

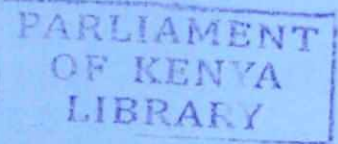
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

BISHOP EDWARD DONOVAN SECONDARY SCHOOL

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

NAKURU COUNTY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 MAR 2025

DAY: Wednesday

Hon. Naomi Waga, MP
Deputy Majority Party Whip

A. Shibusko

CLERK AT THE TABLE:

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30 June 2023

Revised 30 June 2023.



BISHOP EDWARD DONOVAN 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)

**BISHOP EDWARD DONOVAN
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For the year ended 30 June 2023**

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1. Acronyms and Glossary of Terms

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

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

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2. Key School Information and Management

(a) Background information

Bishop Edward Donovan Secondary School is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in NAKURU County, NAKURU NORTH Sub-County

The school was registered in 27/7/2021 under registration number 32S30000251 and is currently categorized as a SUB COUNTY public school established, and operated by the Government.

The school is a day school and had 350 numbers of students as at 30 June 2023. It has 2 streams and 14 teachers of which 4 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	DAVID KIARIE NJOROGE	Chairman	24/5/2022
2	MARY A. MORO	Secretary - Principal	24/5/2022
3	BRAMWEL MWANGI	Member	24/5/2022
4	FRANCIS KURIA KARIUKI	Member	24/5/2022
5	LUCY MUMBI NJIHIA	Member	24/5/2022
6	PHILIP WAINAINA KAMAU	Member	24/5/2022
7	ESTHER WAMBUI NJOROGE	Member	24/5/2022
8	THOMAS OBUORO NYABERA	Member – Rep CEB	24/5/2022
9	REBECCA MUSANDA	Member Rep Teachers	24/5/2022
10	SUSAN ENOCK	Members - Sponsor	24/5/2022
11	WYCLIFFE NYARAMBA	Members - Sponsor	24/5/2022
12	JOYCE WANJIRU	Members - Sponsor	24/5/2022
11	MOSES GATHUA	Member - Community	24/5/2022
13	MARY WANJIKU NDEGWA	Member Special Needs	24/5/2022
14	IMMANUEL MATHIAS	Rep Students	24/5/2022

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The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. David Kiarie Njoroge 2. Mary A. Moro 3. David M. Ngugi 4. Joyce Wanjiru 5. Francis Kuria Kariuki	Chairperson Secretary Member Member Member	1/2
2	Audit Committee	1. Lucy Mumbi Njihia 2. Mary A. Moro 3. David Kiarie Njoroge 4. Geoffrey Nyandiri 5. Joyce Wanjiru	Chairperson Secretary Member Member Member	1/1
3	Finance, procurement and general purposes Committee	1. Bramwel Mwangi 2. Mary A. Moro 3. David Kiarie Njoroge 4. Susan Enock 5. Phineas Owiti	Chairperson Secretary Member Member Member	1/2
4	Academic Committee	1. Wycliffe Nyaramba 2. Joyce Wanjiru	Chairperson Member Member	2/3

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		3. David Ngugi 4. Peter Kuria	Dean of Studies	
5	Development Committee	1. Francis Kuria 2. Mary A. Moro 3. David Njoroge 4. David Ngugi 5. Susan Enock 6. Rebecca Musanda	Chairperson Secretary Member Member Member Member	1/2
6	Discipline and welfare Committee	1. David Kiarie Njoroge 2. Mary A. Moro 3. David M. Ngugi 4. Esther Wambui Njoroge 5. Rebecca Musanda	Chairperson Secretary Member Member Member	3/3
7	Adhoc Committee (if any during the year)	1. David Kiarie Njoroge 2. Mary A. Moro 3. Bramwel Mwangi 4. Esther Wambui Njoroge 5. Francis Kuria 6. Rebecca Musanda	Chairperson Secretary Member Member Member Member	1/2

**BISHOP EDWARD DONOVAN
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(d) 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	Identification
1	Principal	MARY A. MORO	TSC 335061
2	Deputy Principal	REBECCA MUSANDA	TSC 273267
3	School Bursar	HARRISON KAMAU	ID. 28231519

(e) Schools contacts

Post Office Box: 17614-20100
 Telephone: 0719416888
 E-mail: bishopedwarddonovan@yahoo.com
 Website: N/A
 Facebook: Bishop Edward Donovan Secondary School
 Twitter: N/A

(f) School Bankers

The following school operated 7 numbers of bank accounts in the following banks:

OPERATION ACCOUNT

- Name of Bank: NATIONAL BANK
 Branch: NAKURU
 Account Number: **01025021664900**

TUITION ACCOUNT

- Name of Bank: NATIONAL BANK
 Branch: NAKURU
 Account Number: **01025021665100**

INFRASTRUCTURE ACCOUNT

- Name of Bank: NATIONAL BANK
 Branch: NAKURU
 Account Number: **0102223376800**

SCHOOL FUND ACCOUNT

- Name of Bank: EQUITY
 Branch: NAKURU GATE HOUSE
 Account Number: **0130262292029**

SCHOOL FUND ACCOUNT - PA

- Name of Bank: NATIONAL BANK
 Branch: NAKURU

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Account Number: **01025022291800**

CDF ACCOUNT

- Name of Bank: EQUITY BANK
Branch: GATE HOUSE
Account Number: **0130279889141**

SAVINGS ACCOUNT

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: **01248021665500**

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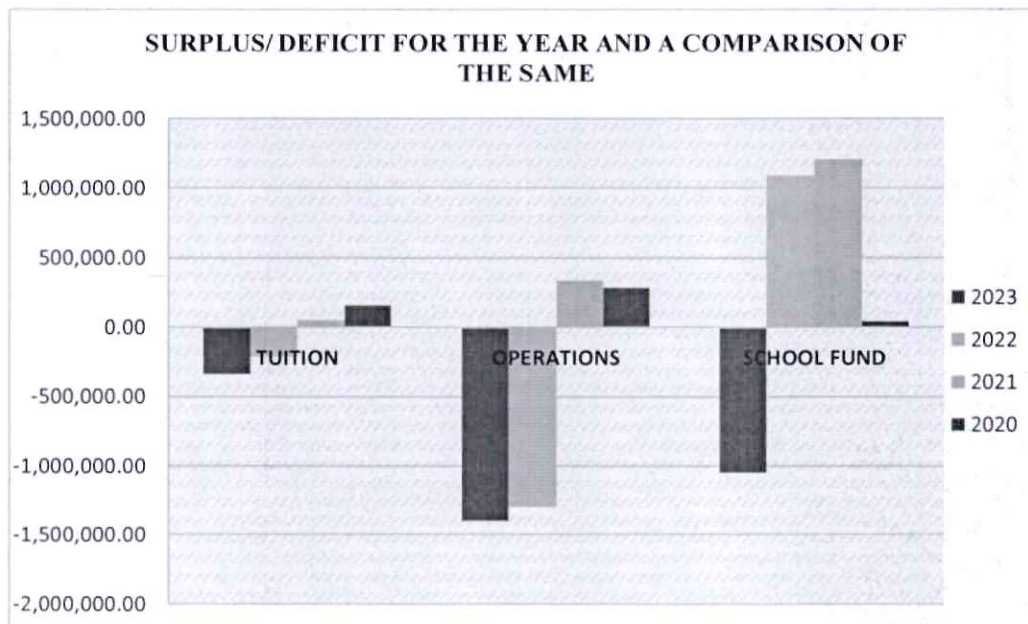
3. Summary Report of Performance of The School

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

a) Financial performance:

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

YEAR	2023	2022	2021	2020
TUITION	- 338,314.75	-210,625.20	49,374.25	160,385.43
OPERATIONS	- 1,399,008.48	-1,292,063.30	271,272.45	286,576.00
SCHOOL FUND	- 1,046,732.97	1,093,803.00	1,274,046.00	42,367.00
TOTAL	- 2,784,056.20	-408,885.50	1,594,692.70	489,328.43

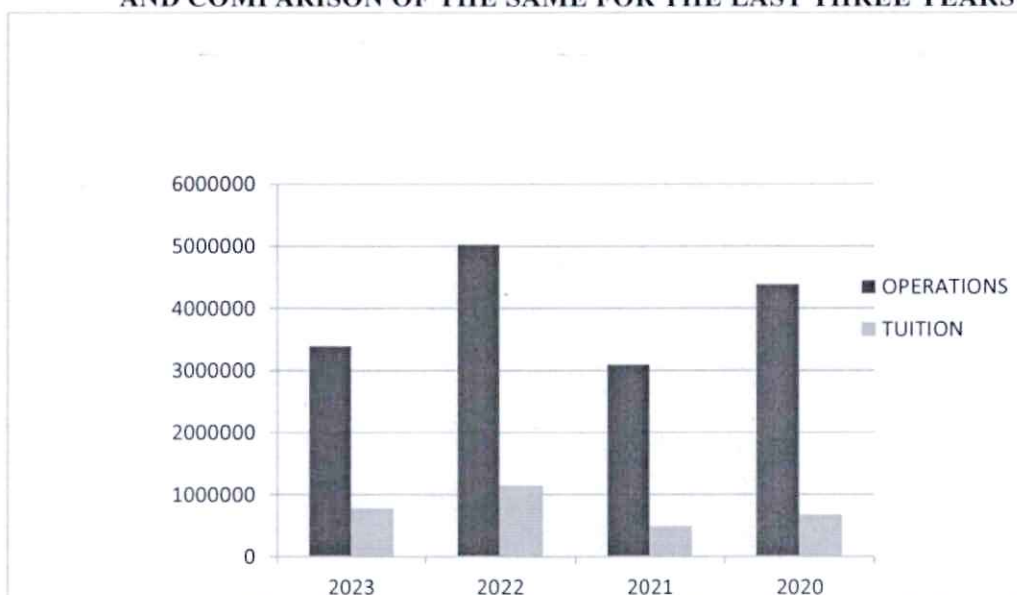


**BISHOP EDWARD DONOVAN
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For the year ended 30 June 2023**

ii. Capitation grants for the year and comparison of the same for the last three years

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE YEAR AND COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2023	2022	2021	2020
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	3,398,258.70	5,025,969.70	3,091,947.45	4,387,175.00
2	Tuition Account	784,320.25	1,156,638.80	493,029.25	680,179.00
	Total	4,182,578.95	6,182,608.50	3,584,976.70	5,067,354.00
	No of Students	350	353	379	379
	Ratio of Capitation per student	1: 11,950.23	1: 17,514.47	1:9,459.04	1: 13,370.33

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE YEAR AND COMPARISON OF THE SAME FOR THE LAST THREE YEARS



**BISHOP EDWARD DONOVAN
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**iii) A THREE-YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED
BY THE SCHOOL.**

SNO	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1	School Fund Account	3,553,308.00	4,368,410.00	3,092,463.00

iv) A three-year overview of growth in expenditure

A THREE - YEAR OVERVIEW OF GROWTH IN EXPENDITURE					
SNO	ACCOUNTS	2023	2022	2021	2020
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	4,600,040.97	3,274,607.00	1,818,417.00	1,444,695.00
2	Operations Account	3,736,557.18	4,125,408.00	1,500,425.00	2,393,095.00
3	Tuition Account	1,122,635.00	1,367,264.00	443,655.00	519,793.57
4	Infrastructure Account	1,060,710.00	2,192,625.00	1,320,250.00	1,706,712.00
	Total	10,519,943.15	10,959,904.00	5,082,747.00	6,064,295.57

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

MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL				
SNO	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
a	Debtors	2,555,799.42	2,671,222.42	2,530,175.42
b	Creditors	2,720,659.00	885,071.00	28,300.00

vi) Movement of cash and bank balances over the last three years

MOVEMENT OF CASH AND BANK BALANCES				
SNO	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1	School Fund Account	27,782.00	609,965.00	508,694.00
2	Operations Account	164,491.45	343,905.90	263,214.20
3	Tuition Account	97,626.20	297,272.95	25,602.15
4	Infrastructure Account	52,228.00	5,448.00	9,038.00
5	Savings Account	0	0	0
	Total	342,127.65	1,256,591.85	806,548.35

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b) Teacher Student ratio:

e)	TSC TEACHERS	BOM TEACHERS	TRANSFERRED TEACHERS	POSTED TEACHERS	TOTAL NO	NO OF STUDENTS
11		4	1	2	17	350

The ratio is 1:21

SUBJECT	NO. OF TEACHERS	SHORTAGE
CRE	2	2
BUSINESS	2	2
ENGLISH	3	0
HISTORY	2	2
MATHS/PHYS	1	3
CHEM	1	3
KISWA	2	2
AGRIC/BIO	1	3
GEOGRAPHY	1	3

d) Mean score in the 2022 KCSE:

e) YEAR	MEAN	MEAN GRADE TARGET	+/- DEVIATION	REMARKS
2022	2.32	4.0	+0.3	Improved Performance due to lesson recovery sessions and Continuous Assessment Tests (CATs)
2021	2.02	4.0	-0.68	
2020	2.70	4.0	+0.02	Added lessons recovery sessions & Introduced Continuous Assessment Tests (CATs)

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e) Students who transitioned to higher institutions of learning

YEAR	NO. OF STUDENTS	TRANSITIONED TO:
2022	8	Colleges
2021	5	Colleges
2020	5	Colleges

f) Number of Candidates in the 2022,2021 & 2020 KCSE:

YEAR	BOYS	GIRLS	TOTAL
2020	29	24	53
2021	38	51	89
2022	44	52	96

g) Capacity of the school:

AMENITIES	AVAILABLE	SHORTAGE	REMARKS
Number of Students	350	-	
Laboratories	1	2	With a capacity of 50 students each.
Toilets	24	12	Additional twelve toilets required
Classrooms	12	-	Enough
Computer Lab	1	0	Enough
Kitchen	1		Enough
Library	Nil	1	with a capacity of 50 students
Dining Hall	Nil	2	2 with a capacity of 150 students each
Playing Ground	Nil	1	Shares the playing ground with the primary school nearby
Board Room	Nil	1	No hall to hold meetings
Security Staff Office	Nil	1	For shelter of security staff

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Store	Nil	1	
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h) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Laboratory construction	MoE	At the tiling, painting level and finishing by 30 June 2023	3,590,000	2,915,280	December 2025
Desks & Lockers repair	MoE	Repaired broken lockers & chairs for the students by 30 June 2023 (This was done to prepare for the students joining form one in the year 2023)	40,750	40,750	Completed
Library Construction	Sponsor – The community Of the Crucified One (Father Paul)	Construction of Library began and was at the level of roofing as at 30 June 2023.	3,517,940	1,146,900	December 2025

Sign _____



School Principal _____



**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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For the year ended 30 June 2023**


4. Statement of School Management Responsibility

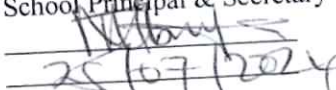
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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.

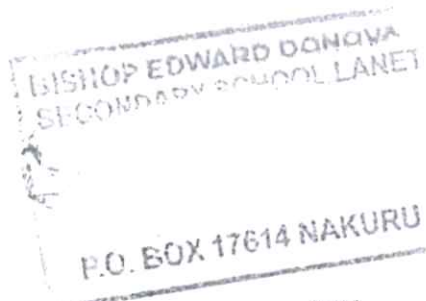
The Board of Management of BISHOP EDWARD DONOVAN SECONDARY SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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: David Njoroge
Designation: Chairman, School Board of Management
Sign: 
Date: 25/7/24

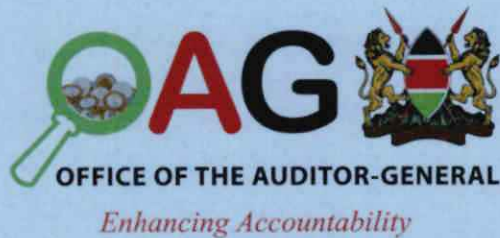
Name: Mary A. Moro
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 25/07/2024

Name: Harrison Kamau
Designation: Bursar
Sign: 
Date: 25/7/2024



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bishop Edward Donovan Secondary School set out on pages 1 to 20, which comprise 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 period 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 Bishop Edward Donovan Secondary School as at 30 June, 2023, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1.0 Unsupported School Fund Income from Parents' Contribution

The statement of receipts and payments reflects school fund income-parents' contributions Kshs.3,417,087 as disclosed in Note 3 to the financial statements. However, support documentation including supporting schedules and ledgers for the receipts were not provided for audit.

In the circumstances, the accuracy and completeness of school fund income parents' contributions of Kshs.3,417,087 could not be confirmed.

2.0 Failure to Open a Separate Bank Account

The statement of receipts and payments reflects school fund income-sponsor's contributions-library construction amount of Kshs.136,221 as disclosed in Note 4 to the financial statements. However, the school did not open a separate bank account as stipulated by the Ministry of Education Circular Ref: MOE.HQS/3/13/3 dated 16 June, 2021 which states that Schools shall open a separate bank account for other activities.

In the circumstances, the accuracy, completeness and regularity of Kshs.136,221 could not be confirmed.

3.0 Accounts Receivables

3.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,555,799 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 of the accounts receivables balance of Kshs.2,555,799 could not be confirmed.

3.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,555,799 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.2,115,902 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.2,555,799 could not be confirmed.

4.0 Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.2,754,885 as disclosed in Note 14 to the financial statements. Included in this amount is Kshs.2,720,659 in respect of trade creditors. However, support documentation including payment vouchers, purchase orders, local service orders /local purchase orders and good received notes has not been provided for review. Further, management has not provided explanation as to why the bills were not settled as they fell due.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.2,754,885 could not be confirmed

5.0 Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.342,127 as disclosed in Notes 10 and 11 to the financial statements. However, the bank balances were not supported by bank reconciliation statements. Further, Management did not constitute a board of survey to confirm the cash in hand of Kshs.141,658.

In addition, review of bank records revealed that the School operated a savings account at a local bank. However, the savings account was dormant and had been reflecting a nil balance for the last two (2) years.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.342,127 could not be confirmed.

6.0 Unsupported Payments for Tuition

The statement of receipts and payments reflects tuition payments of Kshs.1,122,635 as disclosed in Note 5 to the financial statements. Included in this amount is Kshs.753,532

in respect of exercise books and laboratory equipment. However, examination of payment vouchers amounting to Kshs.753,532 revealed that Management made payments without proper support documents local purchase orders/local service orders, Kenya Revenue Authority electronic tax registers, distribution lists, goods received notes and invoices.

In the circumstances, the occurrence, accuracy and completeness of the tuition payments amounting to Kshs.753,532 could not be confirmed.

7.0 Unsupported Payments for Operations

The statement of receipts and payments reflects operations payments of Kshs.4,797,267 as disclosed in note 6 to the financial statements. However, examination of payment vouchers revealed that Management made payments without proper support documents like local purchase orders/local service orders, Kenya Revenue Authority electronic tax register, distribution list, goods received notes and invoices.

In the circumstances, the regularity, accuracy and completeness of the tuition payments amounting to Kshs.4,797,267 could not be confirmed.

8.0 Inaccuracies in Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts was incomplete and therefore no analysis on final receipts budget and actual on a comparable basis could be done to determine the under/over collection of receipts. Similarly, the amount spent against an approved budget was also incomplete and therefore under or over expenditure could not be determined. Further, the audit could not determine whether the budget was balance.

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bishop Edward Donovan Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects day school fund payments of Kshs.4,600,041 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.524,400 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.524,400 could not be confirmed.

2.0 Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.784,320 and Kshs.3,398,259 respectively as disclosed in Notes 1 and 2 to the financial statements. During the period, NEMIS reported a total number of 350 students while the enrolment records provided by the School indicated a total number of 248 students, resulting to an unexplained variance of 102 students. As a result of the variances, the School was over-funded by an amount of Kshs.1,218,900.

In the circumstances, the accuracy and completeness of capitation grants for tuition and capitation grants for operations amounting to Kshs.784,320 and Kshs.3,398,259 respectively could not be confirmed.

3.0 Unsupported Fixed Assets Balance

Review of the financial statements revealed that the summary of fixed assets register was not presented in Annex 2 to the financial statements as required by the Public Sector Accounting Standards Board template. Further, the School did not maintain a fixed assets register indicating dates of assets acquisition, types of assets, suppliers' names, values, custodians and locations in respect of the assets it owns. This was contrary to Regulation 143(1)(2) of the Public Finance Management (National Government) Regulations, 2015

which states that 'the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

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

4.0 Weaknesses in Human Resource Management

The statement of receipts and payments reflects operation payments of Kshs.4,797,267 as disclosed in Note 6 to the financial statements. Included in this amount is personnel emoluments of Kshs.1,514,279 paid to the School's Board of Management teachers and non-teaching staff. However, Management did not provide for audit the approved staff establishment and terms and conditions of service to confirm the recruitment needs. This was contrary to Section 13 of the Fourth Schedule of the Basic Education Act, 2015, which requires the Board of Management to employ its staff, upon such terms and conditions of service as the County Education Board may determine. Further, the prescribed minimum wages as per wages order has not been observed as reflected in The Regulation of Wages (General) (Amendment) Order,2022 in conformity with the Labour Institutions Act, No.12 of 2007.

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

5.0 Lack of Procurement Plan

The statement of receipts and payments reflects an amount of of Kshs.7,735,886 and Kshs.10,519,943 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstances, Management was in breach of the law

6.0 Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The statement of budgeted versus actual amounts for the year ended 30 June, 2023 reflects unsupported adjustments amounts; and
- ii. The amounts and balances in the financial statements and Notes are not rounded off to the nearest shilling.

In the circumstances, Management was in breach of the Public Sector Accounting Standards Board (PSASB) guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

7.0 Late Submission of Annual Report and Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 15 May, 2024 instead of statutory date of 30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that 'the School's financial statements should be ready by 30 September, 2021 in compliance which 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 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Adequate Facilities in the School

The School lacked facilities such a library and outdoor playing facilities for the students, contrary to Regulation 64 of Basic Education Regulations, 2015 which states that 'every institution of basic education and training shall have provisions for outdoor playing facilities and equipment, both for outdoors and indoors with provisions for persons with disabilities'.

In the circumstances, the learning environment at the School is not conducive to students as envisaged.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register which includes land of undetermined value. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of land of undetermined value could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards requires 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 September, 2024

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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6. Statement Of Receipts and Payments For the Year Ended 30 June 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023 Kshs	2021-2022 Kshs
RECEIPTS			
Capitation grants for tuition	1	784,320.25	1,156,638.80
Capitation grants for operations	2	3,398,258.70	5,025,969.70
School Fund Income- Parents' Contributions	3	3,417,087.00	0
School Fund Income- Sponsor's Contributions – Library Construction	4	136,221.00	4,368,410.00
Proceeds from borrowings		0	0
TOTAL RECEIPTS		7,735,886.95	10,551,018.50
PAYMENTS			
Payments for Tuition	5	1,122,635.00	1,367,264.00
Payments for operations	6	4,797,267.18	6,318,033.00
Day school fund payments	7	4,600,040.97	3,274,607.00
TOTAL PAYMENTS		10,519,943.15	10,959,904.00
SURPLUS/DEFICIT		(2,784,056.20)	(408,885.50)

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


.....

Name: David Njoroge
Chair BOM

Date: 25/7/24


.....

Name: MORO A. MARY
School Principal/ Secretary to
BOM

Date: 25/07/2024


.....

Name: Hamson Kaman
Bursar/ Finance Officer

Date: 25/7/24

**BISHOP EDWARD DONOVAN
SECONDARY SCHOOL LANET
P.O. BOX 17614 NAKURU**

**BISHOP EDWARD DONOVAN
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7. Statement of Assets and Liabilities As At 30 June 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	200,469.65	1,196,770.85
Cash Balances	11	141,658.00	59,821.00
Short term Investment	12	-	0
Total Cash and cash equivalent		<u>342,127.65</u>	<u>1,256,591.85</u>
Account's receivables	13	2,555,799.42	2,671,222.42
TOTAL FINANCIAL ASSETS		2,897,927.07	3,927,814.27
FINANCIAL LIABILITIES			
Accounts Payables	14	2,754,885.00	1,026,216.00
NET FINANCIAL ASSETS		143,042.07	2,901,598.27
REPRESENTED BY			
Accumulated Fund b/fwd	15	2,927,098.27	3,310,483.77
Surplus/Deficit for the year		(2,784,056.20)	(408,885.50)
NET FINANCIAL POSITION		143,042.07	2,901,598.27

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

Name: David Njoroge Name: MORO. A MARY Name: Hamsan Kaman
 BOM Chairman School Principal/ BOM Secretary Bursar
 Sign: [Signature] Sign: [Signature] Sign: [Signature]
 Date: 25/7/24 Date: 25/07/2024 Date: 24/7/24

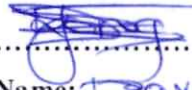


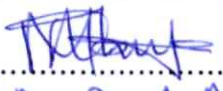
**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL**
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For the year ended 30 June 2023

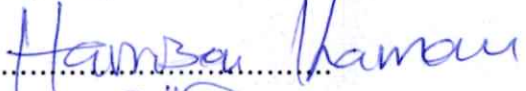
8. Statement of Cash Flows for the Year Ended 30 June 2023

		2022-2023	2021-2022
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	784,320.25	1,156,638.80
Capitation grants for operations	2	2,509,258.70	5,025,969.70
School fund income- Parents contributions/ fees	3	3,561,812.00	0
Capitation grants for Infrastructure	4	889,000.00	4,362,008.00
Adjustment increases in receivables		0	0
Total receipts		7,744,390.95	10,544,616.50
Payments			
Payments for Tuition		983,967.00	1,367,264.00
Payments for operations		3,513,827.18	6,318,033.00
Boarding and school fund payments		3,344,340.97	3,274,607.00
Adjustment decrease in payables		0	0
Total payments		7,842,135.15	10,959,904.00
Net cash flow from operating activities		(97,744.20)	(408,885.50)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets		(842,220.00)	0
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities		(842,220.00)	0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		(939,964.20)	(408,885.50)
Cash and cash equivalent at BEGINNING of the year		1,282,091.85	808,608.35
Cash and cash equivalent at END of the year		342,127.65	399,722.85

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


Name: David Njoroge
Chair BOM


Name: MORO A. MARY
School Principal/ Secretary to BOM


Name: Hambar Hambar
Bursar/ Finance Officer

Date: 25/7/24

Date: 25/07/2024

Date: 24/7/24

**BISHOP EDWARD DONOVAN
SECONDARY SCHOOL LANET**

P.O. BOX 17614 NAKURU

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
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9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books	449,624.00		449,624.00	181,804.00	40.43%
Laboratory Equipment	652,680.00		652,680.00	496,798.75	76.12%
Internal Exams	348,096.00		348,096.00	105,717.50	30.37%
Teaching / Learning Materials					
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
EWC	131,600.00		131,600.00	135,930.35	103.29%
LTT	460,600.00		460,600.00	475,756.22	103.29%
RMI	1,848,700.00		1,848,700.00	1,235,947.76	66.85%
Personal emolument	888,300.00		888,300.00	917,529.85	103.29%
Admin cost	526,400.00		526,400.00	338,268.62	64.26%
Activity	263,200.00		263,200.00	226,860.71	86.19%
Medical and insurance	65,800.00		65,800.00	67,965.18	103.29%
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE	1,750,000.00		1,750,000.00	889,000.00	50.80%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					

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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
Administration Block					
(4) Fees Charged on Parents					
Lunch Program	3,780,000.00		3,780,000.00	3,553,308.00	94.00%
Repairs And Maintenance					
Total Income					
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books	624,000.00		624,000.00	121,856.00	19.53%
Laboratory Equipment	354,332.00		354,332.00	485,595.00	137.05%
Internal Exams	186,960.00		186,960.00	340,303.00	182.02%
Teaching / Learning Materials					
Chalks					
Exams And Assessment	101,400.00		101,400.00	174,641.00	172.23%
Teachers Guides					
Administration Costs					
Bank Charges	2500		2500	240	9.60%
(7) Expenditure For Operations					
EWC	224,500.00		224,500.00	158,879.00	70.77%
LTT	540,000.00		540,000.00	473,400.00	87.67%
RMI	150,000.00		150,000.00	9,500.00	6.33%
Personal emolument	1,570,356.00		1,570,356.00	1,514,279.00	96.43%
Admin cost	974,380.00		974,380.00	1,168,506.00	119.92%
Activity	525,000.00		525,000.00	294,300.00	56.06%
Medical & insurance	72,000.00		72,000.00	64,400.00	89.44%
Insurance	155,500.00		155,500.00	51,000.00	32.80%
Bank charges	2,500.00		2,500.00	2,293.18	91.73%

**BISHOP EDWARD DONOVAN
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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
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms					
Construction of LAB	1,850,000.00		1,850,000.00	1,060,710.00	57.34%
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	300,000		300,000	250,897.00	83.63%
Repairs, Maintenance and Improvements	1,800,000.00		1,800,000.00	944,900.00	52.49%
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical Expenses					
Administration Costs					
Activity					
Gratuity					
Lunch Programme	3,981,210.00		3,981,210.00	3,396,074.00	85.30%
Boarding Equipment and Stores					
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					

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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
Bank Charges	10,000		10,000	8,169.97	81.70%
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals	13,424,638.00		13,424,638.00	9,459,233.15	70.46%

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

-For exercise books, there was underutilisation because the number of students budgeted for were more than the actual students. (Form ones admitted were less than expected). Additionally, the books used throughout the year were less than budgeted for.

-The expenditure of laboratory materials was overutilized beyond 100% because tuition capitation received was less than budgeted for. The expenses of lab equipment and chemicals were more than what the school was able to pay.

-Under Internal exams, there was overutilisation due to more internal exams introduced in the year to improve students' performance. There were more internal exams done than budgeted for.

-Infrastructure was over utilised due to the construction of Laboratory and repairing student's desks in preparation for Form one's admission.

-Insurance costs were underutilised as the payment made was half the actual amount invoiced. The partial payment was done to ensure all the creditors were balanced and everyone.

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.

**BISHOP EDWARD DONOVAN
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5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

**BISHOP EDWARD DONOVAN
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
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11. Notes To The Financial Statements

1 Government Grants for Tuition

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials		150,363.05
Exercise books	181,804.00	555,186.62
Laboratory equipment	496,798.75	173,495.82
Internal exams	105,717.50	86,747.91
Teaching / learning materials		104,097.49
Chalks		0
Exams and assessment		86,747.91
Teachers guides		0
Total	784,320.25	1,156,638.80

**Include others as per MOE circulars*

2 Government Grants for Operations

	2022-2023	2021-2022
	Kshs	Kshs
EWC	135,930.35	183,358.18
LTT	475,756.22	595,914.09
RMI	346,947.76	152,798.49
Personal emolument	917,529.85	1,110,028.18
Admin cost	338,268.62	932,070.76
Activity	226,860.71	0
Medical and insurance	67,965.18	81,800.00
To Infrastructure A/C	0	1,970,000.00
Inter Account Borrowing-Lunch	0	0
Total	2,509,258.69	5,025,969.70

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	889,000	
Other (specify)(NGCDF and County govt.		
Total	889,000	

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4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Lunch Program	3,553,308.00	4,368,410.00
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		
Fee on Boarding Equipment and stores		
PA Levies*		
Others (specify)		
Total	3,553,308.00	4,368,410.00

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

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	0	0
Income From Farming Activities	0	0
Insurance Compensation	0	0
Income From Posho Mill	0	0
Interest Income	0	0
Dividends Income	0	0
Loans/Borrowings*	0	0
Other Income (specify)*	0	0
Total	0	0

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6 Tuition

	2022 - 2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	-	120,800.00
Exercise books	121,856.00	482,684.00
Laboratory equipment	485,595.00	398,105.00
Internal exams	174,641.00	165,132.00
Teaching / learning materials	340,303.00	170,783.00
Chalks	0	0
Photocopier & Computers	0	27,950.00
Teachers guides	0	0
Bank Charges	240	1,810.00
Total	1,122,635.00	1,367,264.00

7 Operations

	2022 - 2023	2021-2022
	Kshs	Kshs
EWC	158,879.00	118,232.00
LTT	473,400.00	830,390.00
RMI	9,500.00	9,000.00
Personal emolument	1,514,279.00	1,269,219.00
Admin cost	1,168,506.00	1,332,031.00
Activity	294,300.00	300,300.00
Medical and insurance	64,400.00	73,776.00
Insurance	51,000.00	182,000.00
Bank charges	2,293.18	10,460.00
Inter Account Borrowing-Lunch	0	0
Infrastructure - Construction of Laboratory	0	2,192,625.00
TOTAL	3,736,557.18	6,318,033

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Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022 - 2023	2021-2022
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory	1,060,710.00	
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	1,060,710.00	

9 Boarding And School Fund

	2022 - 2023	2021-2022
	Kshs	Kshs
Personnel emoluments	250,897.00	198,096.00
Service Gratuity	0	0
Repairs and maintenance & Improvements	944,900.00	40,000.00
Local transport / travelling	0	0
Electricity and water	0	0
Medical Expenses	0	2,800.00
Administration costs	0	0
Lunch Program	3,396,074.00	3,027,111.00
Bank Charges	8,169.97	6,600.00
Expenses on Income Generating Activities	0	0
Fee on Boarding Equipment and Stores	0	0
Funds transfer to operations	0	0
Insurance Cost (Life Property)	0	0
Loan Principal repayment	0	0
Loan Interest repayment	0	0
Acquisition of Assets	0	0
TOTAL	4,600,040.97	3,274,607.00

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10 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1025021665100	97,626.20	297,272.95
Operations Account	1025021664900	27,070.45	340,579.90
School Fund Account	0130262292029	23,545.00	553,470.00
Savings Account	1248021665500	0	0
Parent Association Development Account		0	0
Income generating activities Account		0	0
Infrastructural Account	1022223376800	52,228.00	5,448.00
Total		200,469.65	1,196,770.85

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account	137,421.00	3,326.00
School Fund account	4,237.00	56,495.00
Total	141,658.00	59,821.00

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Total	0	0

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Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	2,555,799.42	2,671,222.42
Other Non-Fees Receivables	0	0
Salary Advances (list/schedule attached)	0	0
Imprest (list/schedule attached)	0	0
Rent arrears (list/schedule attached)	0	0
Total	2,555,799.42	2,671,222.42

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	152,983.00	6%	555,320.00	21%
Between 1- 2 years	286,914.00	11%	527,353.00	20%
Between 2-3 years	527,353.00	21%	1,588,549.42	59%
Over 3 years	1,588,549.42	62%		0%
Total (should tie to note 13 a)	2,555,799.42	100%	2,671,222.42	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,720,659.00	885,071.00
Prepaid Fees	34,226.00	114,445.00
Retention Monies	0	26,700.00
Unpaid salaries and statutory deductions	0	0
Caution money	0	0
Other payables (<i>specify</i>)	0	0
Total	2,754,885.00	1,026,216.00

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Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,145,966.00	79%	885,071.00	100%
Between 1- 2 years	574,693.00	21%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (should tie to note 14)	2,720,659.00	100%	885,071.00	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	1,222,270.85	836,711.35
Cash balances	59,821.00	(28,103.00)
Short Term Investments		0
Receivables	2,671,222.42	2,530,175.42
Payables	1,026,216.00	28,300.00
Total	2,927,098.27	3,310,483.77

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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	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	0	0	0
Goats	0	0	0
Trees	44	44	44
Coffee Or Tea Plantation	0	0	0
Poultry	0	0	0
Others (specify)	0	0	0
Total			

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

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Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	288,400	33,130
Lab consumables	173,360	142,930
Farm produce	0	0
Medication	0	0
Construction Materials	537,900	13,520
Photocopier accessories	205,630	123570
	1,205,290.00	313,150.00


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

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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)
1.	Overspending and underspending of funds allocated in various vote heads	Ensuring the adherence of budget in the procurement process	Resolved	At the beginning of the financial year
2.	Lack of funds in the savings account to facilitate in retirement benefit.	Ensure there are savings in every financial year	In the process	Within the financial year
3.	Lack of procurement plan	Preparation of a procurement plan at the beginning of every financial year	Resolved	At the beginning of the financial year
4.	Lack of Local purchase as attachments in the Payment vouchers	Ensure LPOs and LSOs are maintained	Resolved	At the beginning of the financial year



 Sign and Date 25/07/2024
 Principal

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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings					
1. Compassionate Traders LTD	290,000	0	290,000	190,000	Paid on contract
2. Danwa Chemequip Lab Supplies	5,000	5,000	0	0	Cleared
Sub-Total	295,000	5,000	290,000	190,000	
Supply Of Goods					
3. Solokar Two Investment	337,430	51,400	286,030	131,800	Increase in Credit
4. Ereto Bookshop LTD	444,842	150,638	294,204	16,648	Increase in Credit
6. Danwa Chemequip Lab Supplies	378,040	51,340	326,700	122,020	Increase in Credit
5. Yago Electricals	123,790	0	123,790	123,790	New Credit
6. Murunyu Timber Yard	50,000	0	50,000	50,000	New Credit
7. Jacob Ndung'u Nyori	22,400	0	22,400	22,400	New Credit
8. Sitex Supplies LTD	124,400	0	124,400	124,400	New credit
9. Compassionate Traders Limited	217,000	0	217,000	217,000	New credit
10. Julius Maigwa (Ebenezar Stores)	114,000	0	114,000	114,000	New credit
11. Pekesha Glass Mart	9,700	0	9,700	9,700	New credit
12. Malwa Hardware	736,935	0	736,935	622,900	Increase in Credit
13. GM Workshop & Timber -	15,000	0	15,000	15,000	New credit
14. Devashish ENT LTD	50,500	0	50,500	50,500	New credit
Sub-Total	2,624,037	253,378	2,370,659	1,620,158	

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Supplier Of Goods Or Services	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Supply Of Services					
15. Pacis Insurance Cover	103,000	52,000	51,000	1,363	Reduction in Credit
16. Ian Mbugua Consultancy	9,000	0	9,000	9,000	New Credit
17.	0	0	0	0	
Sub-Total	112,000	52,000	60,000	10,363	
Grand Total	3,031,037	310,378	2,720,659	1,820,521	

Annex 2 – Summary of Fixed Assets Register

Asset class	Location	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 2022
Land 1	Lanet Umoja 2	2 Acres	NIL	NIL	
Land 2	-	-	-	-	-
Buildings and structures	Lanet Umoja 2	Classrooms 12 Laboratory -1 Kitchen – 1 Administration – 1 Computer room -1 Store – 1 Staff toilets – 3 Students Toilets - 24	1 lab	-	
Motor Vehicles		None			
Office equipment, furniture and fittings	Lanet Umoja 2	Office desks – 14 Coffee tables – 7 Office chairs - 43 Students Desks & Chairs – 360 Classroom tables – 5 Classroom Podiums - 8		-	
ICT Equipment, and Other ICT	Lanet Umoja 2	Computers – 14 Laptop – 1	7	-	25

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Asset class	Location	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 2022
Assets		Projector – 1 Scanner – 1 Photo printer – 1 Mobile smartphone – 1			
Tools and apparatus	Lanet Umoja 2	3,635	437	199	3,873
Textbooks	Lanet Umoja 2	11,850	426	-	12,276
Other Machinery and Equipment	Lanet Umoja 2	37	6		43
Heritage and Cultural assets	-	-	-	-	-
Intangible assets-soft ware	Lanet Umoja 2	1 – Accounting System	2 – Microsoft window	-	3
Total					

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TRIAL BALANCE AS AT 30 JUNE 2023			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	200,469.65	
	Cash Balances	141,658.00	
	Short term investments	0.00	
	Receivables	2,555,799.42	
Payments			
	Payments for Tuition	1,122,635.00	
	Payments for operations	3,736,557.18	
	Payment for infrastructure	1,060,710.00	
	Boarding and school fund payments	4,600,040.97	
Receipts			
	Government grants for tuition		784,320.25
	Government grants for operations		2,509,258.70
	Government grants infrastructure		889,000.00
	School Fund Income- Other receipts		3,553,308.00
	Other receipts		0.00
	Payables		2,720,659.00
Prior Year Adjustment			
Fund Balance b/f			2,927,098.27
TOTAL		13,417,870.22	13,383,644.22