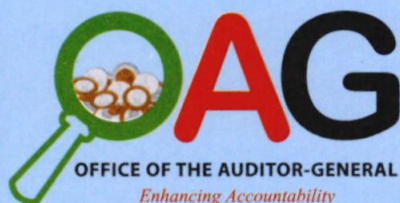
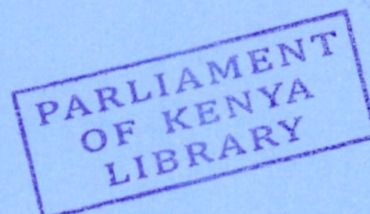


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

CHEPTIL SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

The logo of Nandi County, featuring a traditional Maasai shield and spears.	
NANDI COUNTY	
THE NATIONAL ASSEMBLY	
PAPERS LAID	
DATE: 28 JUL 2026	
DAY.	
TABLED BY:	Hon. Owen Bayo Deputy Majority Leader
CLERK-AT THE-TABLE:	Mr. Inzoga Mwalu

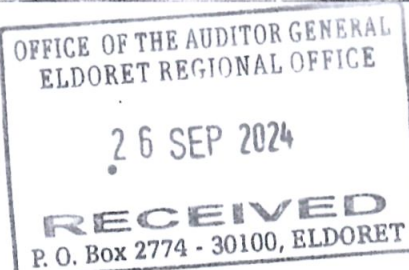


Revised 30th June 2023.



Cheptil Secondary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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



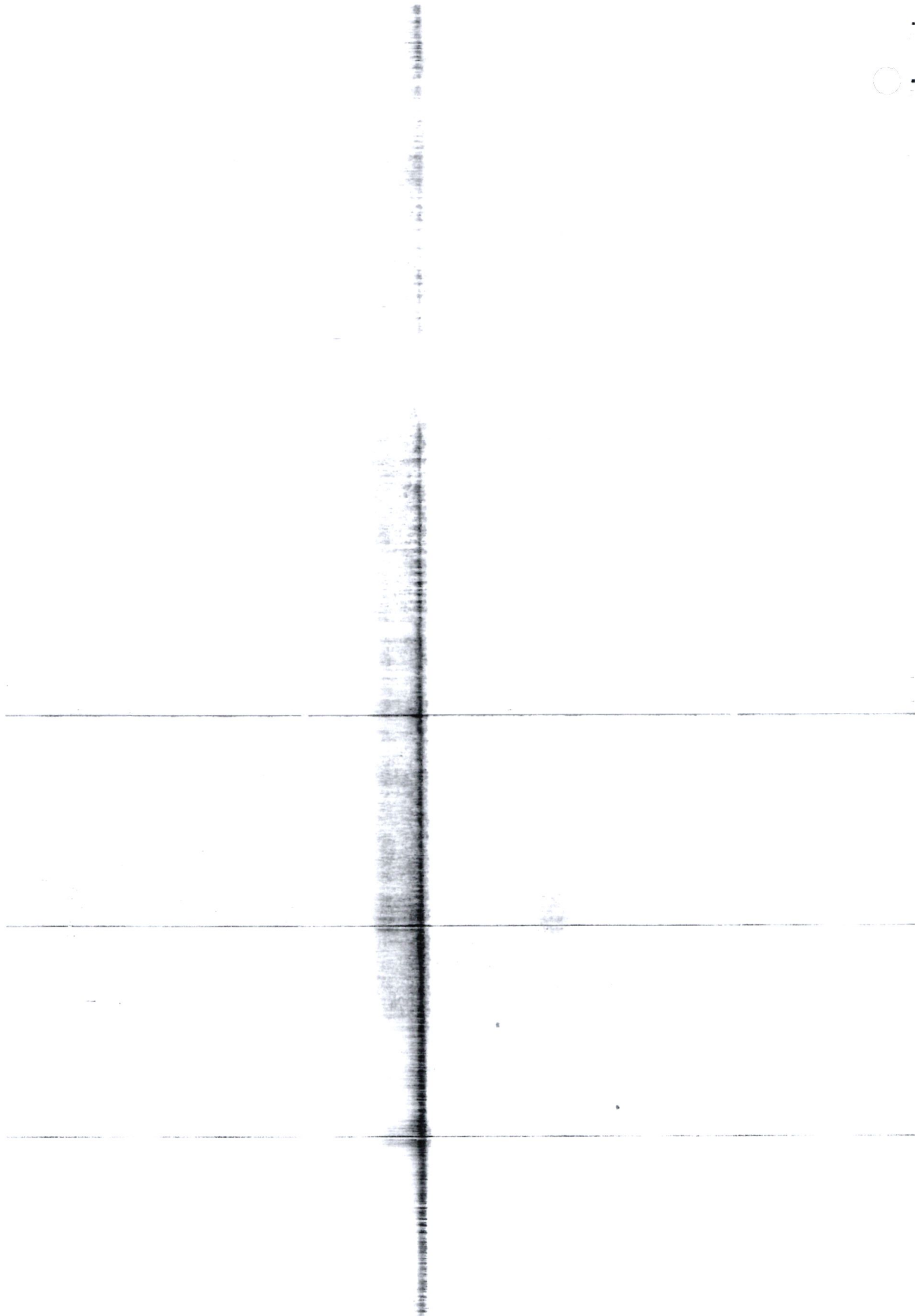


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CHEPTIL SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

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
PA	Parents Association
CDF	Constituency Development Fund
NSSF	National Social Security Fund
KRA	Kenya Revenue Authority
KPLC	Kenya Power & Lighting Company
PAYE	Pay As You Earn
NHIF	National Hospital Insurance Fund
PE	Personal Emolument
LT&T	Local Transport & Travels
EWC	Electricity Water and Conservancy
ICT	Integrated Communication Technology

*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 Nandi County, Nandi North Sub-County.

The school was registered in 08/03/1976 under registration number 2634 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 650 number of students as at 30th June 2022. It has three streams and 32 teachers of which 10 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. Barnabas Bwambok	Chairman	15/06/2022
2	Mr. Kipyego Ngetich	Secretary - Principal	15/06/2022
3	Dr. David Kosgei	Vice Chair	15/06/2022
4	Mrs. Salome Kitele	Member	15/06/2022
5	Mr. William Sang	Member	15/06/2022
6	Dr. Emily Bomet	Member	15/06/2022
7	Mrs. Esther Seronei	Member	15/06/2022
8	Mr. Levy Limo	Member – Rep CEB	15/06/2022
9	Ms. Anne Birgen	Member Rep Teachers	15/06/2022
10	Mr. Gilbert Sawe Mr. Kennedy Tanui Mr. Jackson Tuwei	3 Members - Sponsor	15/06/2022
11	Dr. Jonah Katam Mr. Paul Mutai	Members - Community	15/06/2022
12	Mr. Sammy Kerich	Member Special Needs	15/06/2022
13	Frankline Kipkosgei	Rep Students	15/06/2022

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	Dr.BarnabasBwambok Mr.Kipyego Ngetich Mr. Paul Mutai Mrs. Salome Kitele Mr. Gilbert Sawe	BOM Chairman BOM Secretary PA Chairman Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
2	Audit Committee	Mr. Levy Limo Mr. Barnabas Koros Mr. Charles Kiprotich	Chairman Member Member	0 0 0
3	Finance,procurement and general purposes Committee	Mr. William Sang Mr. Jackson Tuwei Mr. Kipyego Ngetich Mrs. Salome Kitele	Chairman Member Member Member	0 0 0 0
4	Academic Committee	Dr. Emily Bomet	Chairlady	1 out of 1

		Mr. Paul Mutai	Member	1 out of 1
		Mrs. Salome Kitele	Member	1 out of 1
		Mr. Kipyego Ngetich	BOM Secretary	1 out of 1
		Mr. Johana Kering	Director of studies	1 out of 1
5	Development Committee			
6	Discipline and welfare Committee	Mrs. Esther Seronei	Chairlady	1 out of 1
		Mr. Emmanuel Cheruiyot	Deputy Principal	1 out of 1
		Mr. Gilbert Sawe	Member	1 out of 1
		Mr. Sammy Kerich	Member	1 out of 1
		Mr. Kipyego Ngetich	BOM Secretary	1 out of 1

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

(d) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr. Kipyego Ngetich	TSC No. 335532
2	Deputy Principal	Mr. Emmanuel Cheruiyot	TSC No. 455127
3	School Bursar	Mr. John Talam	ID No. 22890010

(e) Schools contacts

Post Office Box: P. O. Box. 2151-30100 Eldoret
Telephone: 0202029991
E-mail: cheptilsecondary@gmail.com
Website: www.cheptilsecondary.co.ke

(f) School Bankers

S/No.	ACCOUNT NAME	NAME OF THE BANK	BRANCH	ACCOUNT NUMBER
1	School Fund	KCB	Eldoret	1135325561
2	Operations	NBK	Eldoret	01021027623400
3	Tuition	NBK	Eldoret	01025027623400
4	RMI	KCB	Eldoret	1255230096
5	CDF	NBK	Eldoret	2527623401

(g) Independent Auditors

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

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	2021-2022	Jan-Jun 2021	2020
Deficit/Surplus	3,361,371	6,907,954	4,120,594

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

Account	2021-2022	Jan-Jun 2021	2020
Tuition	2,227,193	907,692	1,302,221
Operational	9,720,020	3,284,016	8,609,825
Total	11,947,213	4,191,708	9,912,046

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

Income	2021-2022	Jan-Jun 2021	2020
Cows	179,540	67,839	-
Fees		20,863	-
Maintenance		4,000	-
Sale of Jericans	5,100	6,100	-
Bus Hire	42,000	25,000	-
Bakery	1,147,181	762,790	-
Total	1,373,821	886,592	-

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

Account	2021-2022	Jan-Jun 2021	2020
Tuition	2,448,306	774,036	1,213,296
Operation	5,943,691	3,220,458	5,867,974

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Infrastructure	7,314,039	784,983	-
School Fund	28,497,606	6,862,329	17,280,912
Total	44,203,642	11,641,806	24,362,182

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

Description	2021-2022	Jan-Jun 2021	2020
Debtors	24,707,947	16,845,631	16,539,931
Creditors	4,819,690	1,106,909	5,176,510

b) Teacher Student ratio:

Subject	Eng.	Kisw.	Math	Chem.	Bio	Phy.	Geo.	CRE	Agri.	BeS.	Comp.	PE	His
Teachers	4	5	11	5	6	2	5	3	4	5	1	1	5
Teacher:Student	1:163	1:130	1:59	1:130	1:108	1:325	1:130	1:217	1:163	1:130	1:650	1:650	1:130
New Teachers	0	1	6	2	3	0	3	1	2	2	0	0	2
Transferred	0	1	0	1	1	0	1	0	0	0	0	0	0
TSC-Employed	2	5	7	5	4	2	4	1	2	2	0	1	4
BOM-Employed	2	0	4	0	2	0	1	2	2	3	1	0	1

c) Mean score in the 2021 KCSE:

Year	2021	2020	2019
Targeted Mean	6.59	5.5	5.5
Attained Mean	5.2467	5.4561	5.00
Deviation from set mean	-1.3433	-0.0439	-0.5
Students Transition	41	42	50

Comment: The school had a big deviation from the set target compared with the previous years.

d) Number of Candidates in the 2020 KCSE:

Year	2021	2020	2019
Number of candidates	154	171	217

e) Capacity of the school:

Number of Students	Dormitories	Dining Halls	Laboratories	Latrines
650	9	0	3	40

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Computer Laboratory	CDF and Bank Loan	Complete	6,000,000	6,000,000	2021
One storeyed 6No. Classrooms	Ministry of Education-MI	In progress	10,064,955	7,064,039	2022

School Principal



CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Cheptil 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 30th June, 2022, and of the school's financial position as at that date.

.....
Name:

Designation: Chairman, School Board of Management

Date:

.....
Name:

Designation: School Principal & Secretary to Board of Management

Date:

.....
Name:

Designation: Bursar

Date:



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON CHEPTIL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NANDI 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 Cheptil Secondary School – Nandi County set out on pages 12 to 32, which comprise of the statement of assets and liabilities as at 30 June, 2022, 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 Cheptil Secondary School at 30 June, 2022 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. Unsupported Accounts Payables Balance

The statement of financial assets and liabilities reflects Accounts payables balance of Kshs.4,819,690 as disclosed in Note 14 to the financial statements. Included in this amount is Kshs.3,659,795 in respect of prepaid fees. However, the balance was not supported with documentation. Further, the trade payables of Kshs.1,159,895 disclosed under Note 14 varies with annex 1 – analysis of accounts payables balance of Kshs.4,160,811 by Kshs.3,000,916 which has not been explained or reconciled.

In the circumstances, the accuracy, completeness and authenticity of accounts payables balance of Kshs.4,819,690 could not be confirmed.

2. Unsupported Accounts Payments

The statement of receipts and payments and Notes 6, 7 and 9 reflects tuition, operations and boarding and school fund payments amounting to Kshs.2,448,306, Kshs.5,943,691 and Kshs.28,497,606 respectively. However, examination of payment vouchers amounting to Kshs.2,140,191 for tuition expenditure, Kshs.2,095,581 for operations expenditure and Kshs.3,278,040 for school fund respectively revealed that management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, and goods received notes.

In the circumstances, the regularity, accuracy and completeness of accounts payments of Kshs.7,513,812 could not be confirmed.

3. Unreconciled Negative Cash Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.9,551,234 as disclosed in Note 10 and Note 11 to the financial statements. The balance was arrived after netting of a cash in hand negative balance of Kshs.59,797. However, the management did not explain how the position was arrived at or which individual had financed the School. Further, the cash balance was not supported by a board of survey report.

In the circumstances, the accuracy of the cash in hand balance of Kshs.59,797 could not be confirmed.

4. Unsupported Accounts Receivables Balance

The statement of assets and liabilities reflect accounts receivables balance of Kshs.24,707,947 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.24,707,947 could not be confirmed.

5. Undisclosed Income from Hire of Bus

The statement of receipts and payments reflects miscellaneous income amount of Kshs.1,373,821 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs.42,000 in respect of income from bus hire. However, examination of school bus work tickets revealed that the bus had been hired out on several occasions during the financial year without declaring, recording and banking the revenue.

In the circumstances, the accuracy and completeness of miscellaneous income balance of Kshs.1,373,821 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.43,945,300 and Kshs.47,565,013 respectively, resulting in an over-funding by Kshs.3,619,713 or 8% of the budget. However, the School spent an amount of Kshs.44,203,642 against actual receipts amounting to Kshs.47,565,013, resulting in an under-utilization of Kshs.3,361,371 or 7% of actual receipts. Further, Management excluded miscellaneous income as an income line item despite the School having historically received such receipts including income from hire of bus, bakery, and School farm cows amounting to Kshs.1,373,821 for financial year 2021/2022 and Kshs.886,592 for financial year 2020/2021.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Management is responsible for the Other Information set out on page 1 to 11 which comprise of Key School Information and Management, Summary Report of Performance of the School, 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 THE 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. Late Submission of Financial Statements

The annual reports and financial statements for Cheptil Secondary School Secondary School for the financial year ended 30 June, 2022 were submitted to the office of the Auditor-General for audit on 26 September, 2024, twenty-four (24) months beyond the

statutory deadline of 30 September, 2022. This was contrary to 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. Failure to Prepare Bank Reconciliations

The statement of assets and liabilities reflects cash and cash equivalent of Kshs.9,551,031 as disclosed in Note 10 and 11 to the financial statements. The balance was arrived after netting of credit cash in hand balance of Kshs.59,797. The amount comprised of five (5) bank accounts with bank balances of Kshs.9,611,031. However, the management did not produce for audit review bank reconciliation statements for each of the five (5) banks accounts for July 2021 to May 2022. This was contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015.

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

3. Failure to Maintain Imprest Register

The statement of receipts and payments and Note 7 to the financial statements reflects operations payments of Kshs.5,943,691. Audit review of the cashbook indicated payments in respect of cash advances to staff attending to school. However, during the year under review, the school did not maintain an imprest register, contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015.

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

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

The statement of financial receipts and payments reflect payments for operations amount of Kshs.5,943,691 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs. 333,500 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.333,500 could not be confirmed.

5. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects Government grant for operations amounting to Kshs.6,205,020 as disclosed in Note 2 to the financial statements from the Ministry of Education credited to the Operations Bank Account. However, the amounts were not transferred to the school infrastructure account within fifteen (15) days upon

receipt of the funds in the operations account. This was contrary to The Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021

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

6. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

7. Non-Compliance with AGPO Reservation in Procurement

The statement of financial performance reflects payments for tuition, operations, infrastructure and boarding and school fund amount of Kshs.44,203,642 as disclosed in Notes 6,7,8 and 9 to the financial statements. Included in this amount is Kshs.38,481,725 in respect of procurement for goods and service from the school's suppliers. Review of payments for goods and services revealed that the school did not reserve 30% of the Procurement of goods and services for Youth Women and Persons with Disabilities, contrary to Section 53(6) of Public Procurement and Disposal Act.

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

8. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects payments for tuition, operations, infrastructure and boarding and school fund amount of Kshs.44,203,642 as disclosed in Notes 6,7,8 and 9 to the financial statements. Included in this amount is Kshs.38,481,725 in respect of procurement for goods and service from the school's suppliers. Review of payments for the goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

9. Non-Compliance to School Infrastructure Checklist

Physical inspection of the school in respect of adherence with School Infrastructure Standards and Guidelines on Safety on School Grounds and Safety in Physical Infrastructure of classrooms, dormitories and sanitation infrastructure indicated that the

school was not in compliance with twenty-four (24) of the guidelines and standards. Infrastructure Standards and Guidelines.

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

10. Lack of a Functional Procurement Unit

The school 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. Further, during the year under review, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports.

Further, proposed construction of one storeyed 6 No. Classrooms block commenced on 12 April, 2022 with an initial budget of Kshs.10,064,995 from the infrastructure fund funded by the National Government. The contract agreement was labour only contract with the school supplying materials. The cost of labour was Kshs.2,781,383 and materials Kshs.7,283,612 as per the contract agreement for a period of 29 weeks ending 6 September, 2022. However, the management failed to provide the procurement files for labour and materials including tender advertisement, documents, professional opinion, payment certificates, materials on site register and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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 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. Weaknesses in Security of School Financial System

Review of the school's financial management system revealed that no requests were made by users before they are allowed system access, login sessions persisted for many days until users logged out, users could concurrently log in on multiple computers and regular backups of important information from the system were not made.

In circumstances, the effectiveness of controls in management of the financial systems could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements summary of fixed assets register reflects a balance of Kshs.55,404,833 which includes land with a value of Kshs.9,900,000. However, land ownership documents for two parcels of land are still registered in the names of the sellers. Further, the opening balance of Kshs.48,340,794 varied with the prior year audited financial statements figure of Kshs.47,555,811 by Kshs.784,983 which has not been explained nor reconciled. In addition, the Management did not prepare an updated fixed assets register and several assets at the school were not tagged.

In these circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.24,707,947 out of which Kshs.24,650,697 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the fees arrears is a balance of Kshs.13,177,316 which had been outstanding for more than three (3) years representing 53% of the total accounts receivable. Further, there was no details supporting schedule for the ageing 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 recoverability and existence of effective mechanisms for debt management could not be confirmed.

4. Lack of Internal Audit Function

During the year under review, the school had not constituted an internal audit unit and the constituted audit committee did not hold any meetings. This was contrary to Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the existence of effective oversight mechanisms could not be confirmed.

5. Weaknesses in Constitution of Board of Management

During the year under review, the Board of Management did not prepare an annual board work plan or schedule of activities/board charter for the year under review as envisioned by Section 59 of the Basic Education Act, 2013. Further, Management did not constitute sub committees of the Board submit an annual report on governance to Director of Basic Education section 60 of the Basic Education Act, 2013. In addition, evidence of meetings of the full board were not provided for audit.

In the circumstances, the existence and effectiveness of governance structure of the School could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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

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

25 May, 2026

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Statement Of Receipts and Payments For the Year Ended 30th June 2022

Description Of Vote Head	Note	2021-2022	Jan- Jun 2021
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,227,193	907,692
Government grants for operations	2	6,205,020	3,284,016
Government Grants for infrastructure	3	3,515,000	2,435,500
School fund income- parents' contributions	4	34,243,979	11,035,959
Miscellaneous incomes	5	1,373,821	886,592
Total Receipts		47,565,013	18,549,759
Payments			
Tuition	6	2,448,306	774,036
Operations	7	5,943,691	3,220,458
Infrastructure	8	7,314,039	784,983
Boarding and school fund	9	28,497,606	6,862,329
Total Payments		44,203,642	11,641,806
Surplus/Deficit		3,361,371	6,907,953

The school financial statements were approved on 25/7 / 2024 and signed by:

Name:

[Signature]

Name:

[Signature]
Kipyego ngetich

Name:

[Signature]
JOHN TALAM

Chair BOM

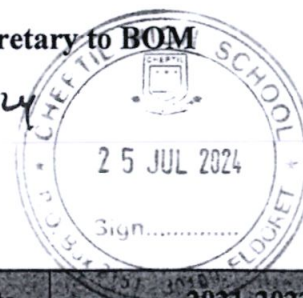
Date: 25/07/24

School Principal/ Secretary to BOM

Date: 25.7.2024

Bursar

Date: 19/7/2024

Statement of Assets and Liabilities As At 30th June 2022

Description	Note	2021-2022 Kshs	Jan - Jun 2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	9,611,031	10,334,893
Cash balances	11	(59,797)	4,506
Short term investments	12	-	-
Total cash and cash equivalent		9,551,234	10,339,399
Account's receivables	13	24,707,947	16,845,631
Total financial assets		34,259,181	27,185,030
Financial liabilities			
Accounts payables	14	4,819,690	1,106,909
Net financial assets		29,439,491	26,078,121

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Represented by				
Accumulated fund b/fwd		15	26,078,120	19,170,167
Surplus/deficit for the year			3,361,371	6,907,954
Net financial position			29,439,491	26,078,121

The school's financial statements were approved on 25/7/ 2024 and signed by:

.....
 Name: Prof. Samuel K. Kariuki
 Chair BOM
 Date: 25/07/2024

.....
 Name: Kipyego Ngelich
 School Principal/ Secretary to BOM
 Date: 25.7.2024



.....
 Name: JOHN TALAM
 Bursar
 Date: 19/7/2024

Statement of Cash Flows for the Year Ended 30th June 2022

Description	Note	2021-2022 Kshs	Jan – Jun 2021 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,227,193	907,692
Government grants for operations	2	6,205,020	3,284,016
Government grants for infrastructure	3	3,515,000	2,435,500
School fund income- parents contributions/ fees	4	28,991,799	11,866,967
Other income	5	1,373,821	886,592
Total receipts		42,312,833	19,380,768
Payments			
Cash outflows for tuition	6	2,448,306	774,036
Cash outflows for operations	7	5,834,391	3,220,458
Cash outflows Boarding/lunch and school fund payments	9	27,504,261	12,068,638
Total payments		35,786,958	16,063,132
Net cash inflow/outflow from operating activities	A	6,525,875	3,317,635
Cash flow from investing activities			
Acquisition of assets	B	(7,314,039)	(784,983)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities	D	(788,164)	2,532,652
Cash flow from Financing activities			

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		(788,164)	2,532,653
Net increase/decrease in cash and cash equivalents	D		
Cash and cash equivalent at beginning of the FY	E	10,339,398	7,806,746
Cash and cash equivalent at end of the FY	F=D+E	9,551,234	10,339,399

The school's financial statements were approved on 25/7/2024 and signed by:



Name:

Prof. David K. Koech

Chair BOM

Date:

25/07/24



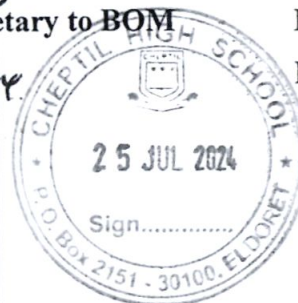
Name:

Kipyego Ngelich

School Principal/ Secretary to BOM

Date:

25.7.2024





Name:

JOHN TALAM

Bursar

Date:

19/7/2024

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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					
(1) Capitation Grant on Tuition					
Exercise books	502,600	-	502,600	1,157,080	230%
Laboratory equipment and apparatus	746,900	-	746,900	370,008	50%
Teaching/learning materials	107,100	-	107,100	497,916	465%
chalks	26,600	-	26,600	46,550	175%
Internal exams	403,200	-	403,200	124,878	31%
Reference books	48,300	-	48,300	30,761	64%
Text books	1,416,100	-	1,416,100	-	0%
(2) Capitation Grant on Operations					
Personnel emoluments	4,728,500	-	4,728,500	4,326,472	91%
Local transport / travelling	385,000	-	385,000	134,872	35%
Electricity and water	700,000	-	700,000	693,090	0%
Medical and insurance	700,000	-	700,000	247,825	35%
Administration costs	1,116,500	-	1,116,500	799,271	72%
Activity	1,050,000	-	1,050,000	3,490	0%
Smasse	140,000	-	140,000	-	0%
3) FDSE for infrastructure					
Maintenance & Improvement MoE	3,500,000	-	3,500,000	3,515,000	100%

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
(4) Fees Charged on Parents					
Personnel emoluments	2,170,000	-	2,170,000	2,558,615	118%
Repairs and maintenance- RMI	2,030,000	-	2,030,000	1,890,530	93%
Local transport / travelling	525,000	-	525,000	2,046,547	390%
Electricity and water	3,080,000	-	3,080,000	2,248,858	73%
Administration costs	1,295,000	-	1,295,000	2,007,533	155%
Activity	105,000	-	105,000	472,911	450%
Fee on Boarding Equipment and Stores	16,229,500	-	16,229,500	19,507,808	120%
Bus Fund	1,400,000	-	1,400,000	1,222,626	87%
Medical and insurance	140,000		140,000	457,034	326%
5) Miscellaneous Income					
School farm- Cows	-	-	-	179,540	0%
Maintenance and Improvement	1,400,000	-	1,400,000	1,831,517	131%
Sale of Jaricans	-	-	-	5,100	0%
Income from Bus Hire	-	-	-	42,000	0%
Income from Bakery	-	-	-	1,147,181	0%
Total Income	43,945,300	-	43,945,300	47,565,013	108%
(6) Expenditure For Tuition					
Exercise books	502,600	-	502,600	1,346,580	268%
Laboratory equipment and apparatus	746,900	-	746,900	448,199	60%
Teaching/learning materials	107,100	-	107,100	520,253	486%

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
Internal exams	403,200	-	403,200	101,000	25%
Reference books	48,300	-	48,300	31,854	66%
Chalks	26,600	-	26,600	-	0%
Text books	1,416,100	-	1,416,100		
Bank charges			-	420	0%
(7) Expenditure For Operations					
Personal Emoluments	4,728,500	-	4,728,500	3,851,736	81%
Local transport and travelling	385,000	-	385,000	192,400	50%
Administration Cost	1,116,500	-	1,116,500	1,186,880	106%
Medical and insurance	700,000	-	700,000	156,975	22%
Activity Expenses	1,050,000	-	1,050,000	126,500	12%
Electricity and water	700,000	-	700,000	429,200	61%
(8) Expenditure For infrastructure					
Construction of 6 No. Classrooms	3,500,000	-	3,500,000	7,099,039	203%
Computer Laboratory				215,000	
(9) Expenditure For school fund					
Activity	105,000	-	105,000	430,275	410%
Boarding ,equipment and stores	16,229,500	-	16,229,500	16,230,858	100%
Bus hire and school bus	1,400,000	-	1,400,000	323,994	23%
Personnel emoluments	2,170,000	-	2,170,000	1,869,761	86%
Repairs and maintenance & Improvements	2,030,000	-	2,030,000	1,995,350	98%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Local transport / travelling	525,000	-	525,000	694,695	132%
Electricity and water	3,080,000	-	3,080,000	3,017,134	98%
Administration costs	1,295,000	-	1,295,000	2,524,926	195%
Maintenance and Improvement	1,400,000	-	1,400,000		0%
Refund to students	-	-	-	297,432	0%
Expenses on Income Generating Activities - Bakery	-	-	-	944,608	0%
School Farm-Cows	-	-	-	104,010	0%
Medical and insurance	140,000	-	140,000	64,563	46%
Totals	43,945,300	-	43,945,300	44,203,642	101%

- i. *The expenditures that were above 100% were caused by the inflation in the country.*
- ii. *The expenditures that were below 90% were as a result of poor fees payment resulting in non-execution of the budget.*

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 2022.

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

Description	2021-2022	Jan – Jun 2021
	Kshs	Kshs
Exercise books	1,157,080	303,293
Laboratory equipments and apparatus	370,008	122,848
Teaching/learning materials	497,916	432,333
chalks	46,550	-
Internal exams	124,878	25,128
Reference books	30,761	24,081
Administration Cost		9
Total	2,227,193	907,692

2 Government Grants for Operations

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel emoluments	4,326,472	2,532,954
Maintenance and Improvement	-	174,500
Local transport / travelling	134,872	55,438
Electricity and water	693,090	-
Medical and insurance	247,825	113,425
Administration costs	799,271	404,209
Activity	3,490	3,490
Total	6,205,020	3,284,016

3 Government Grants for infrastructure

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Maintenance & Improvement	3,515,000	2,435,500
Total	3,515,000	2,435,500

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

4 School Fund Income - Parents Contribution/Fees

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Boarding ,equipment and stores	19,507,808	6,876,177
Bus Fund	1,222,626	5,000
Personnel emoluments	2,558,615	840,410
Repairs and maintenance	1,890,530	544,071
Local transport / travelling	2,046,547	206,975
Electricity and water	2,248,858	1,974,387
Medical	457,034	1,000
Administration costs	2,007,533	546,279
Activity	472,911	41,660
M & I	1,831,517	
Total	34,243,979	11,035,959

5 Miscellaneous Incomes

Description	2021-2022	Jan-June2021
	Kshs	Kshs
School farm- Cows	179,540	67,839
Excess fees		20,863
Maintenance and Improvement		4,000
Sale of Jaricans	5,100	6,100
Income from Bus Hire	42,000	25,000
Income from Bakery	1,147,181	762,790
Total	1,373,821	886,592

Notes to the Financial Statements (continued)**6 Tuition**

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Exercise books	1,346,580	366,400
Laboratory equipments and apparatus	448,199	245,472
Teaching/learning materials	520,253	59,274
Internal exams	101,000	50,150
Reference books	31,854	52,500
Bank charges	420	240
Total	2,448,306	774,036

7 Operations

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Personal Emoluments	3,851,736	2,538,761
Local transport and travelling	192,400	36,500
Administration Cost	1,186,880	452,794
Electricity and water	429,200	-
Medical and insurance	156,975	187,403
Activity Expenses	126,500	5,000
TOTAL	5,943,691	3,220,458

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****Notes to the Financial Statements (continued)****8 Infrastructure**

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Construction of Computer Lab	215,000	784,983
Construction of 6 No. Classrooms	7,064,039	
Preparation of Dinning Hall Construction documents	35,000	
Total	7,314,039	784,983

9 Boarding And School Fund

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Activity	430,275	47,200
Boarding ,equipment and stores	16,230,858	3,171,106
Bus hire and school bus	323,994	66,100
School farm- Cows	104,010	34,250
Personnel emoluments	1,869,761	225,178
Repairs and maintenance & Improvements	1,995,350	455,700
Local transport / travelling	694,695	232,385
Electricity and water	3,017,134	971,888
Administration costs	2,524,926	1,082,087
Refund to students	297,432	76,983
Expenses on Income Generating Activities - Bakery	944,608	499,452
Medical	64,563	
TOTAL	28,497,606	6,862,329

10 Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2021-2022	Jan-June2021
			Kshs	Kshs
Tuition Account	Active	01025027623400	2,614	223,727
Operations Account	Active	010210276723400	615,581	208,748

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

School Fund Account/Boarding	Active	1135325561	2,869,490	188,733
M&I Account	Active	1255230096	6,122,951	9,498,290
CDF account	Active	2527623401	395	215,395
Total			9,611,031	10,334,893

11 Cash In Hand

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Operation Account		-
School Fund account	(59,797)	4,506
Total	(59,797)	4,506

12 Short Term Investments

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Cooperative shares	-	-
Other investments	-	-
Total	-	-

13 Accounts Receivable

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Fees arrears	24,650,697	16,815,832
Salary Advances (list/schedule attached)	57250	29,799
Total	24,707,947	16,845,631

13 b Ageing Analysis of Accounts Receivable

Description	2021-2022		Jan-June2021	
	Kshs		Kshs	
		% of the total		% of the total
Less than 1 year	8,415,048	34%	2,394,065	14%
Between 1- 2 years	1,740,759	7%	1,317,574	8%
Between 2- 3 years	1,317,574	5%	1,456,514	9%

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Over 3 years	13,177,316	54%	11,647,679	69%
Total	24,650,697	100%	16,815,832	100%

Notes to the Financial Statements (continued)

14 Accounts Payable

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,159,895	-
Prepaid fees	3,659,795	1,106,909
Total	4,819,690	1,106,909

14a. Ageing Analysis of Accounts Payable

Description	2021-2022		Jan-June2021	
	Kshs		Kshs	
	2021-2022	% of the total	Jan-June2021	% of the total
Less than 1 year	1,159,895	100%	-	0%
Total	1,159,895	100%	-	0%

15 Fund Balance Brought Forward

Description	2021-2022	Jan-June2021
	Kshs	Kshs
Bank balances-note 10	9,611,031	10,334,893
Cash balances-note 11	(59,797)	4,506
Receivables-note 13	24,707,947	16,845,631
Payables-note 14	(4,819,690)	(1,106,909)
Total	29,439,491	26,078,121

Other important disclosure notes

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

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	Jan – Jun 2021	2020
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2021-2022	Jan – Jun 2021
		Kshs	Kshs
Cattle	3	180,000	150,000
Trees	145	270,000	266,900
Total	148	450,000	416,900

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	2021-2022	Jan – Jun 2021
	Kshs	Kshs
Food stuffs	101,958	2,191,671

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Lab consumables	108,188	52,532
Medication	30,644	31,915
Construction Materials	1,859,540	49,460
	2,100,330	2,325,578

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)
4	Delay in utilization of MI funds	Amount should be utilised for the intended purpose	Process begun	End of next financial year
5	Inter account Transfer	Amounts to be harmonized	Harmonized	Resolved
6	Retention Money Bank Account	Open Savings Bank Account	Not Resolved	During the next year

Sign and Date
Principal



Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance Comparative Jan – Jun 2021	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Computer Laboratory	6,000,000	2014	6,000,000	0	215,000	Completed
2. 6 No. One Storey Classrooms	10,064,955	2022	7,064,039	3,000,916	0	In progress
Sub-Total	16,064,955		13,064,039	3,000,916	215,000	
Supply Of Goods	1,159,895		0	1,159,895	0	
Sub-Total	1,159,895		0	1,159,895	0	
Supply Of Services						
Sub-Total	0		0	0	0	
Grand Total	17,224,850		13,064,039	4,160,811	215,000	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st Jul. 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land	9,900,000	-	-	9,900,000
Buildings And Structures	26,270,064	7,064,039	-	33,334,103
Motor Vehicles	5,000,000	-	-	5,000,000
Office Equipment, Furniture And Fittings	831,000	-	-	831,000
ICT Equipment	965,000	-	-	965,000
Tools And Apparatus	733,190	-	-	733,190
Other Machinery And Equipment	3,761,540	-	-	3,761,540
Heritage And Cultural Assets	680,000	-	-	680,000
Intangible Assets- Soft Ware	200,000	-	-	200,000
Total	48,340,794	7,064,039	-	55,404,833

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

SCHOOL FUND								
ADJUSTED TRIAL BALANCE								
AS AT 30TH JUNE 2022								
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
			DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash				4,506			-	4,506
Bank				188,733			-	188,733
ACTIVITY	1	105,000	430,275	386,936		85,975	430,275	472,911
ADMIN COST	2	1,295,000	2,524,926	1,668,835		338,698	2,524,926	2,007,533
ARR	3	-		653,306	8,415,048		8,415,048	653,306
BES	4	16,229,500	15,180,263	14,454,508	1,050,595	5,053,300	16,230,858	19,507,808
BUS FUND	5	1,400,000		916,675		305,951	-	1,222,626
E.W.C	6	3,080,000	3,017,134	2,107,805		141,053	3,017,134	2,248,858
JERICANS	7	-		5,100			-	5,100
L.T.T	8	525,000	694,695	1,584,871		461,676	694,695	2,046,547
M.I	9	1,400,000		929,170		902,347	-	1,831,517
MEDICAL	10	140,000	64,563	221,817		235,217	64,563	457,034
P.E	11	2,170,000	1,869,761	2,035,572		523,043	1,869,761	2,558,615
PRE	12		1,150,233	3,659,795			1,150,233	3,659,795
R.M.I	13	2,030,000	1,995,350	1,522,742		367,788	1,995,350	1,890,530
REFUND	14		297,432				297,432	-
ADVANCE	15		379,500	322,250			379,500	322,250
BAKERY	16		944,608	1,147,181			944,608	1,147,181
BURSARY	17		2,611,480	2,611,480			2,611,480	2,611,480
BUS	18		323,994	42,000			323,994	42,000
COWS	19		104,010	179,540			104,010	179,540
NHIF	20		48,850	48,850			48,850	48,850
NSSF	21		150,958	150,958			150,958	150,958
OPERATION A/C	22		210,706				210,706	-
PAYE	23		2,373	2,373			2,373	2,373
RMI ACCOUNT	24		34,200				34,200	-
UNION	25		16,222	16,222			16,222	16,222
WELFARE	26		21,300	21,300			21,300	21,300
CREDITORS						1,050,595	-	1,050,595
Closing Balance							-	-
Cash			(59,797)				(59,797)	-
Bank			2,869,490				2,869,490	-
TOTAL		28,374,500	34,882,525	34,882,525	9,465,643	9,465,643	44,348,168	44,348,168

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

OPERATIONS ACCOUNT ADJUSTED TRIAL BALANCE AS AT 30TH JUNE 2022								
			CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance								
Cash								
Bank				208,748			-	208,748
ACTIVITY	1	1,050,000	126,500	3,490			126,500	3,490
ADMIN COST	2	1,116,500	1,077,580	799,271	109,300		1,186,880	799,271
E.W.C	3	700,000	429,200	693,090			429,200	693,090
INSURANCE	4	700,000	156,975	247,825			156,975	247,825
L.T.T	5	385,000	192,400	134,872			192,400	134,872
M.I	6	-		-			-	-
P.E	7	4,728,500	3,851,736	4,326,472			3,851,736	4,326,472
R.M.I	8	3,500,000		3,515,000			-	3,515,000
SMASSE	9	140,000					-	-
MOEST GRANTS	10		9,720,019	9,720,019			9,720,019	9,720,019
NHIF	11		135,050	135,050			135,050	135,050
NSSF	12		408,416	408,416			408,416	408,416
PAYE	13		3,178	3,178			3,178	3,178
RMI ACCOUNT	14		3,689,500	-			3,689,500	-
UNION	15		36,246	36,246			36,246	36,246
WELFARE	16		64,200	64,200			64,200	64,200
BOARDING A/C	17			210,706			-	210,706
CREDITORS	18					109,300	-	109,300
Closing Balance							-	-
Cash							-	-
Bank			615,581				615,581	-
TOTAL		12,320,000	20,506,581	20,506,581	109,300	109,300	20,615,881	20,615,881

TUITION ACCOUNT
TRIAL BALANCE
AS AT 30TH JUNE 2022

			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				223,727
Administration Costs	1		420	
Chalks	2	26,600		46,550
Exercise Books	3	502,600	1,346,580	1,157,080
Internal Exams	4	403,200	101,000	124,878
Lab Equipments	5	746,900	448,199	370,008
Ref/Lib Materials	6	48,300	31,854	30,761
Teaching and Learning Materials	7	107,100	520,253	497,916
Text Books	8	1,416,100		

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

MOEST GRANTS	9		2,227,193	2,227,193
Closing Balance				
Cash			-	
Bank			2,614	
TOTAL		3,250,800	4,678,114	4,678,114

**RMI ACCOUNT
TRIAL BALANCE
AS AT 30TH JUNE 2022**

			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				9,498,290
ADMIN COST	1		126	
CLASSES	2	3,500,000	7,063,913	
DINING	3		35,000	
BOARDING A/C	4			34,200

OPERATION A/C	5			3,689,500
Closing Balance				
Cash				
Bank			6,122,951	
TOTAL		<u>3,500,000</u>	<u>13,221,990</u>	<u>13,221,990</u>

**CDF ACCOUNT
TRIAL BALANCE
AS AT 30TH JUNE 2022**

			CASH BOOK TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)
Opening Balance				
Cash				
Bank				215,395
COMPUTER	1		215,000	
Closing Balance				
Cash				
Bank			395	
		TOTAL	<u>215,395</u>	<u>215,395</u>

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****CHEPTIL SECONDARY SCHOOL
SCHOOL FUND ACCOUNT
RECONCILIATION SCHEDULES/NOTES****NOTE I Payments in cash book not in Bank Statement- Unpresented cheques**

Date	Payee	Cheque No.	Amount
29-06-22	ACK Diocese of Kapsabet	001964	14,120
29-06-22	Boresha Sacco Society Ltd	001965	362,803
29-06-22	Bidii Self Help Group	001966	7,200
29-06-22	Kudheihia Workers	001967	5,866
29-06-22	NSSF	001969	53,366
29-06-22	KRA	001970	791
29-06-22	Barno T. Cheruiyot	001971	48,150
29-06-22	KPLC	001972	71,000
29-06-22	Boresha Sacco Society Ltd	001973	11,950
29-06-22	Kirwa and Kirwas General Shop	001974	222,470
			797,716

NOTE II Receipts in Bank Statement not recorded in the Cash Book

Date	Payee	Cheque No.	Amount
30-06-22	Direct Cheque Deposit		35,000.00
30-06-22	Standing Order		50,000.00
30-06-22	Direct Deposits		215,598.00
			300,598.00

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

CHEPTIL SECONDARY SCHOOL SCHOOL FUND ACCOUNT BANK RECONCILIATION AS AT 30/06/2022			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			3,366,609
Less: Payments in cash book not in Bank Statement- Unpresented cheques	I	797,716	(797,716)
Add: Receipts in bank statement not recorded in cash book	II	300,598	300,598
Balance as per Cash book			2,869,491

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : 19/7/2024

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : 25/7/2024



**CHEPTIL SECONDARY SCHOOL
OPERATION ACCOUNT
RECONCILIATION SCHEDULES/NOTES**

NOTE I Payments in cash book not in Bank Statement- Unpresented cheques

Date	Payee	Cheque No.	Amount
29-06-22	Gurdit Singh Shop	3081	12,000.00
29-06-22	Kipyego Ngetich	3082	44,000.00
			56,000.00

**CHEPTIL SECONDARY SCHOOL
OPERATION ACCOUNT
BANK RECONCILIATION AS AT 30/06/2022**

	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			671,581
Less: Payments in cash book not in bank statement	I	56,000.00	(56,000)
Balance as per Cash book			615,581
I certify that I have verified bank balances in the cash book with bank statement and that is correct.			
Designation: Bursar			
Name: John Talam			

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Signature: _____

Date : _____

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : _____



CHEPTIL SECONDARY SCHOOL TUITION ACCOUNT RECONCILIATION SCHEDULES/NOTES				
NOTE I Payments in cash book not in Bank Statement- Unpresented cheques				
Date	Payee	Cheque No.	Amount	
29-06-22	Astrong General Merchants	468	531,000.00	
			531,000.00	

CHEPTIL SECONDARY SCHOOL TUITION ACCOUNT BANK RECONCILIATION AS AT 30/06/2022						
				Note	Amount	
					Kshs.	Kshs.
Balance as per Bank Statement						533,614
Less: Payments in cash book not in bank statement				I	531,000	(531,000)
Balance as per Cash book						2,614

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : _____

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : _____



**CHEPTIL SECONDARY SCHOOL
RMI ACCOUNT
RECONCILIATION SCHEDULES/NOTES**

NOTE I Payments in Cash book not in Bank Statement

Date	Payee	Cheque No.	Amount
29.6.2022	Roblink Agencies Ltd	000011	688,665
29.6.2022	Roblink Agencies Ltd	000012	688,665
29.6.2022	Roblink Agencies Ltd	000013	230,945
29.6.2022	Roblink Agencies Ltd	000014	173,860

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2022**

29.6.2022	Roblink Agencies Ltd	000015	673,700
29.6.2022	Roblink Agencies Ltd	000016	673,700
29.6.2022	Roblink Agencies Ltd	000017	167,100
29.6.2022	Danoph Solution Enterprises	000018	293,000
29.6.2022	Danoph Solution Enterprises	000019	60,565
29.6.2022	Danoph Solution Enterprises	000020	11,970
29.6.2022	Moses K. Kibet	000021	210,000
29.6.2022	Moses K. Kibet	000022	54,000
29.6.2022	Moses K. Kibet	000023	314,480
29.6.2022	Moses K. Kibet	000024	90,000
29.6.2022	Moses K. Kibet	000025	45,000
29.6.2022	Moses K. Kibet	000026	90,000
29.6.2022	Moses K. Kibet	000027	45,000
29.6.2022	Cheptil Dam Association	000028	80,200
			4,581,850

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

	Note	Amount
		Kshs.
Balance as per Bank Statement		10,704,801.00
Less: Payments in cash book not in bank statement	I	(4,581,850.00)
Balance as per Cash book		6,122,951.00

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date: 19/7/2024

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date: 25.7.2024





