infrastructure	3	503,000	523,000
School fund income- parents' contributions	4	6,552,139	4,608,178
Miscellaneous incomes	5	2,330,800	-
Total Receipts		10,715,307	6,733,426
Payments			
Tuition	6	497,503	452,983
Operations	7	1,208,653	862,478
Infrastructure	8	2,259	252
Boarding and school fund	9	7,202,507	5,965,047
Total Payments		8,910,922	7,280,760
Surplus/Deficit		1,804,385	(547,333)

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

.....
[Signature]

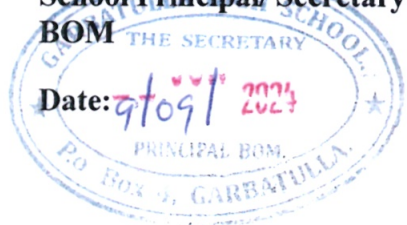
Name: David Kang'

Chair BOM

Date: 09/08/24

.....
[Signature]

Name: Rutha Davis
 School Principal/ Secretary to BOM



.....
[Signature]

Name: Mohamednar. M.

Bursar/ Finance Officer

Date: 9/9/2024

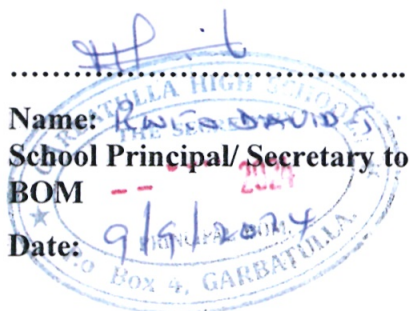
7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,551,612	3,258,737
Cash balances	11	3,784	624
Short term investments	12	-	-
Total cash and cash equivalent		2,555,396	3,259,361
Account's receivables	13	25,021,259	22,366,466
Total financial assets		27,576,655	25,625,826
Financial liabilities			
Accounts payables	14	4,632,792	4,485,897
Net financial assets		22,943,863	21,139,929
Represented by			
Accumulated fund b/fwd	15	21,139,929	21,567,342
Surplus/deficit for the year		1,804,385	(427,413)
Net financial position		22,944,314	21,139,929

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

.....
 Name: David Keiga
 Chair BOM
 Date: 09/08/24

.....
 Name: *[Signature]*
 School Principal/ Secretary to
 BOM
 Date: 9/9/2024



.....
 Name: Mohamednoor M.
 Bursar/ Finance Officer
 Date: 9/9/2024

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		327,609	396,911
Government grants for operations		1,001,759	1,205,337
Government grants for infrastructure		503,000	523,000
School fund income- parents contributions/ fees		6,552,139	4,608,178
Miscellaneous incomes		2,330,800	-
Total receipts		10,715,306.75	6,733,426
Payments			
Cash outflows for tuition		497,503	452,983
Cash outflows for operations		1,208,653	862,478
Cash outflows Boarding/lunch and school fund payments		7,202,507	5,965,047
Total payments		8,825,409	7,280,508
Net cash inflow/outflow from operating activities		1,806,644	(547,082)
Cash flow from investing activities			
Acquisition of assets			-
Proceeds from sale of Assets			-
Proceeds from investments			-
Purchase of investments			-
Net cash inflow/outflows from investing activities			-
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		-
Repayment of principal borrowings			-
Net cash inflow/outflow from financing activities			-
Net increase/decrease in cash and cash equivalents		1,806,644	(547,082)
Cash and cash equivalent at beginning of the FY		3,304,267	3,851,349
Cash and cash equivalent at end of the FY		5,110,911	3,304,267

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	e=a+b	d	e=d/e %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	587,500		587,500	160,000	27%
Medical	-		-	-	
Administration Costs	587,500		587,500	14,080	2%
Activity Expenses	425,000		425,000	-	
Gratuity	-		-	200,000	
SMASSE	-		-	-	
Total	4,525,000		4,525,000	1,208,623	38%
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
BANK CHARGES				2,259	
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	2,174,250		2,174,250	407,400	35%
Repairs, Maintenance and Improvements	500,000		500,000	40,391	8%
Local Transport / Travelling	122,000		122,000	564,150	46%
Electricity, Water and Conservancy	975,000		975,000	228,225	26%

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
Medical Expenses	-		-	-	
Administration Costs	850,000		850,000	489,651	57%
Activity	199,500		199,500	542,400	271%
Gratuity	-		-	61,382	
Lunch Programme	-		-	-	
Boarding Equipment and Stores	7,596,250		7,596,250	2,730,069	35%
Expenditure For Income Generating Activity	-		-	-	-
Insurance Costs	-		-	2,108,000	-
Other Expenses On Investments	-		-	-	-
Rent Expenses	-		-	30,739	-
Bank Charges	-		-	-	-
Loan Interest Repayment	-		-	-	-
Loan Principal Repayment	-		-	-	-
Acquisition Of Assets	-		-	-	-
Totals	12,417,000		12,417,000	4,995,798	40%

- i. Inflation Of Price Commodities
- ii. Late Grant Remittance
- iii. Poor Fees Paymen

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 30th June 2023.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teacher Guide	32,760	39,692
Exercise Books	98,582	119,072
Laboratory Equipment	81,702	99,228
Internal Exams	49,143	59,538
Teaching / Learning Materials	65,522	79,381
Others (specify)*	-	-
Total	327,609	396,911

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	283,018	361,599
Repairs And Maintenance	-	-
Local Transport / Travelling	166,260	180,804
Electricity And Water	213,238	241,067
Medical	11,000	-
Administration Costs	213,238	241,067
Activity	115,005	180,800
Other Vote Heads (specify)*	-	-
Total	1,001,759	1,205,337

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	503,000	523,000
Transition infrastructure grants		-
Administration Block		-
Economic stimulus grants		-
Other (specify)(NGCDF and County govt.		-
Total	503,000	523,000

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	309,551	386,500
Repairs and maintenance	145,800	308,900
Local transport / travelling	215,112	342,800
Electricity and water	271,600	403,200
Medical	13,568	61,510
Administration costs	192,725	181,145
Activity	85,794	188,340
Fee on Boarding Equipment and stores	5,317,989	2,735,783
PA Levies*	-	118,200
Others (specify) TSC Seminar	-	-
Total	6,552,139	4,726,378

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	2,310,800	2,000
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	20,000	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	2,330,800	2,000

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	-	198,900
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	315,025	198,285
Teaching / Learning Materials	178,860	29,080
Exams And Assessment	-	25,500
Teachers Guides	-	-
Bank Charges	3,618	1,218
Others (<i>specify</i>)	-	-
Total	497,503	452,983

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	834,573	725,208
Service Gratuity	200,000	50,000
Administration Cost	14,080	7,270
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	160,000	80,000
Medical	-	-
Activity Expenses	-	-
Insurance Cost	-	-
Others (<i>specify</i>)	-	-
Total	1,208,653	862,478

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify) Bank charges	2,259	252
Total	2,259	252

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	407,400	910,479
Service Gratuity	61,382	-
Repairs And Maintenance & Improvements	40,391	212,265
Local Transport / Travelling	564,150	403,924
Electricity And Water	228,225	144,950
Medical Expenses	-	-
Administration Costs	489,651	711,644
Lunch Programme	-	-
Activity	542,400	-
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	2,730,069	3,162,065
Rent Expenses	30,739	318,200
Insurance Cost (<i>Life Property</i>) IGBE	2,108,100	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
TSC Seminar	-	99,800
Others (specify)	-	-
Total	7,202,507	5,963,328

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		1103254715	123,925	214,793
Operations Account		10101203000006	284,188	589,434
School Fund Account/Boarding		1103253522	1,355,587	983,836
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account		1212796225	2,007,913	1,470,673
Total			2,551,612	3,258,737

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	3,784	1,360
Total	3,784	1,360

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	25,021,259	22,366,466
Other Non-Fees Receivables		-
Salary Advances (list/schedule attached)		-
Imprest (list/schedule attached)		-
Rent arrears (list/schedule attached)		-
Total	25,021,259	22,366,466

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	3,088,428	12%	444,290	2%
Between 1- 2 years	10,655	0.04%	690,822	3%
Between 2-3 years	690,822	2%	21,231,353	5%
Over three years	21,231,353	0%	-	%
Total (should tie to note 13 a)	25,021,258	98%	22,366,466	99 %

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	4,452,987	4,306,092
Prepaid Fees	179,805	179,805
Retention Monies		-
Unpaid salaries and statutory deductions		-
Caution money		-
Other payables (<i>specify</i>)		-
Total	4,632,792	4,485,897

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	146,895	%	444,482	%
Between 1- 2 years	444,482	%	-	%
Between 2-3 years	-	%	3,861,610	%
Less paid	3,861,610	%	-	%
Total (should tie to note 14)	4,452,987	%	4,306,092	%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	3,258,736	1,286,812
Cash Balances	624	1,472
Short Term Investments	-	-
Receivables	22,366,466	24,140,669
Payables	4,485,897	3,861,610
Total	21,139,929	21,567,342

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	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	-	-	-
Goats	-	-	-
Trees	-	-	-
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	-	-	-

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023 Kshs	2021-2022 Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-

Description	2022-2023 Kshs	2021-2022 Kshs
b) Inventory		
Stock/ inventory at beginning of the year	466,930	566,430
Stock/ inventory purchased during the year	800,500	900,500
Stock/ inventory issued during the year	1,500,000	1,000,000
Balance at end of the year	232,570	466,930

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	20,000,000			20,000,000
Buildings And Structures	80,000,000			80,000,000
Motor Vehicles bus	13,000,000			13,000,000
Motor Vehicle school van	3,500,000			3,500,000
Office Equipment, Furniture And Fittings	2,000,000			2,000,000
Textbooks	200,000			200,000
ICT Equipment	500,000			500,000
Tools And Apparatus	400,000			400,000
Other Machinery And Equipment	200,000			200,000
Heritage And Cultural Assets	-			-
Intangible Assets- Soft Ware	-			-
Total	119,800,000			119,800,000