

REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	DAY: WEDNESDAY
TABLED BY:	HON. MARCARE BETANT ON BEHALF OF LOM
CLERK-AT THE-TABLE:	ESTHER NG'WOTO

MOLO SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

NAKURU COUNTY



Revised 30 June 2023



MOLO SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023

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

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MOLO SECONDARY SCHOOL

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

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	vii
4. Statement of School Management Responsibility	xiii
5. Report Of The Independent Auditors (<i>To be attached</i>)	xiv
6. Statement Of Receipts and Payments For the Year Ended 30 June 2023.....	1
7. Statement of Assets and Liabilities As At 30 June 2023.....	2
8. Statement of Cash Flows for the Year Ended 30 June 2023.....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 June 2023.....	5
10. Significant Accounting Policies.....	9
11. Notes To The Financial Statements	11
12. Annexes	21

MOLO SECONDARY SCHOOL

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

1. Acronyms and Glossary of Terms

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

MOLO SECONDARY SCHOOL

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

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 located in Nakuru County, Molo Sub-County

The school was registered in 3/2010 under registration number GP/A/8431/10 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day school and had 1095 number of students as at *30 June 2023*. It has 5 streams and 40 teachers of which 15 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.	Dr. Julius Kariuki	Chairman	23/05/2022
2.	Mr. Tom Amollo	Secretary - Principal	23/05/2022
3.	Mr. Michael Ndung'u	Vice- Chairman	23/05/2022
4.	Mr. Stanley Karanja	Member	23/05/2022
5.	Ms. Jackline Kemunto	Member	23/05/2022
6.	Ms. Margaret Wangari	Member	23/05/2022
7.	Mr. Moris Njoroge	Member	23/05/2022
8.	Ms. Susan Nyambura	Member	23/05/2022
9.	Mr. David Mwai	Member – Rep CEB	23/05/2022
10.	Mrs. Joyce W. Ndung'u	Member Rep Teachers	23/05/2022
11.	Sr. Agnes N. Njeru	Member-Sponsor	23/05/2022
12.	Fr. Christopher Kamau	Members - Sponsor	23/05/2022
13.	Mr. Rufus Mwaura	Member - Community	23/05/2022
14.	Mr. Joshua K. Gitau	Member Special Needs	23/05/2022
15.	Mr. Paul Maraga	Rep Students	23/05/2022
16.	Rev. David Gikonyo	P.A Chairman	23/05/2022
17.	Mr. Samuel Kinyanjui	BOM-co-opted	23/05/2022
18.	Ms. Hannah Kinuthia	BOM-co-opted	23/05/2022

MOLO SECONDARY SCHOOL

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

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.Mr.Tom Amollo	Secretary/Principal	0
		2.Dr.Julius Kariuki	BOM Chairman	
		3.Rev. David Gikonyo	P.A Chairman	
		4.Sr.Agnes Njeru	Sponsor	
		5.Ms.Susan Nyambura	Member	
2.	Audit Committee Finance, procurement and general purposes Committee	1.Mr.Rufus Mwaura	Chairman	0
		2.Rev.David Gikonyo	Member	
		3.Mr. Tom Amollo	Secretary/Principal	
		4.Mr. Stanley Karanja	Member	
3	Academic Committee	1.Mr. Josiah Obala	Chairman	0
		2.Mr. Tom Amollo	Secretary/Principal	
		3.Mrs.Joyce Gachie	Member	
		4.Dr.Julius Kariuki	B.O.M Chairman	
		5.Ms.Margaret Wangare	Member	
4	Development Committee	1.Mr.Michael Ndung'u	Chairman	0
		2.Mr. Tom Amollo	Secretary/Principal	
		3.Mr.Musikoyo S. Angoye	SCDE-Molo	
		4.Rev. David Gikonyo	Member	
		5.Ms.Hannah Kinuthia	Member	
		6. Dr.Julius Kariuki	B.O.M Chairman	
		7.Mr.Patrick Gikonyo	Deputy Principal	
5	Discipline and welfare Committee	1.Mr.Josiah Obala	Chairman	0
		2. Tom Amollo	Secretary/Principal	
		3.Ms.Jackline Kemunto	Member	
		4.Mr.Stanley Karanja	Member	
		5.Mr.David Mwai	Member	
6	Adhoc Committee(If any during the year)	N/A	N/A	0

MOLO SECONDARY SCHOOL

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

(e) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Tom Amollo	357144
2	Deputy Principal	Patrick Gikonyo	243942
3	School Bursar	Ruth Nandua	ID NO.22224699
4	Other(Specify)	-	-

(a) Schools contacts

Schools contacts

Post Office Box: 220-20106-MOLO

Telephone: 0700149002

E-mail: molosecondary@yahoo.com

Website:

Facebook:

Twitter:

School Bankers

The following school operated 5 number of bank accounts in the following banks:
(Ensure all accounts including CDF accounts are included)

Name of Bank: EQUITY BANK

Branch: MOLO

Account Number: 0230291741084-Tuition Account

Name of Bank: EQUITY BANK

Branch: MOLO

Account Number: 0230291741064-Operations Account

Name of Bank: EQUITY BANK

Branch: MOLO

Account Number: 0230290250365-School Fund Account

Name of Bank: EQUITY BANK

Branch: MOLO

Account Number: 0230178259144-CDF Account

Name of Bank: EQUITY BANK

Branch: MOLO

Account Number: 0230279323671-M.I.F Account

MOLO SECONDARY SCHOOL

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

(b) Independent Auditors

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

MOLO SECONDARY SCHOOL

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

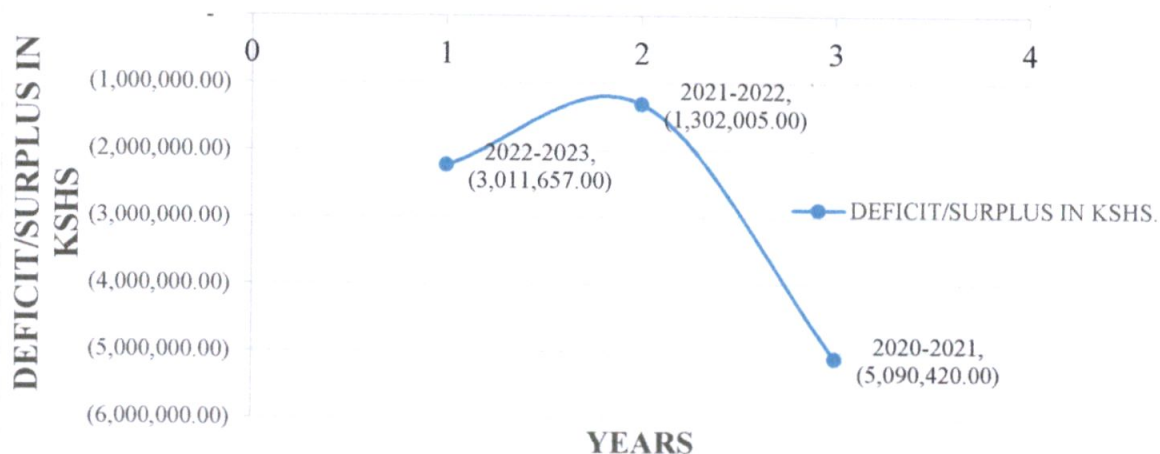
3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

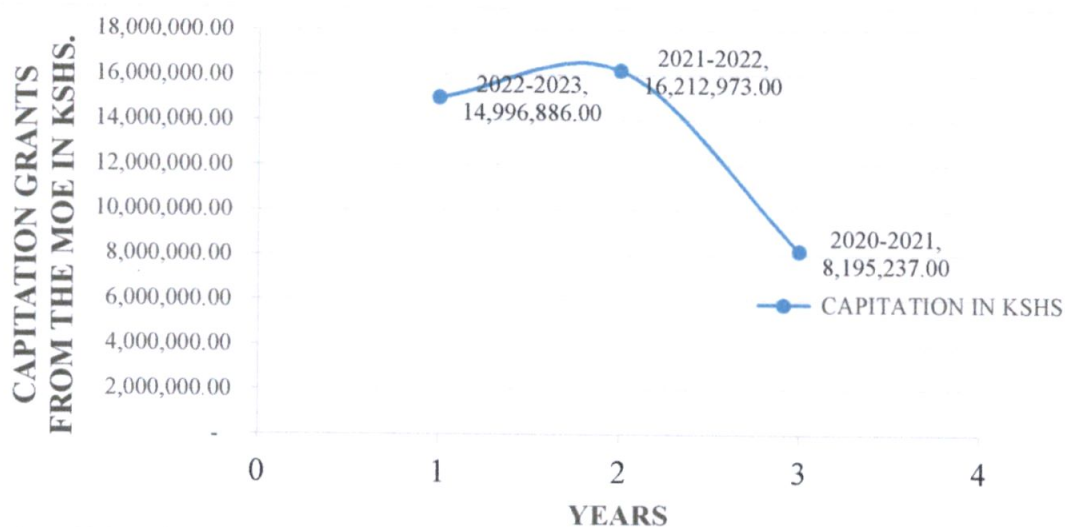
- Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2022-2023	2021-2022	2020-2021
MOVEMENT IN SURPLUS/DEFICIT IN KSHS	(3,011,657.00)	(1,302,005.00)	(5,090,420.00)



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

YEAR	2022-2023	2021-2022	2020-2021
CAPITATION IN KSHS	14,996,886.00	16,212,973.00	8,195,237.00

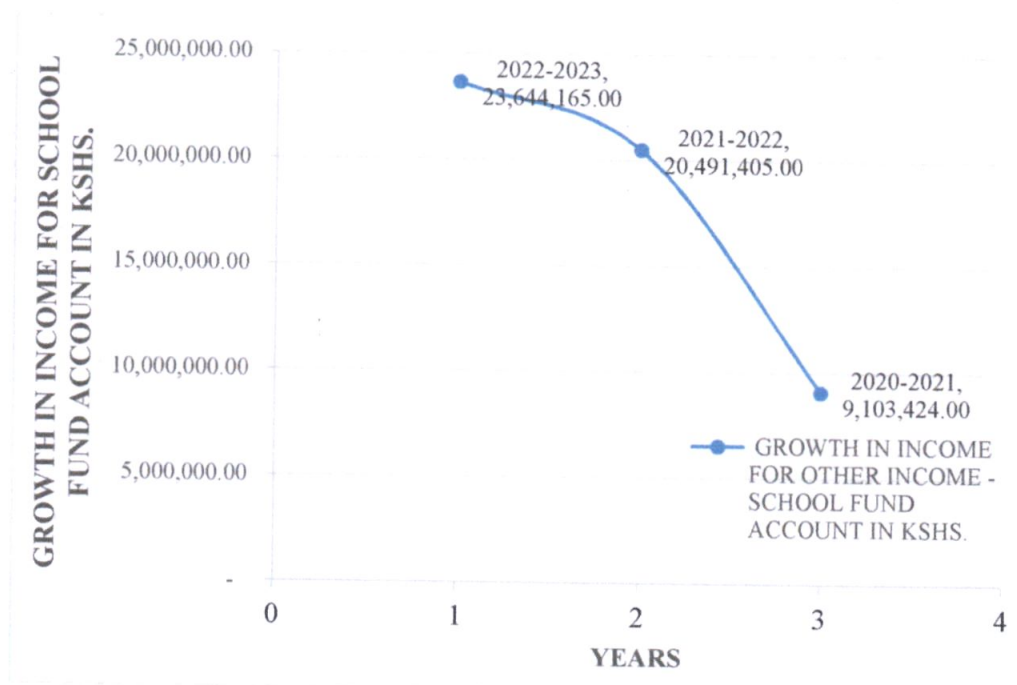


MOLO SECONDARY SCHOOL

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

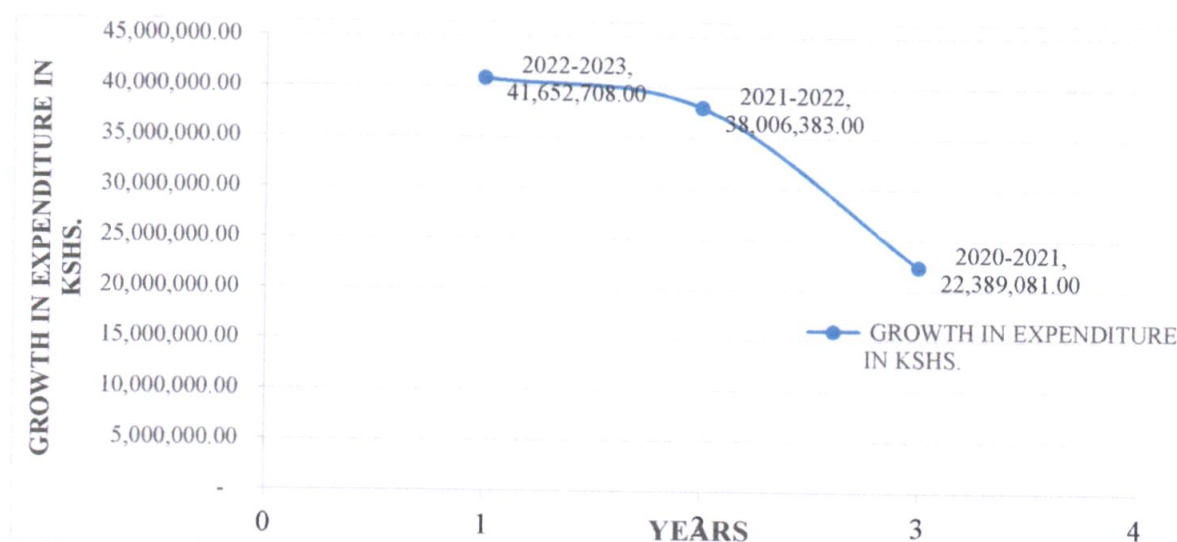
- A three-year overview of growth of other income(s) earned by the school.

YEARS	2022-2023	2021-2022	2020-2021
GROWTH IN INCOME FOR OTHER INCOME - SCHOOL FUND ACCOUNT	23,644,165.00	20,491,405.00	9,103,424.00



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

YEARS	2022-2023	2021-2022	2020-2021
GROWTH IN EXPENDITURE IN KSHS.	41,652,708.00	38,006,383.00	22,389,081.00

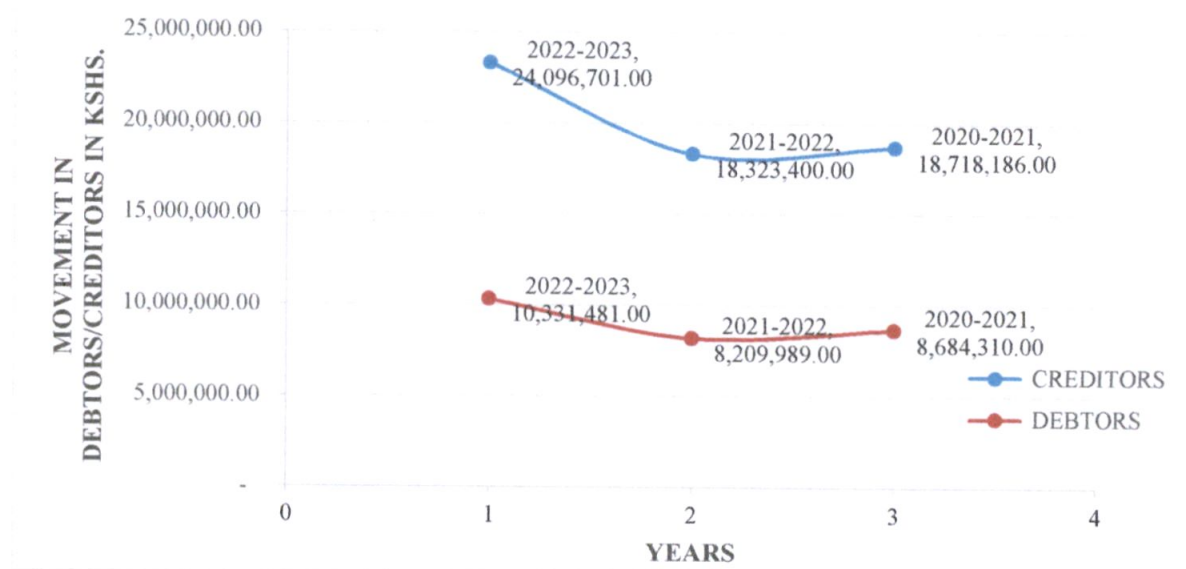


MOLO SECONDARY SCHOOL

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

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

YEARS	2022-2023	2021-2022	2020-2021
CREDITORS	24,096,701.00	18,323,400.00	18,718,186.00
DEBTORS	10,331,481.00	8,209,989.00	8,684,310.00



Teacher Student ratio:

1. Teachers recruited in the year

	Gender		Total
	Male	Female	
Number of teachers employed by TSC	13	13	26
Number of teachers employed by B.O.M.	9	6	15
Number of teachers transferred or Retired during the year	2	2	4
Number of TSC teachers posted during the year	1	4	5
Number of B.O.M. teachers posted during the year	5	3	8

2. Teacher student ratio

NO. OF STUDENTS	NO. OF TEACHERS	TEACHER STUDENT RATIO
1095	41	1:27

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****Teacher subject distribution**

SUBJECT	NO. OF TEACHERS	NO. OF LESSONS
English	8	138
Kiswahili	7	109
Mathematics	12	138
Biology	6	89
Physics	7	89
Chemistry	5	89
History	6	78
Geography	5	78
C.R.E.	7	69
Agriculture	3	69
Business Studies	3	69
Computer	1	69
Homescience	1	69
Shortage as per C.B.E – 21 Teachers		

a) Mean score in the 2022 KCSE:

YEARS	2022	2021	2020
MEAN SCORE	4.645	5.028	5.100
DEVIATION	-0.400	-0.100	-0.500
NO. OF STUDENTS TRANSITIONING TO INSTITUTIONS OF HIGHER LEARNING	28	46	40

b) Number of Candidates in the 2022 KCSE:

	2022	2021	2020
NUMBER OF CANDIDATES SITTING FOR KCSE	231	211	199

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****b) Capacity of the school:**

S/NO.	AMENITY	NO. OF AMENITIES	NO. OF STUDENTS USING THE AMENITY
1.	Classrooms	19	1095
2.	Laboratories	4	60
3.	Library	1	60
4.	Hall	1	1095
5.	Kitchen	1	0
6.	Administration Block	1	0
7.	Homescience Room	1	60
8.	Girl's Toilets	22	470
9.	Boy's Toilets	33	625

MOLO SECONDARY SCHOOL

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

a) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction Of 2 no.CBC Classrooms	M.O.E	Complete	1,576,440.00	15,576,440.00	-
Renovation of 8 no. Classrooms	M & I Funds	W.I.P	3,851,490.00	3,415,770.00	2024
Purchase of 300 set Lockers and Chairs	M & I Funds	Complete	1,590,000.00	1,565,000.00	-
Repair of Students Lockers and Chairs	M & I Funds	Complete	300,000.00	348,200.00	-
Construction of 1 No. Science Laboratory	M & I Funds	Ongoing	4,490,160.00	1,800,000.00	2024

Tom Amollo

School Principal



MOLO SECONDARY SCHOOL

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

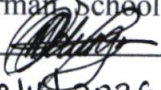
4. Statement of School Management Responsibility

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

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

Name: **DR. JULIUS KARIUKI**
Designation: Chairman, School Board of Management
Sign: 
Date: 10/4/2026

Name: **MR. TOM AMOLLO**
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 18/7/2026

Name: **MS. RUTH NANDUA**
Designation: Bursar/ Finance Officer
Sign: 
Date: 10/4/2026

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MOLO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NAKURU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Molo Secondary School set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and

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 Molo Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement in Infrastructure Payments Amount

The statement of receipts and payments reflects infrastructure payments amount of Kshs.4,681,910 as disclosed in Note 8 to the financial statements. However, the expenditure includes an amount of Kshs.795,000 which was paid to suppliers in the month of July, 2024. Further, the comparative amount of Kshs.7,454,140 differs from the audited amount of Kshs.7,018,420, resulting in an unreconciled variance of Kshs.435,720.

In the circumstances, the accuracy and completeness of infrastructure payments amounting to Kshs.4,681,910 could not be confirmed.

2. Inaccuracies in the Capitation Grants for Infrastructure

The statement of receipts and payments reflects Government grants for infrastructure of Kshs.2,995,000 as disclosed in Note 3 to the financial statements. However, review of the bank statements revealed that an amount of Kshs.6,327,500 was transferred from the operations account to infrastructure account, resulting in an unexplained variance of Kshs.3,332,500. Further, the transferred amount of Kshs.6,327,500 differs from the expected amount of Kshs.4,088,000 for maintenance and improvement received during the year under review, resulting in an overpayment of Kshs.2,239,500.

In the circumstances, the accuracy and completeness of Government grants for infrastructure amounting to Kshs.2,995,000 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects bank balance of Kshs.594,633 as disclosed in Notes 10 and 11 to the financial statements which includes bank and cash balances of Kshs.591,921 and Kshs.2,712, respectively. However, re-computation of bank balances yielded a net balance of Kshs.260,207, resulting in an unexplained and an unsupported balance of Kshs.331,713 as analyzed below;

Bank Accounts	Opening Bank Balance	Receipts	Payments	Re-Calculated Balance	Financial Statements Balance	Variance
	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Operations	799	9,241,108	5,664,741	3,577,167	475,355	3,101,812
Infrastructure	1,894	2,995,000	1,936,910	1,059,984	2,784	1,057,200
School fund	(52,740)	21,191,072	25,536,173	(4,397,842)	92,883	(4,490,725)
Total	(50,047)	33,427,180	33,137,824	239,309	571,022	(331,713)

Further, Management did not prepare monthly bank reconciliations for all the accounts held by the School and the cashbooks were not fully updated making it difficult to trace all transactions in the cashbooks.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.594,633 could not be confirmed.

4. Dormant Bank Accounts

The statement of assets and liabilities reflects a bank balance of Kshs.591,921 as disclosed in Note 10 to the financial statements. Included in the balance are Nil balances on savings account, income generating activities account - farm account and NG-CDF account. However, the Nil balances were not supported by certificates of bank balances.

In the circumstances, the existence, accuracy and completeness of the bank balance of Kshs.591,921 could not be confirmed.

5. Unsupported Payments

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.27,071,831 as disclosed in Note 9 to the financial statements. However, examination of sampled payment vouchers amounting to Kshs.6,414,366 supporting the reported expenditure revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the boarding and school fund payments amounting to Kshs.27,071,830 could not be confirmed.

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

Other Matter

Unresolved Prior Year Matters

The Auditor-General's report for the year ended 30 June, 2022 raised several audit issues which remained unresolved as at 30 June, 2023. Management has not taken adequate action to address these matters. The issues relate to prior periods and have been reported for emphasis of matter purposes.

No.	Year	Audit Issue
1	2021/2022	Inaccuracies in the financial statements
2	2021/2022	Unsupported revenue
3	2021/2022	Unsupported Payment
4	2021/2022	Unsupported accounts receivable
5	2021/2022	Long outstanding receivable
6	2021/2022	Budgetary Control and Performance
7	2021/2022	Late submission of financial statement
8	2021/2022	Long-outstanding payables
9	2021/2022	Lack of pre-qualified list of suppliers
10	2021/2022	Non-compliance with statutory deductions
11	2021/2022	Failure to prepare school Improvement plan
12	2021/2022	Unconfirmed school enrolment data
13	2021/2022	Weakness in procurement of goods and services
14	2021/2022	Lack of internal audit function and audit committee
15	2021/2022	Lack of ownership documents
16	2021/2022	Lack of IT internal control
17	2021/2022	Risk Management Policy
18	2021/2022	Lack of un-updated fixed asset register

Other Information

The School Management is responsible for Other Information set out on page iii to xiii which comprise of Key School Information and Management, the Summary Report of Performance of the School and Statement of School Management responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed,

I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include Note 20 on progress on follow up of auditor recommendation is not completed with audit issues raised in the prior year report and the school progress in implementing recommendation. Lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management did not comply with the PSASB guidelines.

2. Irregular Virement (Reallocation) of Funds

The statement of receipts and payments reflects Government grants for tuition and operations amounts of Kshs.2,760,777 and Kshs.9,241,109 as disclosed in Notes 1 and Note 2 respectively. Review of bank statements and cashbooks revealed receipts amounting to Kshs.1,629,000 transferred to operations account from infrastructure account and cash withdrawals amount of Kshs.450,000 from tuition account. This was contrary to Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 9 January, 2008 and MOE.HQS/3/13/3 dated 16 June, 2021 which directed that under the Operations account, schools may seek authority from the CEBs to vire savings or surplus funds from one item to another, when it is absolutely necessary but no virement from the Tuition Account will be allowed. Further, virement of funds from infrastructure account is not allowed as guided by Paragraph 3.13 of circular MOE.HQS/3/10/18/ (112).

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

3. Long Outstanding Accounts Payable

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payable balance of Kshs.24,096,701. However, included in

the balance are trade payables balance of Kshs.15,851,200 or 66% which had been outstanding for over one (1) year, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that, "service payments to be a first charge on the Consolidated Fund and the Accounting Officer to ensure this is done to the extent possible that the government does not default on debt obligations".

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

4. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

4.1 Lack of Functional Procurement Unit

The School Management did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

4.2 Unstructured Procurement Processes

Review of procurement process revealed absence of need analysis reports, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

In the circumstances, Management is in breach of law.

5. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects operations and boarding payments amounts of Kshs.6,798,652 and Kshs.27,071,831 respectively as disclosed in Notes 7 and Note 9 to the financial statements. Included in the expenditures is an amount of Kshs.652,200 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.652,200 could not be confirmed.

6. Late Submission of Financial Statements for Audit

The financial statements were submitted to the Auditor-General on 27 September, 2024 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.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Weakness in Board of Management

The School Board of Management had eighteen(18) members who are part of five(5) Board Committees instituted in the School. During the year, the Board of Management and its Committee did not hold any meeting contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 that requires, the Board of Management to meet at least once every four months.

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

2. Long Outstanding Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.10,331,481 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are accounts receivables balance of Kshs.6,776,067 or 66% which had been outstanding over one (1) years. However, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

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

Responsibilities of Management and Board of Management

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 controls 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

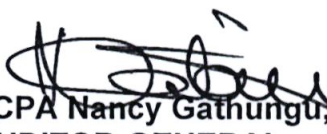
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 April, 2026

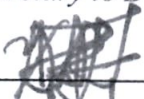
MOLO SECONDARY SCHOOL

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

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,760,777.00	3,044,498.00
Government grants for operations	2	9,241,109.00	8,617,475.00
Government Grants for infrastructure	3	2,995,000.00	4,551,000.00
School fund income- parents' contributions	4	23,312,565.00	19,979,545.06
Miscellaneous incomes	5	331,600.00	511,860.00
Total Receipts		38,641,051.00	36,704,378.00
Payments			
Tuition	6	3,150,315.00	3,160,625.00
Operations	7	6,798,652.00	8,631,016.00
Infrastructure	8	4,631,910.00	7,454,140.00
Boarding and school fund	9	27,071,831.00	18,760,602.00
Total Payments		41,652,708.00	38,006,383.00
Surplus/Deficit		(3,011,657.00)	(1,302,005.00)

The school financial statements were approved on 10/4/2026 ~~2023~~ and signed by:

Name: <u>Dr. Julius Kariuki</u>	Name: <u>Tom Amollo</u>	Name: <u>Ruth Nanduga</u>
Chairman, BoM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Sign: <u></u>	Sign: <u></u>	Sign: <u></u>
Date: <u>10/4/2026</u>	Date: <u>10/4/2026</u>	Date: <u>10/4/2026</u>

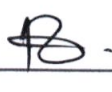
MOLO SECONDARY SCHOOL

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

7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS			
Bank balances	10	591,921.00	(48,344.00)
Cash balances	11	2,712.00	2,825.00
Short term investments	12	-	-
Total cash and cash equivalent		594,633.00	(45,519.00)
Account's receivables	13	10,331,481.00	8,209,989.00
TOTAL FINANCIAL ASSETS		10,926,114.00	8,164,470.00
FINANCIAL LIABILITIES			
Accounts payables	14	24,096,701.00	18,323,400.00
NET FINANCIAL ASSETS		(13,170,587.00)	(10,158,930.00)
REPRESENTED BY			
Accumulated fund b/fwd	15	(10,158,930.00)	(8,856,924.00)
Surplus/deficit for the year		(3,011,657.00)	(1,302,005.00)
NET FINANCIAL POSITION		(13,170,587.00)	(10,158,930.00)

The school financial statements were approved on 10/4/2026 2023 and signed by:

Dr. Julius KariukiName: _____
Chairman, BOMSign: Date: 10/4/2026**Mr. Tom Amollo**Name: _____
School Principal/
Secretary to BOMSign: Date: 10/4/2026**Ms Ruth Nandua**Name: _____
Bursar/
Finance OfficerSign: Date: 10/4/2026

MOLO SECONDARY SCHOOL

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

8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,760,777.00	3,044,498.00
Government grants for operations	2	9,241,109.00	8,617,474.00
Government grants for infrastructure	3	2,995,000.00	4,551,000.00
School fund income-parents contribution/fees	4	21,191,073.00	20,453,866.00
Other income	5	331,600.00	511,860.00
Total receipts		36,519,559.00	37,178,699.00
Payments			
Cash outflows for tuition	6	2,741,582.00	4,291,708.00
Cash outflows for operations	7	5,664,741.00	8,351,106.00
Cash outflows for Boarding/ school fund payments	9	25,536,174.00	18,739,935.00
Total Payments		33,942,497.00	31,382,749.00
Net cash flow from operating activities		2,577,062.00	5,795,950.00
Cash flow from investing activities			
Acquisition of assets		(1,936,910.00)	(7,018,420.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(1,936,910.00)	(7,018,420.00)
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		640,152.00	(1,222,470.00)
Cash and cash equivalent at beginning of the FY		(45,519.00)	1,176,951.00
Cash and cash equivalent at end of the FY		594,633.00	(45,519.00)

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

MOLO SECONDARY SCHOOL

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

The school financial statements were approved on 10/4/2026 ~~2023~~ and signed by:

Dr. Julius Kariuki

Name: _____

Chairman, BOM

Sign: _____

Date: 10/4/2026

Mr. Tom Amollo

Name: _____

School Principal/

Secretary to BOM

Sign: _____

Date: 10/4/2026

Ms. Ruth Nandua

Name: _____

Bursar/

Finance Officer

Sign: _____

Date: 10/4/2026

9. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Tuition	-	-	-	-		
Exercise books	850,550.00	-	850,550.00	690,191.50	160,358.50	81.15%
Laboratory equipments and apparatus	850,550.00	-	850,550.00	690,493.50	160,056.50	81.18%
Teaching/learning materials	700,950.00	-	700,950.00	575,734.50	125,215.50	82.14%
Library materials	550,956.00	-	550,956.00	413,821.00	137,135.00	75.11%
Internal exams	405,122.00	-	405,122.00	276,080.50	129,041.50	68.15%
Chalk & Dusters	140,590.00	-	140,590.00	114,456.00	26,134.00	81.41%
SMASSE	-	-	-	-	-	
Inter account transfers- Operations	-	-	-	-	-	
Sub totals	3,498,718.00	-	3,498,718.00	2,760,777.00	737,941.00	79.00%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
EWC	1,255,900.00	-	1,255,900.00	956,538.55	299,361.45	76.16%
LT @T	1,450,655.00	-	1,450,655.00	1,180,885.50	269,769.50	81.40%
RMI	900,125.00	-	900,125.00	767,081.02	133,043.98	85.22%
Personal emolument	4,523,056.00	-	4,523,056.00	3,965,522.84	557,533.16	87.67%
Admin cost	2,051,250.00	-	2,051,250.00	1,757,709.31	293,540.69	85.69%
Activity	980,000.00	-	980,000.00	613,371.53	366,628.47	62.59%
Others	-	-	-	-	-	
Medical and insurance	-	-	-	-	-	
Savings account	-	-	-	-	-	
Insurance	-	-	-	-	-	
Sub totals	11,160,986.00	-	11,160,986.00	9,241,109.00	1,919,877.00	83.00%
<i>(3) FDSE FOR INFRASTRUCTURE</i>					(9,241,109.00)	
Maintenance and Improvement	4,255,000.00	-	4,255,000.00	2,995,000.00	1,260,000.00	70.00%

MOLO SECONDARY SCHOOL

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

Transition infrastructure Grants	-	-	-	-	-	
Administration block	-	-	-	-	-	
Economic stimulus grants	-	-	-	-	-	
Others (NGCDF, County government)	-	-	-	-	-	
Sub total	4,255,000.00		4,255,000.00	2,995,000.00	1,260,000.00	70.00%
(4) FEES CHARGED ON PARENTS						
Boarding/Lunch	20,640,000.00	-	20,640,000.00	19,757,151.00	882,849.00	95.72%
Inter Account transfers Operations	-	-	-	-	-	
Fee Arrears	686,710.00	-	686,710.00	3,555,414.00	(2,868,704.00)	
Repairs and Maintenance	-	-	-	-	-	
Personal Emoluments	-	-	-	-	-	
LTT	-	-	-	-	-	
Activity	-	-	-	-	-	
EWC	-	-	-	-	-	
Admin costs	-	-	-	-	-	
Sub total	21,326,710.00	-	21,326,710.00	23,312,565.00		109.00%
(5) MISCELLANEOUS INCOME						
Rent income	-	-	-	-	-	
Income from farming activities	-	-	-	-	-	
Insurance compensation	-	-	-	-	-	
Miscellaneous expenses	-	-	-	-	-	
Income from bus hire	300,000.00	-	300,000.00	285,600.00	14,400.00	95.00%
Fee for hire of ground and equipment	-	-	-	-	-	
Income from grants and donations	-	-	-	-	-	
Tender	-	-	-	46,000.00	(46,000.00)	
Bank Charges	-	-	-	-	-	
SUB TOTAL	300,000.00	-	300,000.00	331,600.00	(31,600.00)	111.00%
GRAND TOTAL INCOME	40,541,414.00	-	40,541,414.00	38,641,051.00	1,900,363.00	95.00%
(1) EXPENDITURE FOR TUITION						
Tuition	-	-	-	-	-	
Exercise books	850,550.00	-	850,550.00	1,281,650.00	(431,100.00)	151.00%

MOLO SECONDARY SCHOOL

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

Laboratory equipments and apparatus	850,550.00	-	850,550.00	-	850,550.00	0.00%
Teaching/learning materials	700,950.00	-	700,950.00	456,280.00	244,670.00	65.00%
Internal exams	405,122.00	-	405,122.00	-	405,122.00	0.00%
Chalk & Dusters	140,590.00	-	140,590.00	-	-	0.00%
Library materials	550,956.00	-	550,956.00	-	550,956.00	0.00%
Bank charges	-	-	-	4,330.00	(4,330.00)	
Exam & Assessment				-		
Creditors	-	-	-	1,408,055.00	(1,408,055.00)	
sub totals	3,498,718.00	-	3,498,718.00	3,150,315.00	348,403.00	90.00%
PAYMENTS FOR OPERATIONS	0.00					
EWC	1,255,900.00		1,255,900.00	358,650.00	897,250.00	28.56%
LT @T	1,450,655.00	-	1,450,655.00	141,458.00	1,309,197.00	9.75%
RMI	900,125.00	-	900,125.00	224,900.00	675,225.00	24.99%
Personal emolument	4,523,056.00	-	4,523,056.00	3,842,408.00	680,648.00	84.95%
Admin cost	2,051,250.00	-	2,051,250.00	218,320.00	1,832,930.00	10.64%
Activity	980,000.00	-	980,000.00	485,710.00	494,290.00	49.56%
Medical and insurance	-		-	-	-	
Creditors	-	-	-	1,527,206.00	(1,527,206.00)	
Insurance	-	-	-	-	-	
Inter Account Borrowing-Lunch	-	-	-	-	-	
Bank charges	-	-	-	-	-	
OTHERS	-	-	-	-	-	
SUBTOTALS	11,160,986.00	-	11,160,986.00	6,798,652.00	4,362,334.00	61.00%
INFRASTRUCTURE PAYMENTS						
Construction of classrooms	4,255,000.00	-	4,255,000.00	532,300.00	3,722,700.00	13.00%
Construction of laboratory	-	-	-	-	-	
Repair of classrooms	-	-	-	-	-	
Purchase of furniture	-	-	-	1,201,600.00	(1,201,600.00)	
Purchase of equipment	-	-	-	-	-	
Purchase of apparatus	-	-	-	-	-	
Bank Charges				3,010.00	(3,010.00)	
Creditors	-	-	-	2,895,000.00	(2,895,000.00)	
SUBTOTALS	4,255,000.00	-	4,255,000.00	4,631,910.00	1,213,090.00	90.00%

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023**

BOARDING AND SCHOOL FUND PAYMENTS						
Activity	-	-	-	-	-	
Academic improvement	-	-	-	-	-	
Bus hire	300,000.00	-	300,000.00	256,450.00	43,550.00	85.00%
Farm expenses	-	-	-	-	-	
Bursary	-	-	-	-	-	
Inter-Account Borrowing-Operation	-	-	-	-	-	
Personnel emoluments	-	-	-	-	-	
Repairs and maintenance & Improvements	-	-	-	-	-	
Local transport / travelling	-	-	-	-	-	
Electricity and water	-	-	-	-	-	
Medical Expenses	-	-	-	-	-	
Administration costs	-	-	-	-	-	
CDF				-		
Fee on Boarding Equipment and Stores	20,640,000.00	-	20,640,000.00	24,319,771.00	(3,679,771.00)	118.00%
Creditors	-	-	-	2,415,240.00	(2,415,240.00)	
Bank charges		-	-	34,370.00	(34,370.00)	
Expenses on income generating activities	-	-	-	-	-	
KCSE				-		
Tender		-	-	46,000.00	(46,000.00)	
Miscellaneous expenses		-	-	-	-	
Caution Money		-	-	-	-	
SUBTOTALS	20,940,000.00	-	20,940,000.00	27,071,831.00	(6,131,831.00)	129.00%
TOTAL	39,854,704.00	-	39,854,704.00	40,857,708.00	(1,003,004.00)	103.00%

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

- i. There was increase in enrolment leading to more funds received enabling over expenditure.
- ii. The school had been under funded by the ministry of education leading to less funds received.

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.

MOLO SECONDARY SCHOOL

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****11. NOTES TO THE FINANCIAL STATEMENTS****1 Government Grants for Tuition**

Description	2022-2023	2021-2023
	Kshs	Kshs
Exercise books	690,191.50	-
Laboratory equipment and apparatus	690,493.50	-
Teaching/learning materials	575,734.50	3,044,498.00
Library materials	413,821.00	-
Internal exams	276,080.50	-
Chalk & Dusters	114,456.00	-
Total	2,760,777.00	3,044,498.00

2 Government Grants for Operations

Description	2022-2023	2021-2023
	Kshs	Kshs
Personnel Emoluments	3,965,523.00	4,290,374.00
Repairs And Maintenance	767,081.00	32,731.00
Local Transport / Travelling	1,180,886.00	802,777.00
Electricity And Water	956,539.00	1,519,432.00
Medical	-	184,000.00
Administration Costs	1,757,709.00	1,788,161.00
Activity	613,372.00	-
Insurance	-	-
Total	9,241,109.00	8,617,475.00

3 Government Grants for infrastructure

Description	2022-2023	2021-2023
	Kshs	Kshs
Maintenance & Improvement	2,995,000.00	4,551,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Others (NG-CDF)	-	-
Total	2,995,000.00	4,551,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2023
	Kshs	Kshs

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023**

Description	2022-2023	2021-2023
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Fee on Boarding Equipment and stores	19,757,151.00	19,292,835.00
Arrears	3,555,414.00	686,710.00
PA Levies*	-	-
Others (specify)	-	-
Total	23,312,565.00	19,979,545.00

5 Miscellaneous Incomes

Description	2022-2023	2021-2023
	Kshs	Kshs
Rent Income	-	3,000.00
Income From Farming Activities	-	15,510.00
Water Sales	-	92,550.00
Income From Posho Mill	-	-
Income From Bus Hire	285,600.00	400,800.00
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*	-	-
Accommodation	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Tender	46,000.00	-
Total	331,600.00	511,860.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 Tuition**

Description	2022-2023	2021-2023
	Kshs	Kshs
Exercise books	1,281,650.00	1,477,595.00
Textbooks and reference materials	-	-
Reference Materials	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	456,280.00	-
Exams and Assessment	-	-
Teachers guides	-	-
Creditors	1,408,055.00	1,677,245.00
Bank Charges	4,330.00	5,785.00
Total	3,150,315.00	3,160,625.00

7 Operations

Description	2022-2023	2021-2023
	Kshs	Kshs
Personnel Emoluments	3,842,408.00	4,615,986.00
Service Gratuity	-	-
Administration Cost	218,320.00	861,060.00
Repairs And Maintenance & Improvements	224,900.00	112,245.00
Local Transport / Travelling	141,458.00	1,573,820.00
Electricity And Water	358,650.00	540,195.00
Medical	-	7,700.00
Activity Expenses	485,710.00	249,170.00
Creditors	1,527,206.00	653,010.00
COVID-19	-	15,310.00
Bank Charges	-	2,520.00
Total	6,798,652.00	8,631,016.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****8 Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	532,300.00	6,716,920.00
Construction of twin laboratory & Classrooms	-	-
construction of dormitory	-	-
Purchase of furniture	1,201,600.00	301,500.00
Construction of Hall/Kitchen	-	-
Bank Charges	3,010.00	-
Creditors	2,895,000.00	435,720.00
Total	4,631,910.00	7,454,140.00

9 Boarding and School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	-	-
Bank Charges	34,370.00	-
Expenses On Income Generating Activities	-	209,925.00
Fee On Boarding Equipment and Stores	24,319,771.00	17,336,855.00
Creditors	2,415,240.00	1,135,152.00
Farm Expenses	-	78,670.00
Insurance Cost (<i>Life Property</i>)	-	-
Bus Hire	256,450.00	-
Activity	-	-
Bus Hires	-	-
Water Sales	-	-
Tender	46,000.00	-
Total	27,071,831.00	18,760,602.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dor mant		Kshs	Kshs
Tuition Account	Active		20,899.00	1,704.00
Operations Account	Active		475,355.00	800.00
School Fund Account/Boarding-Equity Bank	Active		92,883.00	(52,741.00)
Savings Account	Active		-	-
Income generating activities Account - Farm Account	Active		-	-
Infrastructural Account	Active		2,784.00	1,894.00
NG-CDF Account	Active		-	-
Total			591,921.00	(48,343.00)

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
M & I Account	-	-
Operation Account	287.00	1,975.00
Farm Account	-	-
School Fund account	2,425.00	850.00
Total	2,712.00	2,825.00

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
-------------	-----------	-----------

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023**

	Kshs	Kshs
Fees Arrears	10,331,481.00	8,206,989.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	3,000.00
Rent arrears (list/schedule attached)	-	-
Total	10,331,481.00	8,209,989.00

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	3,555,414.00	34%	686,710.00	8%
Between 1- 2 years	520,800.00	5%	986,550.00	12%
Between 2-3 years	994,467.00	10%	1,258,990.00	15%
Over 3 years	5,260,800.00	51%	5,274,739.00	64%
Total (should tie to note 13 a)	10,331,481.00	100%	8,206,989.00	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	24,096,701.00	18,323,400.00
Prepaid Fees	-	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	24,096,701.00	18,323,400.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****14a. Ageing Analysis of Accounts Payable**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 Year	8,245,501.00	34%	3,901,127.00	21%
Between 1 - 2 years	3,048,049.00	13%	957,800.00	5%
Between 2 - 3 years	2,347,120.00	10%	1,087,500.00	6%
Over 3 years	10,456,031.00	43%	12,376,973.00	68%
Total	24,096,701.00	100%	18,323,400.00	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	(48,344.00)	1,180,345.00
Cash Balances	2,825.00	(3,394.00)
Short Term Investments	-	-
Receivables	8,209,989.00	8,684,310.00
Payables	(18,323,400.00)	(18,718,186.00)
Total	(10,158,930.00)	(8,856,924.00)

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****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	11	-	-
Trees	360	-	-
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	371	-	-

18 Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023**

Other important disclosure notes**19 Stock/ Inventory**

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

MOLO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 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

15/4/2026

12. Annexes
Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services ⁴⁴	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2023	Comments
	a	b	c			
	Kshs	Kshs	Kshs	Kshs		
Construction of buildings& other projects						
1. Remmtex engineers		February 2022	200,000	635,720	435,720	
2. General Dynamics		December 2022	-	-	100,000	
3. Pafic Edge solutions		December 2022	-	-	200,000	
4. Shazant ltd		December 2022	-	-	1,800,000	
5. Kimbleflex Enterprises ltd		February 2023	-	-	795,000	
Sub-Total		-	200,000.00	635,720.00	3,330,720.00	
Supply of goods and services						
Tuition Account						
1. Pamfloy Entreprises		January 2018	100,000	1,876,690	1,676,690	
2. Gilgil Press		January 2019	100,000	316,920	371,220	
3. Lelab Chemicals		January 2019	30,550	30,550	-	
4. Fig Education Suppliers		January 2018	30,000	589,140	559,140	
5. Stan Bookshop		January 2019	142,632	142,632	-	
6. Osram Top Investments		January 2019	-	113,000	113,000	
7. H.Downing Ltd		January 2018	-	110,000	110,000	
8. Peroa Merchants		January 2018	-	200,000	150,000	
9. Blitz Computer		January 2016	-	39,000	39,000	
10. Robtech Copy		January 2019	-	80,000	80,000	
11. Robco Offices Ltd		January 2020	-	737,000	625,000	

MOLO SECONDARY SCHOOL

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

Supplier of Goods or Services ⁴⁴	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2023	Comments
12. Bethany Technologies Ltd		January 2020	254,600	1,154,600	800,000	
13. General Biological Supply House		January 2021	121,540	805,573	1,090,593	
14. Dajohn Enterprises		January 2021	100,000	471,000	560,000	
15. Brain Waves Solution		January 2021	20,000	36,000	16,000	
16. Catholic Bookshop		January 2022	100,000	304,340	304,340	
17. Marchworld Enterprises		July 2022	-	-	454,850	
18. Domsiry Educational supplies		March 2023	-	-	111,705	
19. Blue Tangerine stationers		March 2023	-	-	152,900	
Sub-total			999,322.00	7,006,445.00	7,214,438.00	
Operations Account						
20. Aketch Electrical		January 2020	62,100	74,850	45,450	
21. Micah Inyangu		January 2019	57,000	30,000	90,500	
22. Lilisam Traders		January 2019	-	200,000	200,000	
23. Bosco Karanja		January 2018	20,000	289,480	264,480	
24. Bmladec Maxicorso		January 2019	20,000	276,670	256,670	
25. Stellotech		January 2017	-	95,500	95,500	
26. Jose Electronics		January 2018	-	31,000	31,000	
27. Mwangaza Metal		January 2018	-	581,950	581,950	
28. Molo Uniform Centre		January 2019	-	100,000	100,000	
29. Ideal Smart Graphics		January 2019	20,000	72,850	137,850	
30. Startic Distributors		January 2016	-	70,000	70,000	
31. Simon Mburu		2016	30,000	304,072	274,072	
32. Robco Office Suppliers Ltd		January 2020	-	56,800	56,800	
33. Target Techniques		January 2016	20,000	86,500	66,500	
34. Nathan Motorcycle		January 2019	15,000	15,000	-	
35. Barsalang Technologies		January 2019	-	78,140	78,140	
36. Nallins Co.Ltd		January 2019	-	28,500	28,500	
37. Qwest Gen. Merchants		January 2021	-	12,000	12,000	

MOLO SECONDARY SCHOOL

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

Supplier of Goods or Services ⁴⁴	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2023	Comments
38. Alpha Jones Ltd		January 2022	-	45,000	45,000	
39. Uchumi Selection stores		January 2018	-	43,180	43,180	
40. Robtech copy		January 2019		-	-	
41. Kudheihwa workers		-	37,195	37,195	-	
42. N.S.S.F		-	-	1,058,476	1,322,796	
43. P.A.Y.E		-	-	965,628	1,093,656	
44. Jane Gitau		-	-	830,223	830,223	
45. Crestlyn Suppliers		January 2023	-	-	70,000	
46. Staff arrears		-	-	1,813,200	1,813,200	
47. Unipro Enterprises		March 2023	-	-	150,000	
48. Standard Assorted Investments		April 2023	-	-	306,000	
49. Orientcore systems		May 2023	-	-	36,900	
50. BM Hardware		May 2023	-	-	199,850	
51. Robtech Copy		January 2016	112,000	-	-	
Sub-totals			393,295.00	7,196,214.00	8,300,217.00	
School Fund Account						
52. Elijah Kimemia		January 2017	-	415,000	415,000	
53. Uchumi Selection Stores		January 2018	-	239,573	189,573	
54. Patrick Mwangi		January 2017	-	66,600	66,600	
55. Imani Hotel		January 2020	102,170	115,000	74,900	
56. Wakulima Favoured		January 2019	-	80,000	80,000	
57. Nancy Ndung'u		January 2020	28,000	28,000	16,500	
58. Josdowa Enterprises		January 2022	60,000	199,840	155,830	
59. Ann Andai		January 2020	42,413	42,413	175,526	
60. Thonjo Njeru Enterprises/Arcturus Ent.		January 2019	-	100,000	100,000	
61. Mash Butchery		January 2019	200,000	948,330	748,330	
62. G-Max Engeering		January 2021	140,000	202,500	62,500	

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023**

Supplier of Goods or Services ⁴⁴	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2023	Comments
63. Francis Nderitu (Farm Forestry)		January 2021	22,000	22,000	-	
64. Betty Cherotich		January 2022	-	87,000	87,000	
65. Martin Muraya(Muraya Butchery)		January 2017	110,000	110,000	-	
66. Abercare Hardware		January 2016	-	360,035	360,035	
67. Robtech Copy		January 2016	-	131,700	131,700	
68. Elica Supplies		May 2022	-	117,530	215,530	
69. Joseph Macharia		January 2019	20,000	72,000	52,000	
70. Poly Energy saver		January 2016	-	147,500	147,500	
71. Mwangaza Metal workshop		January 2018	-	-	73,200	
72. Chantelle Enterprises		July 2022	-	-	200,000	
73. Tabitha Wakaria		July 2022	-	-	347,600	
74. Bestech Africa		July 2022	-	-	93,000	
75. Emrome Enterprises		July 2022	-	-	147,671	
76. Duka ya Denno		July 2022	-	-	16,500	
77. Darun Investment		May 2023	-	-	241,400	
78. P.K.N Stores		May 2023	-	-	129,400	
79. Gilanis Supermarket ltd		July 2022	-	-	878,531	
80. Old Gold Solutions		July 2022	-	-	45,500	
81. Peroa Merchants		January 2018	50,000	-	-	
82. Bethany Technologies ltd		January 2020	100,000	-	-	
83. Bosco Karanja		January 2018	5,000	-	-	
Sub-total			879,583.00	3,485,021.00	5,251,326.00	
Grand Total		-	2,472,200	18,323,400.00	24,301,701.00	

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2023****Annex 2 – Summary of Fixed Assets Register**

Asset class	Date purchased	Quantity	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1		6.6 Acres				
Land 2		-				
Buildings and structures						
✓ Classrooms		19				
✓ Toilets		97				
✓ Administration block/Library		1				
✓ Dining Hall/Kitchen/Kitchen store		1				
✓ Departmental offices		10				
✓ Computer lab		1				
✓ Biology Lab		1				
✓ Chemistry Lab		1				
Motor vehicles		1				
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
✓ Computers		30				
✓ Printers		5				
✓ Duplo machine		1				
✓ Photocopier machine		1				
Tools and apparatus		20				

MOLO SECONDARY SCHOOL

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

Asset class	Date purchased	Quantity	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Textbooks		23,421				
Other Machinery and Equipment- Lamination machine		1				
Heritage and cultural assets		-				
Intangible assets- soft ware		2				
Total						

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

