

REPUBLIC OF KENYA



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REPORT


OF

THE AUDITOR-GENERAL

ON

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

ISIOLO COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2025	
DAY: Tuesday	
TABLED BY:	Hon. Owen Bayar, MP Deputy Majority Leader
CLERK-AT THE-TABLE:	Getnude Chebet

OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE- ISIOLO

19 JUL 2023

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P. O. Box 1027- 60300, ISIOLO

Revised 30th June 2023.



(Add your School Logo)

**SERICHO SECONDARY SCHOOL
PUBLIC SECONDARY 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)

Table of Contents	Page
1. Acronyms and Glossary of Terms.....	ii
2. Key School Information and Management.....	iii
3. Summary Report of Performance of The School.....	viii
4. Statement of School Management Responsibility.....	xi
5. Report Of The Independent Auditors (<i>To be attached</i>).....	xii
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2023.....	1
7. Statement of Assets and Liabilities As At 30 th June 2023.....	2
8. Statement of Cash Flows for the Year Ended 30 th June 2023.....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2023.....	5
10. Significant Accounting Policies.....	10
11. Notes To The Financial Statements.....	12
12. Annexes.....	22

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

(a) Background information

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

The school was registered in 28/03/2012 under registration number PU/2/S7080/12 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day school and had xxx number of students as at 30th June 2023. It has triple/double streams and 20 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Hassan Galicha	Chairman	09/07/2022
2	Huqa Ali	Secretary - Principal	09/07/2022
3	Jamila Hillolwe	Member	09/07/2022
4	Abdikheir wako	Member	09/07/2022
5	Abdikadir kanu	Member	09/07/2022
6	Zetuna hussein	Member	09/07/2022
7	Issa Mohamed	Member	09/07/2022
8	Fozia osman	Member – Rep CEB	09/07/2022
9	Yussuf mohamed	Member Rep Teachers	09/07/2022
10	Abdi abkiyo	3 Members - Sponsor	09/07/2022
11	Hassan hajj gonjobe	Member - Community	09/07/2023
12	Hassan Alinoor	Member Special Needs	09/07/2022
13	Khadija Halwa	Rep Students	09/07/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Hassan Golicha 2.Huqa Ali 3.Jamila Hilolwe	Chairman Secretary Member	2 out of 3 2 out of 3 2 out of 3
2	Audit Committee	1.Issa Mohamed 2.Fauzia Abdullahi 3.Hassan Hajj Gonjobe	Chairman member member	1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	1.Zeituna Chairperson 2.Hassan Alinoor 3.Abdikadir Kanu	Chairperson Member Member	1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	1.Abdi Abkiyo 2.Issa Mohamed 3.Yussuf Mohamed	Chairman Member Member	1 out of 1 1 out of 1 1 out of 1
5	Development Committee	1.Hassan A linoor	Chairman	1out of 1

		2.Abdikadir Kanu	Member	1 out of 1
		3.Sara Sora	Member	1 out of 1
6	Discipline and welfare Committee	1.Hassan Hajj Gonjobe	Chairman	1 out of 1
		2.Yussuf Mohamed	Member	1 out of 1
		3.Abdikheir wako	Member	1 out of 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	HUQA ALI HUQA	TSC No.476879
2	Deputy Principal	ABDI ALI ABDI	TSC No.519009
3	School Bursar	AHMED ALI	ICPAK No.
4	Other (specify)		

(e) Schools contacts

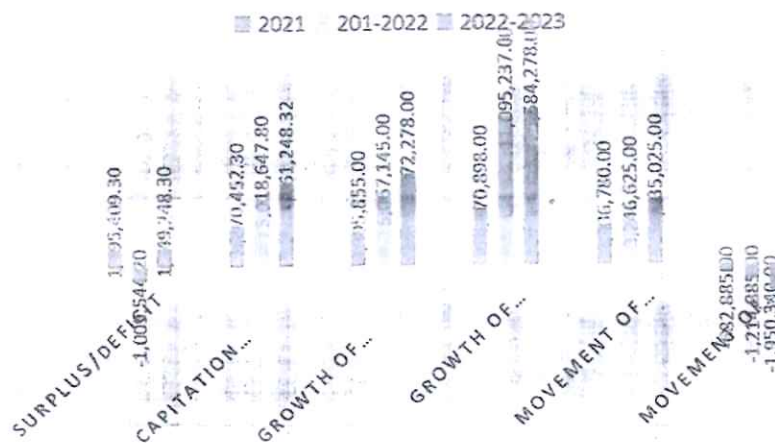
3. Summary Report of Performance of The School

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

a) Financial performance:

Column1	2021	201-2022	2022-2023
surplus/deficit	1,295,409.30	-1,009,544.20	1,349,248.30
Capitation Grant from MOE	3,070,452.30	5,018,647.80	6,161,248.32
Growth of Other income	2,395,855.00	5,067,145.00	6,772,278.00
Growth of Expenditure of the school	4,170,898.00	11,095,237.00	11,584,278.00
Movement of Debtors	2,936,780.00	3,246,625.00	4,835,025.00
Movement of Creditors	-682,885.00	-1,214,885.00	-1,950,340.00

FINANCIAL PERFORMANCE



b) Teacher Student ratio:

The school has 15 TSC teachers all male. 5 BOM Teachers, one female the rest male. the teacher student ratio stands at 1:26

c) Mean score in the 2023 KCSE:

KCSE 2022, School attained a mean score of 6.21 a slight decline previous of 6.75

d) Number of Candidates in the 2023 KCSE:

KCSE YEAR	2020	2021	2022	2023
NO. OF CANDIDATES	55	80	92	127

e) Capacity of the school:

The total enrolment of the school is 520. The classrooms available are 11, a single science laboratory, a dining hall, 10 boys latrines and 8 girls latrines

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Chair and locker purchase	Maintenance and improvement	Done	384,000.00	384,000.00	nil
Repair of classroom	Maintenance and improvement	Done	384,800.00	384,000.00	nil

.....
 School Principal

SECRETARY BOARD OF MANAGEMENT,
 SERICHO SECONDARY SCHOOL
 18 Jul 2024
 P.O. BOX 19-70102, MODOGASHE

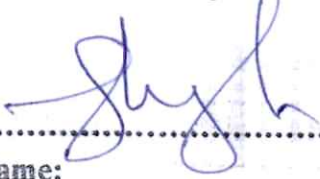
4. Statement of School Management Responsibility

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.

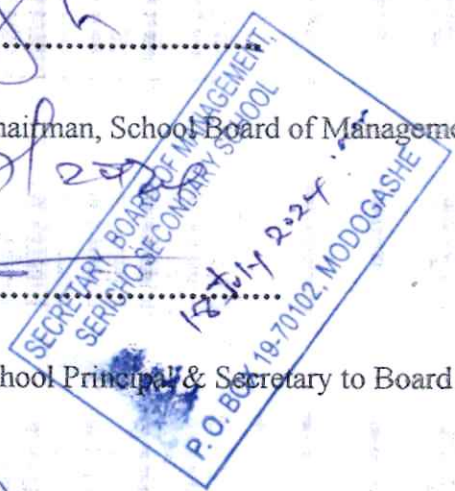
The Board of Management of (*Name of School*) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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.


.....
Name:
Designation: Chairman, School Board of Management
Date: 12/7/2024


.....
Name:
Designation: School Principal & Secretary to Board of Management
Date:


.....
Name:
Designation: Bursar/ Finance Officer
Date: 12-7-24



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON SERICHO SECONDARY 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 Sericho Secondary School set out on pages 1 to 21, which comprise of the statement of financial assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a

summary of significant accounting policies and other explanatory 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 the Sericho Secondary 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. Unsupported Cash Balance

The statement of financial assets and financial liabilities reflects cash balance of Kshs.911 as disclosed in Note 11 to the financial statements. However, the board of survey report in support the balance was not provided for audit.

In the circumstances, the validity, completeness and accuracy of cash balance of Kshs.911 could not be confirmed.

2. Unsupported Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.4,720,225 as disclosed in Note 13 to the financial statements. The balance includes receivable balance of Kshs.2,481,825 whose detailed analysis was not provided for audit. Further, the balance had been outstanding for over three years and Management did not provided a satisfactory explanation for failure to collect the receivables.

In the circumstances, the validity, completeness and accuracy of accounts receivable balance of Kshs.4,720,225 could not be confirmed.

3. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.59,500 as disclosed in Note 14 to the financial statements. However, detailed analysis of the balance was not provided for audit.

In the circumstances, the validity, completeness and accuracy of accounts payable balance of Kshs.59,500 could not be confirmed.

4. Inaccuracies in Accumulated Fund Balance

The statement of assets and liabilities reflects a closing fund balance of Kshs.6,299,075 made up of fund balance brought forward of Kshs.3,673,872 and surplus for the year of Kshs.2,625,203. However, the reflected surplus for the year of Kshs.2,625,203 differs

from the reported surplus of Kshs.496,303 in the statement of receipts and payments resulting in an unexplained variance of Kshs.2,128,900.

In the circumstances, the accuracy of the fund balance of Kshs.6,299,075 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sericho Secondary 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 18 October, 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, 2023 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. Unconfirmed School Enrolment Data

Review of enrollment data revealed discrepancies between the data in the National Education Management Information System (NEMIS) and school records relating to the enrolment of students. During the year under review, the NEMIS reported a total number of two hundred and eighty-two (282) students while the records provided by management indicated a total of four hundred and twelve (412) students resulting in a variance of one

hundred and thirty (130) students. Discrepancies in student enrolment may result in students not benefiting from funds for capitation.

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

3. Late Transfer of Infrastructure Funds from the Operations Bank Account

The school received capitation grants for operations amounting to Kshs.2,704,269 during the year under review out of which Kshs.1,172,000 was transferred to the infrastructure account after the lapse of fifteen (15) days contrary to Ministry of Education circular Ref.MOE.HQS/3/13/3/ dated 16 June, 2021 which directed that transfer of infrastructure funds be made within fifteen (15) days from the date of receipt.

In the circumstances, Management was in breach of the Ministry's directive

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. Weaknesses in the Governance System of the School

Review of the Board of Management minutes revealed that during the year under review, the Board met only once contrary to Section 56 (6)(1) of the Basic Education Act, 2013 which require the board to meet at least once every four months.

In the circumstances, the effectiveness of the Board of Management to provide oversight in the school could not be confirmed.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.29,155 in respect of fixed assets which includes land with a balance of Kshs.5,000 However, land ownership documents were not provided for audit.

In the circumstances, the ownership of the land 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

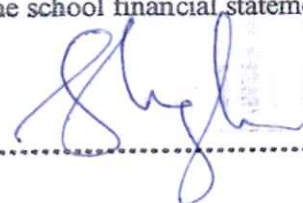
Nairobi

4 November, 2024

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	933,052	933,439
Government grants for operations	2	4,056,196	4,085,108
Government Grants for infrastructure	3	1,172,000	-
School fund income- parents' contributions	4	4,643,378	5,067,145
Miscellaneous incomes	5	-	-
Total Receipts		10,804,626	10,085,693
Payments			
Tuition	6	958,282	1,005,696
Operations	7	2,982,164	4,869,259
Infrastructure	8	770,508	-
Boarding and school fund	9	5,597,369	5,220,282
Total Payments		10,308,323	11,095,237
Surplus/Deficit		496,303	(1,009,544)


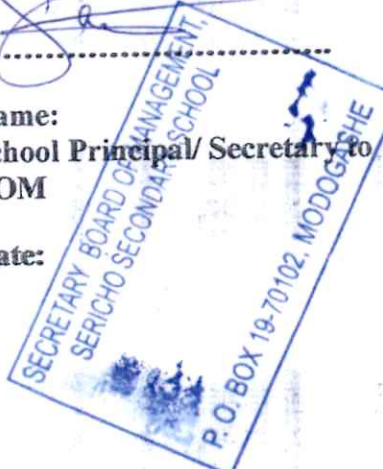
The school financial statements were approved on _____ 2023 and signed by:




Name:

Chair BOM

Date: 12/8/2023


 Name:
 School Principal/ Secretary to
 BOM
 Date:




Name:

Bursar/ Finance Officer

Date: 12-7-23

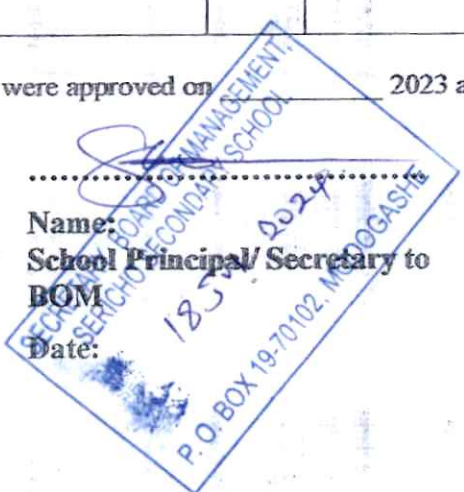
7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,637,439	1,141,136
Cash balances	11	911	911
Short term investments	12	-	-
Total cash and cash equivalent		<u>1,638,350</u>	<u>1,142,047</u>
Account's receivables	13	4,720,225	3,131,825
Total financial assets		6,358,575	4,273,872
Financial liabilities			
Accounts payables	14	(59,500)	(600,000)
Net financial assets		6,299,075	3,673,872
Represented by			
Accumulated fund b/fwd	15	3,673,872	4,683,416
Surplus/deficit for the year		2,625,203	(1,009,544)
Net financial position		6,299,075	3,673,872

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

[Signature]
 Name: _____

Chair BOM
 Date: 12/7/24



[Signature]
 Name: School Principal/ Secretary to BOM
 Date: _____

[Signature]
 Name: _____

Bursar/ Finance Officer
 Date: 12-7-24

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	1	933,052	933,439
Government grants for operations	2	4,056,196	4,085,109
Government grants for infrastructure	3	1,172,000	-
School fund income- parents contributions/ fees	4	4,643,378	5,289,300
Other income		-	-
Total receipts		10,804,626	10,307,848
Payments			
Cash outflows for tuition	6	958,282	1,005,696
Cash outflows for operations	7	2,982,164	4,869,259
Cash outflows for infrastructure	8	770,508	-
Cash outflows Boarding/lunch and school fund payment	9	5,597,369	5,220,282
Total payments		10,308,323	11,095,237
Net cash inflow/outflow from operating activities		496,303	(787,389)
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		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		496,303	(787,389)
Cash and cash equivalent at beginning of the 2023		1,142,047	1,929,436
Cash and cash equivalent at end of the 2023		1,638,350	1,142,047

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

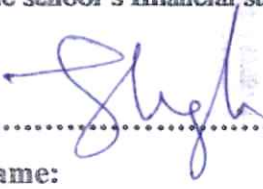
(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

SERICHO SECONDARY SCHOOL

Public secondary school

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

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



.....

Name:

Chair BOM

Date:

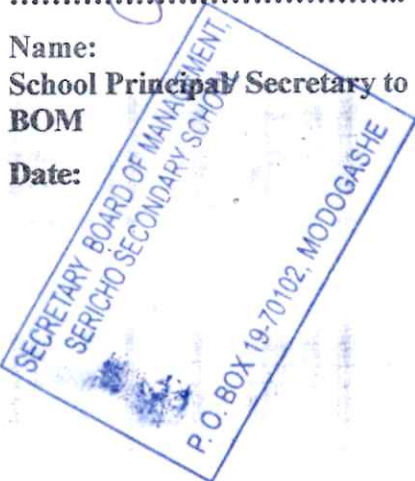
12/7/2023



.....

Name:

School Principal/ Secretary to BOM

Date:




.....

Name:

Bursar/ Finance Officer

Date:

12-7-23

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					-
					-
<i>(1) Capitation Grant on Tuition</i>					-
Reference Materials	-				-
Exercise Books	-				-
Laboratory Equipment	-				-
Internal Exams	-				-
Teaching / Learning Materials	1,140,000		933,052.	206,946	82%
Exams And Assessment					-
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	2,500,400		1,827,177	673,223	73%
Repairs And Maintenance	-		-	-	-
Local Transport / Travelling	357,200		210,805	146,395	59%
Electricity And Water	357,200		155,685	201,515	44%
Medical			76,700	-	-
Administration Costs	357,200		335,453	21,747	94%
Activity	380,000		219,375	160,625	58%
Gratuity					-

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
3) FDSE for infrastructure					
Maintenance & Improvement MoE	1,520,000		1,172,000	(348,000.0)	77%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments					
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical					
Administration Costs					
Activity					
SMASSE					
Fee On Boarding Equipment and Stores	5,700,000		4,643,378	1,056,622	81%
5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
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					
Total Income	12,312,000		10,804,626	1,507,374	88%
<i>(6) Expenditure For Tultion</i>					
Textbooks					
Reference Materials					
Exercise Books	570,000		515,212	54,788	90%
Laboratory Equipment	285,000		241,170	43,830	85%
Internal Exams	57,000		-	-	-
Teaching / Learning Materials	228,000		194,938	33,062	86%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges			6,962		
<i>(7) Expenditure For Operations</i>					
Personnel Emoluments	2,275,000		2,087,296	188,000	92%
Repairs, Maintenance & Improvements	175,000		126,000	49,000	72%
Local Transport / Travelling	350,000		168,500	181,500	48.%

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	175,000		111,500	63,500	64%
NHIF			24,900	-	-
Administration Costs	350,000		270,500	79,500	77%
Activity Expenses	175,000		190,000	(15,000)	109%
Gratuity					
BANK CHARGES			5,976		
(8) Expenditure For infrastructure					
REPAIR of classrooms	1,290,000		384,000	906,000	30%
Construction of LAB					
Construction of DORMS					
Purchase of furniture			384,000		-
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments					
Repairs, Maintenance and Improvements					
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/e %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs					
Activity					
Gratuity					
Lunch Programme	5,700,000		5,593,039	106,961	98%
Boarding Equipment and Stores					
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges			4,330		-
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals	11,630,000	-	10,308,323	1,321,677	87%

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

- i. Xxx
- ii. Xxx

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	Insert Current FY	2021-2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books		
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	933,052	933,439
Others (specify)*	-	-
Total	933,052	933,439

*Include others as per MOE circulars

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,827,177	1,046,843
Repairs And Maintenance	1,231,000	1,412,000
Local Transport / Travelling	210,805	523,422
Electricity And Water	155,685	523,422
Medical	76,700	56,000
Administration Costs	335,453	523,422
Activity	219,375	-
Other Vote Heads (specify)*	-	-
Total	4,056,196	4,085,109

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	1,172,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Others (specify)	-	-
Total	1,172,000	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
KCSE REPEATERS	240,300	-
Fee on Boarding Equipment and stores	4,403,078	5,289,300
PA Levies*	-	-
Others (specify)	-	-
Total	4,643,378	5,289,300

*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	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify) *	-	-
Total	-	-

(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
Exercise Books	290,340	-
Textbooks	120,600	-
Reference materials	192,600	-
Laboratory Equipment	198,770	-
Teaching / Learning Materials	102,460	1,004,724
Exams And Assessment	46,550	-
Teachers Guides	-	-
Bank Charges	6,962	972
Others (specify)	-	-
Total	958,282.00	1,005,696

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,087,296	1,313,318
Service Gratuity	-	-
Administration Cost	270,500	566,000
Repairs And Maintenance & Improvements	126,000	2,274,395
Local Transport / Travelling	168,500	342,800
Electricity And Water	111,500	300,000
Nhif	24,900	70,550
Activity Expenses	190,000	-
Nssf	-	44,000
Bank charges	3,468	2,196
Total	2,982,164	4,869,259

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	201-2022
	Kshs	Kshs
Repair of classrooms	384,000.00	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	384,000.00	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Bank Charges	2,508	-
Total	770,508	-

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	-	461,738
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	90,000	80,000
Activity	376,050	200,000
NSSF	94,000	30,800
Administration Costs	676,419	279,000
Lunch Programme	4,088,970	4,082,080
Bank Charges	4,330	864
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
KCSE REPEATERS	240,300	-
Internal exam	-	85,800
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
NHIF	27,300	-
Total	5,597,369	5,220,282

(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	1116743116	6,036	31,266
Operations Account	Active	1116743922	1,226,007	151,975
School Fund Account/Boarding	Active	1114545228	834	954,824
Savings Account	Nil	-	-	-
Parent Association Development Account	Nil	-	-	-
Income Generating Activities Account	Nil	-	-	-
Infrastructural Account	Active	1143535820	404,563	3,071
Total			1,637,439	1,141,136

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation account	106	106
School fund account	805	805
Total	911	911

12 Short Term Investments

Description	2022-2023	202-2022
	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	4,720,225	3,131,825
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	4,720,225	3,131,825

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current 2022-2023	% of the total	Comparative 2021-2022	% of the total
Less than 1 year	2,238,400	46%	650,000	20%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	2,481,825	54%	2,481,825	80%
Total (should tie to note 13 a)	4,720,225	100%	3,131,825	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	-	-
Prepaid Fees	59,500	600,000
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
PTA DEV FUND	-	-
Total	59,500	600,000

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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

(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)

SERICHO SECONDARY SCHOOL

Public secondary school


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

20 Progress On Follow Up Of Auditor Recommendations

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

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

Sign and Date
Principal


SECRETARY BOARD OF MANAGEMENT,
SERICHO SECONDARY SCHOOL
P.O. BOX 192002, MODOGASHE

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023	Outstanding Balance Comparative 2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs'000') 1 st July 2023	Additions during the year (Kshs'000')	Disposals during the year (Kshs'000')	Historical Cost c/f (Kshs) 30 th June 2023
Land	5,000			5,000
Buildings And Structures	19,590			19,590
Motor Vehicles				
Office Equipment, Furniture And Fittings	3,403			3,403
Textbooks	1,049			1,049
ICT Equipment	105			105
Tools And Apparatus	188			188
Other Machinery And Equipment	80			80
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	29,155			29,155

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