


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 20 NOV 2024	DAY: Wednesday
TABLED BY:	Hon. Naomi Wago Deputy Majority Whip
CLERK-AT THE-TABLE:	Irene Nduku

THE AUDITOR-GENERAL

ON

KERINGET SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

NAKURU COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
26 JUL 2024
RECEIVED



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)

KERINGET SECONDARY SCHOOL NAKURU
Reports and Financial Statements
For the year ended 30th June 2022

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Reports and Financial Statements
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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school was registered in **8/6/1988** under registration number **H/A/1016/88** and is currently categorized as a County public school established and operated by the Government.

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in **Nakuru** County, **Kuresoi** Sub-County

Keringet secondary school is located in Nakuru County. It is 500M from Keringet town along Molo-Olenguruone road.

The idea of the construction of the school was to absorb the large number of students who were terminating their school life after class 8 due to shortage of space in the few secondary schools that served the community.

The school is a day school and has **189** number of students as at *30th June 2022*. It has **2** streams and 10 teachers employed by TSC Teachers.

(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	Ms.Jane Langat	Chairman	2022
2	Mr.Stephen chemwetich	Secretary – Principal	2019
3	Mr. Anthony Chirchir	Member -D/ Chairman	2022
4	Mr.Alfred Rotich	Member - P.A Chairman	2022
5	Rev. David kauria	Member -sponspor	2019
6	Mrs Alice Keter	Member -sponsor	2022
7	Mr.Joseph Siele	Member -sponsor	2022
8	Mrs Jane Cheron Langat	Member - special group	2022
9	Ms Judy Keitany	Member -parent Rep	2019
10	Mr.Mathew Langat	Member - parent Rep	2022
11	Mr.Luke Nyamboi	Member - parent Rep	2022
12	Mr.Kennedy Mutai	Member - parent Rep	2022
13	Mrs Evaline Chepkirui	SNP	2022
14	Mrs.Monica Korir	Teachers rep.	2022
15	Mr.Jacob Rono	Community	2022
16	Mrs.Daisy C.Ruttoh	Community	2022
17	Mrs Loice Rotich	Community	2022

KERINGET SECONDARY SCHOOL NAKURU**Reports and Financial Statements****For the year ended 30th June 2022****KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)****The functions of the School Board of Management include:**

- 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 pupil's 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	Mrs Jane Langat Mr Anthony Chirchir Mrs Judy Keitany Mr Alfred Kibet Rotich Stephen c. Chemwetich	Chairperson Member Member Member secretary	3
2	Finance, procurement and general purposes Committee	MS Jane langat Stephen Chemwetich Mr. Alfred K Rotich	Chairperson Secretary Member	2
3	Academic Committee	Mr. Athony chirchir Mr. Stephen Chemwetich Mr. Mathew Langat Mrs Monica Korir Mr Alfred K Rotich	Chairperson Secretary Member Member Member	3
4	School Infrastructure committee(SIC)	Ms. Jane langat Mr. Richard langat Ms. Judy Keitany Mrs Daisy Rutto Mr Alfred Rotich Mr. Stephen Chemwetich	Chairperson secretary Member Member Member secretary	3

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5	Discipline and welfare Committee	Mr. Richard Langat Rev. David kauria Mrs Loice Rotich Mr Alfred Rotich Mr Anthony Chirchir	D/Principal Member Member Member	2
6	Adhoc Committee (if any during the year)- Tender Opening	Mr. Richard langat Mr.Alex cheruiyot Mr. Korir cornelius Mr. David chepkwony	Chairperson Secretary Member Member	2
7	Evaluation Committee	Mrs Jane Langat Mr. Stephen Chemwetich Mr Alfred Rotich Mr Cornelius Korir	Chairperson Secretary, Member Member	2

(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	TSC Number
1	Principal	STEPHEN C CHEMWETICH	255285
2	Deputy Principal	RICHARD LANGAT	349994
3	School Bursar	KORIR CORNELIUS	

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For the year ended 30th June 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 67 -20131 keringet
Telephone: 0722483586
E-mail: keringetboysschool@gmail.com
Website: -
Facebook: -
Twitter: -

(f) SCHOOL BANKERS

The following school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: **KENYA COMMERCIAL BANK**
Branch: **NAKURU**
Operation account
Account Number: **1101679441**
2. Name of Bank: **NATIONAL BANK OF KENYA**
Branch: **NAKURU**
Tuition A/C
Account Number; 01025054202200
3. Name of Bank: **KENYA COMMERCIAL BANK**
Branch: **NAKURU**
Infrastructure
Account Number: **01022054202201**
4. Name of Bank: **KENYA COMMERCIAL BANK**
Branch: **NAKURU**
SCHOOL FUND
Account Number: **1101861460**
5. **Name of the bank:** **BUSINESS INVESTMENT A/C-FARM**
1106664264
6. Name of Bank: **EQUITY**
CDF ACCOUNT
0230263515974

(Ensure all bank accounts operated by the school are disclosed and that all pay bill Numbers are also disclosed)

(g) INDEPENDENT AUDITORS

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

KERINGET SECONDARY SCHOOL NAKURU
Reports and Financial Statements
For the year ended 30th June 2022

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

SNO	ACCOUNTS	2022	2021	2020
		Kshs	Kshs	Kshs
1	Operations Account	-756,062.15	509,340.55	745328.80
2	Tuition Account	-1,073,364.80	138,315.75	-140793.00
3	School fund	348,346.00	-168,348.00	641388.00
	TOTAL	1,481,080.95	2,331,139.30	1,245,923.00

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

S/NO	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1	Operations Account	3,362,620.85	2,279,990.00	1,726,350.00
2	Tuition Account	685,915.20	261,925.75	263,677.00
	Total	4,048,536.05	2,541,915.75	1,990,027.00

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Ratio of capitation grant per student over the last three years

S/NO	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
	Total	4,085,536.05	2,541,915.75	1,990,027.00
	No of Students	207	187	143
	Ratio of Capitation per student	1:19,736.89	1:13,593.13	1:13,916.27

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

SNO	ACCOUNTS	2022	2021	2020
1	BOARDING	7,116,325.00	4,011,347.00	2,622,974.00
2	LOST TEXTBOOKS	-	-	-
3	FARM	30,224.00	399,859.00	172,440.00
	Total	7,146,549.00	4,411,206.00	2,795,414.00

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

SNO	ACCOUNTS	2022	2021	2020
		Kshs	Kshs	Kshs
1	School Fund Account	6,798,203.00	4,411,206.00	2,622,974.00
2	Operations Account	4,118,683.00	2,279,990.00	981,021.20
3	Tuition Account	1,759,280.00	123,610.00	404,470.00
	Total	12,676,166.00	6,814,806.00	4,008,465.2

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

SNO	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
A	Debtors	8,254,065.00	9029.00	7,092,360.00
B	Creditors	3,946,368.00	1,899,939.00	2,132,504.00

Movement of cash and bank balances over the last three years

SNO	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1	Cash	6,579.00	5,331.75	5,020.70
2	Bank	169,345.10	201,003.00	39,872.70
	Total	175,924.10	206,334.75	44,893.40

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b) Teacher Student ratio

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

- **Number of teachers recruited and posted to the school - 0**
- **Number of teachers transferred/ retired - 0**
- **Number of teachers employed by T.S.C - 0**
- **Number of Intern - 1**
- **Number of teachers employed by B.O.M - 4**
- **Number of teachers for each subject, shortage and teacher to student ratio.**

189 AGAINST 10 1:19

S/NO	SUBJECT	NUMBER OF TEACHERS	EMPLOYED BY T.S.C / B.O.M	REMARKS
1.	ENGLISH/LIT	1	T.S.C	NEED A TEACHER
2.	MATHEMATICS	3	4.T.S.C	
3.	CHEMISTRY	1	1.T.S.C	NEED A TEACHER
4.	KISWAHILI	2	2.T.S.C	ADEAUATE
5.	BIOLOGY	2	2 T.S.C	ADEQUATE
6.	C.R.E	3	2.T.S.C\$1.BOM	ADEQUATE
7.	AGRICULTURE	1	1.B.0.M	NEED A TEACHER
8	HISTORY	2	1.B.0.M	NEED A TEACHER
9.	GEOGRAPHY	1	2. T.S.C	ADEQUATE
10.	PHYSICS	3	1.T.S.C	ADEQUATE
11.	BUSINESS STUDIES	1	2.B.O.M	ADEQUATE

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(C)Mean score in the, 2020-2021-2022 KCSE and candidature

YEAR	ENTRY	TARGETED MEAN	ACHIEVED MEAN
2021	23	4.5	3.7826
2020	38	4.5	4.8837
2019	44	4.0	2.8837

	ENT	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	M\S	DEV.
2021	23	0	0	0	1	1	1	0	2	3	11	4	0	0	3.7826	+0.1396
2020	38	0	0	0	0	1	1	3	10	11	8	2	0	2	4.8837	+0.5230
2019	44	0	0	0	0	0	0	4	3	3	8	24	1	1	2.8837	-1.4219

Capacity of the school:

Number of students			Laboratory	Student store	Students Toilets		Staff Toilets		Admin Block		Classrooms	Kitchen	store
B	G	T			B	G	M	F	Block	Offices			
189	-	189	2	2	14	3	9	7	2	10	10	1	2

Development projects carried out by the school:

S/NO	PROJECT UNDERTAKEN	DETAILED DESCRIPTION	SOURCE OF FUNDS	AMOUNT SPENT
1.	Completion of 6 door toilet- 2020 project	-Full contract	,MOE-Maintenance and improvement funds	497,684.00
2				

Sign.....

Name: STEPHEN C. OTENWETICH

School Principal

KERINGET SECONDARY SCHOOL NAKURU
Reports and Financial Statements
For the year ended 30th June 2022

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

The Board of Management of *keringet 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: JANE C. LANGAI
Designation: Chairman, School Board of Management

Sign: 

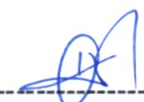
Date: 23 / 07 / 2024

Name: **STEPHEN C CHEMWETICH.**
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 14/11/2022

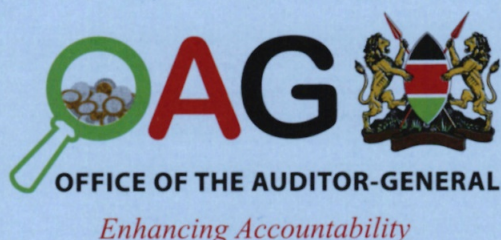
Name: **KORIR CORNELIUS**
Designation: Bursar/ Finance Officer

Sign: 

Date: 14/11/2022

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KERINGET SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - 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 the 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Keringet Secondary School - Nakuru County set out on pages 12 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for

the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Keringet Secondary School - Nakuru County as 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

Examination of the statement of budgeted versus actual amounts revealed variances between utilization differences reflected in the statement and recomputed amounts as indicated in the table below: -

Item	Statement Utilization Difference (Kshs.)	Re-Computed Amount (Kshs.)	Variance (Kshs.)
Other Income			
Repairs and Maintenance	0	(582,000)	582,000
Expenditure for Tuition			
Teaching/Learning Materials	(69,059)	110,941	(180,000)
Expenditure for Operations			
Personal Emoluments	(177,632)	89,928	(267,560)
Administration Cost	(249,993)	(347,988)	97,995
Maintenance and Improvement	(722,000)	918,000	(1,640,000)
Local Transport/Travelling	25,889	(163,111)	189,000
Electricity and Water	54,333	31,333	23,000
Activity Expenses	115,333	(12,667)	128,000

Further, the statement of receipts and payments reflects amounts that are different from the actual amounts shown in the statement of budgeted versus actual amounts as shown below: -

Item Description	Statement of Receipts and Payments (Kshs.)	Statement of Budgeted versus Actual Amounts (Kshs.)	Variance (Kshs.)
Capitation Grants for Tuition	685,915	308,663	377,252
Capitation Grants for Operations	3,362,621	2,371,408	991,213

Item Description	Statement of Receipts and Payments (Kshs.)	Statement of Budgeted versus Actual Amounts (Kshs.)	Variance (Kshs.)
School Fund Income - Parents' Contributions	7,041,325	1,279,263	5,762,062
School Fund Income - Other Receipts	105,224	582,000	(476,776)
Payments for Tuition	1,759,280	312,435	1,446,845
Payments for Operations	4,118,683	3,780,407	338,276
Boarding and School Fund Payments	6,798,203	0	6,798,203

In addition, the statement of financial assets and financial liabilities reflects total financial assets totalling Kshs.8,427,339 against the re-computed amount of Kshs.8,429,989, resulting to an unexplained variance of Kshs.2,650. The statement of budgeted and actual amounts also lacks totals for capitation grants for tuition, capitation grants for operations, fees charged on parents, other income and expenditure on tuition.

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

2. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.175,924 as disclosed in Notes 8 and 9 to the financial statements. The following were observed:

- i. Included in Kshs.175,924 are tuition, operations, school fund bank account and cash in hand balances of Kshs.9,917, Kshs.60,918, Kshs.98,510 and Kshs.6,579 respectively. However, the bank balances were not supported by bank certificates and bank reconciliation statements. In addition, the board of survey report in support of the cash and cash equivalents balance was not provided for audit.
- ii. Further, the cash book reflects a balance of Kshs.8,850 for farm account number 1106664264 which is not disclosed in the financial statements. The financial statements also show under Note 9 to the financial statements cash in hand balance of Kshs.6,579 for school fund account while the cash book reflects Kshs.112,530, resulting to a variance of Kshs.105,951 which was not reconciled or explained.
- iii. The statement of receipts and payments and Note 2 to the financial statements reflects capitation grants for operations of Kshs.3,362,621. However, review of the School's operations bank account revealed that cheques amounting to Kshs.906,000 were encashed, but the withdrawn amounts were not included in the ledgers presented for audit. Although the cash withdrawals were explained as petty cash, memorandum cash book accounting for the expenditure was not provided for audit. This was contrary to Regulation 91(14) of the Public Finance

Management (National Government) Regulations, 2015 which requires the holder of a standing imprest to keep a memorandum cash book to record all receipts and payments and the balances on hand to agree with the cash balance recorded in the cash book. Further, payment vouchers for the amounts withdrawn by the cheques were not provided for audit.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.175,924 could not be confirmed and Management was in breach of the law.

3.0 Variances Between Financial Statements and Ledgers

Review of financial records revealed that the balances reflected in the financial statements did not correspond to the balances reflected in the trial balance and ledgers as shown below: -

Item Description	Financial Statement Balance (Kshs)	Ledger/TB Amounts (Kshs)	Variance (Kshs)
Boarding/School Fund Account Payments			
Boarding Payments	0	2,818,267	(2,818,267)
Repairs and Maintenance Improvement	564,199	384,499	179,700
Tuition			
Teaching/Learning Materials	83,110	46,160	36,950
Lab Equipment	487,000	264,000	223,000
Exercise Books	602,910	230,000	372,910
Internal Exams	34,000	14,000	20,000
Reference Materials	0	6,500	(6,500)

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

4.0 Unsupported Other Receipts Balances

The statement of receipts and payments and Note 4 to the financial statements reflect other receipts balance of Kshs.105,224. However, the receipts were not supported by ledgers and receipt vouchers.

In the circumstances, the accuracy and completeness of the other receipts balance could not be confirmed.

5.0 Unsupported Creditors Payments

Examination of the statement of receipts and payments and Note 5 to the financial statements revealed payments for tuition amounting to Kshs.1,759,280 which include payments to various trade creditors totalling Kshs.204,840. However, the payments to the

creditors were not itemized nor supported by payment vouchers, goods received/delivery notes, invoices and orders.

In the circumstances, the accuracy, completeness and occurrence of payments of Kshs.1,759,280 could not be confirmed.

6.0 Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.685,915 and Kshs.3,362,621 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements and the bank statements revealed that the School received an amount of Kshs.614,560 and Kshs.2,719,623 as capitation grants for tuition and operations respectively, resulting to an unexplained variances of Kshs.71,355 and Kshs.642,998 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations amounts of Kshs.685,915 and Kshs.3,362,621 respectively could not be confirmed.

7.0 Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.8,254,065 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.4,938,036 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, completeness and recoverability of the receivables balance of Kshs.8,254,065 could not be confirmed.

8.0 Authenticity of Accounts Payables

8.1 Variances in Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.3,946,368 as disclosed in Note 12 to the financial statements. However, Annex 1 reflects a balance of Kshs.2,440,815, resulting to an unexplained variance of Kshs.1,505,553.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.3,936,368.00 could not be confirmed.

8.2 Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.3,946,368 as disclosed in Note 12 to the financial statements. However, the balance includes prepaid fees amounting to Kshs.190,616 which were not supported by a schedule of students who had prepaid fees. Further, accounts payable supporting

schedules, detailed aging analysis, delivery notes, inspection and acceptance certificates and invoices were not provided for audit review.

In addition, Annex 1 on analysis of pending accounts payables reflects an original amount of Kshs.2,032,504 for 2020/2021 against the re-computed amount of Kshs.1,700,643, resulting to a variance of Kshs.331,861 which was not explained.

In the circumstances, the accuracy, completeness and the occurrence of accounts payables balance of Kshs.3,946,368 could not be confirmed.

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

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.5,936,400 and Kshs.4,541,334 respectively, resulting to an under-funding of Kshs.1,395,066 or 24% of the budget. However, the School spent a balance of Kshs.3,780,407 against actual receipts of Kshs.4,541,334, resulting to an under-utilization of Kshs.760,927 or 17% of actual receipts.

The under-funding and under-utilization affected the School's 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.685,915.20 and Kshs.3,362,620.85 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of two hundred and seven (207) students while the enrolment records provided by the School indicated a total number of one hundred and eighty nine (189) students, resulting to an unexplained variance of 18 students. As a result of the variances, the School was overfunded by an amount of Kshs.352,047.

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

2. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.4,048,536. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected two hundred and seven (207) students while records from the County Director of Education had one hundred and eighty-nine (189) students, resulting to an over-funding of the School by an amount of Kshs.352,046.61. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, over-funding of the School may have affected service delivery to another School.

3. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.3,946,386. However, included in the balance are trade payables balance of Kshs.1,314,937 which had been outstanding from previous years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

4. 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 addition, policies to address needs of the School including improving its environment and learning outcomes, measures put in place to ensure prudent utilization of resources to improve accountability and keep the School focused on achieving its targets, could not be confirmed.

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

5. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,362,621 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,040,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, the whole amount was not transferred to the infrastructure account. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

6. Unsupported Boarding and School Fund Payments

The statement of receipts and payments reflects Kshs.6,798,203 as disclosed in Note 7 to the financial statements. Included in the amount is Kshs.340,450 in respect of boarding and school fund payments. However, review of payment vouchers provided for audit revealed that an amount of Kshs.340,450 relating to the supply of assorted goods and cereals was not supported by requisitions from user departments, Local Purchase Orders, Goods Received Notes, inspection and acceptance reports, delivery notes and invoices, contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, value for money amounting to Kshs.340,450 on boarding and school fund payments could not be confirmed and Management was in breach of the law.

7. Irregular Increase in School Fees

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects parents' contributions of Kshs.7,041,325 in respect of parents' contributions to the School Fund Account. However, a comparison of the total annual fees charged against the approved fees as per Ministry of Education Circular Ref. MOE HQS/3/13/3 on the Guideline for Implementation of Free Day Secondary School for the financial year 2021/2022 on Category B Extra County Schools revealed irregular fees charged of Kshs.40,000 as detailed below:

Class	Term 1 Fees (Kshs)	Term 2 Fees (Kshs)	Term 3 Fees (Kshs)	Total Annual Fees Charged (Kshs)	Fees as Per MOE Guidelines (Kshs)	Variance (Kshs)
Form 1	24,640	13,355	7,005	45,000	35,000	10,000
Form 2	24,640	13,355	7,005	45,000	35,000	10,000
Form 3	24,640	13,355	7,005	45,000	35,000	10,000
Form 4	24,640	13,355	7,005	45,000	35,000	10,000
Total	98,560	53,420	28,020	180,000	140,000	40,000

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

8. Failure to Remit Employees and Employer's Contributions to National Social Security Fund

Review of personnel records of staff employed by the School Board of Management revealed that the School deducted National Social Security Fund (NSSF) contributions but did not remit deductions to the Fund amounting to Kshs.530,000 for years 2020/2021 and 2021/2022. This was contrary to Section 20 of the National Social Security Fund Act, 2013.

In the circumstances, the School Management may be liable for penalties on unremitted amounts and was in breach of the law.

9. Failure to Prepare Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.11,195,085 and Kshs.12,676,166 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.

10. Non-Compliance with the Public Sector Accounting Standards Board Requirements

Review of the financial statements submitted for audit revealed the following instances of non-compliance with prescribed reporting template;

- (i) The table of contents indicates that items (I) and (II) are at pages (2) to (11) and items (III) to (X) at pages 12 to 22. However, the approved reporting template requires information and detail pages of items (I) to (II) to be presented in roman numbers and items (III) to (X) in natural numbers. Further, the summary report of performance of the School and report of the independent auditors are not numbered in the table of contents.
- (ii) Pages showing the functions of the School Board of Management through to the report of the independent auditors are not numbered. Further, various pages are not indicated.
- (iii) The balances reflected in the financial statements have not been rounded off to the nearest shilling.

In the circumstances, the financial statements prepared and presented for audit did not comply with the Public Sector Accounting Standards Board Reporting template.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Incomplete Register of Fixed Assets

The financial statements show at Annex 2 a summary of fixed assets register. However, the School did not maintain a fixed assets register in a format that indicates the description, financier, serial/log book number, acquisition date, value, location, opening balance, addition or disposal made during the period and the closing balance for each

fixed asset. Instead, Management maintained a stores ledger which is a listing of assets of the School. This was contrary to Regulation 143(1) of Public Finance Management (National Government) Regulations, 2015 which prescribes 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.

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

2. Inadequate Internal Controls and Lack of Proper Oversight of the School

Review of internal controls and minutes of the Executive Board of Management and other committee meetings revealed the following irregularities: -

- (i) Board of Management meeting minutes dated 14 September, 2021 were not signed by the Secretary and the Chairperson.
- (ii) The Special Board of Management meetings minutes dated 05 April, 2022, 28 April, 2022 and 14 October, 2022 were not signed and no attendance registers for the meetings were provided for audit.
- (iii) Two (2) members of the executive board did not possess a university degree required to be appointed as board members.

In the circumstances, resolutions passed in the meetings may not be binding and relevant as a monitoring tool for effective implementation of the School's objectives.

3. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, 'the internal audit unit of a National Government entity to assess effectiveness through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury'.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function and was in breach of the law.

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 the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

29 October, 2024

KERINGET SECONDARY SCHOOL NAKURU
Reports and Financial Statements
For the year ended 30th June 2022

III. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	685,915.20	261,925.75
Capitation grants for operations	2	3,362,620.85	2,789,330.55
School Fund Income- Parents' Contributions	3	7,041,325.00	4,011,347.00
School Fund Income- Other receipts	4	105,224.00	399,859.00
Repairs and Maintenance			
TOTAL RECEIPTS		11,195,085.05	7,462,462.30
PAYMENTS			
Payments for Tuition	5	1,759,280.00	123,610.00
Payments for Operations	6	4,118,683.00	2,279,990.00
Boarding and school fund payments	7	6,798,203.00	2,727,723
TOTAL PAYMENTS		12,676,166.00	5,131,323.00
SURPLUS/DEFICIT		(1,481,080.95)	2,331.139.30

The school financial statements were approved on _____ 2022 and signed by:

Chair BOM

Name: JANE LANGAT

Sign: 

Date: 23/07/2024

**School Principal/
Secretary to BOM**

Name: STEPHEN C. CHEMWETICH

Sign: 

Date: 23/07/2024

**Bursar/
Finance Officer**

Name: KORIR.CORNELIUS

Sign: 

Date: 23/07/2024

KERINGET SECONDARY SCHOOL NAKURU
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For the year ended 30th June 2022

IV. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	169,345.10	201,003
Cash Balances	9	6579.00	5,331.75
Short term Investment	10		-
Total Cash and Cash Equivalents		175,924.10	206,334.75
Account's receivables	11	8,254,065.00	9,029,493.00
TOTAL FINANCIAL ASSETS		8,427,339.10	9,235,827.75
FINANCIAL LIABILITIES			
Accounts Payable	12	3,946,368.00	-
NET FINANCIAL ASSETS		4,483,621.10	7,335,888.75
REPRESENTED BY			
Fund balance b/fwd. 1st July...	13	5,964,702.05	5,004,749.45
Surplus/Deficit for the year		(1,481,080.95)	2,331,139.30
NET FINANCIAL POSITION		4,483,621.10	7,335,888.75
			-

The School's financial statements were approved on _____ 2022 and signed by:

Chairman, BOM

School Principal/Secretary to BOM Bursar/Finance

Name: JANE LANGAT

Name: STEPHEN CHEMWETICH

Name: KORIR CORNELIUS

Sign:

Sign:

Sign:

Date: 23/07/2024

Date: 23/07/2024

Date: 23/07/2024

KERINGET SECONDARY SCHOOL NAKURU

**Reports and Financial Statements
for the year ended 30th June 2022**

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	685,915.20	261,925.75
Capitation grants for operations	2	3,362,620.85	2,789,330.55
School fund income- Parents contributions/ fees	3	7,041,325.00	4,011,347.00
School fund income- other receipts	4	105,224.00	399,859.00
Total receipts		11,195,085.05	7,462,462.30
Payments			
Payments for Tuition	5	1,759,280.00	123,610.00
Payments for Operations	6	4,118,683.00	2,279,990.00
Boarding and school fund payments	7	6,798,203.00	2,727,723.00
Total Payments		12,676,166.00	5,131,323.00
Cash flow from operating activities			572,604.45
Increase in receivables		(1,161,684.95)	-
Increase in payables		2,631,431.00	(300,000.00)
Net cash flows from Operating Activities		(11,334.90)	272,604.45
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			-
Acquisition of Assets			-
Proceeds from investments			-
Net cash flows from Investing Activities			-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			-
Repayment of principal borrowings			-
Net cash flows from Investing Activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		(11,334.90)	272,604.45
Cash and cash equivalent at BEGINNING of the year		187,259.00	232,464.40
Cash and cash equivalent at END of the year		175,924.10	505,068.85
			-

KERINGET SECONDARY SCHOOL NAKURU
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For the year ended 30th June 2022

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	+a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	0	-	0	-	-	
Exercise books	156,525	-	156,525	90,000	66,525	72.0%
Laboratory equipment	129,175	-	129,175	80,000	49,175	70.0%
Internal exams	47,123		47,123	50,000	(2,877)	40.0%
Teaching / learning materials	110,941	-	110,941	56,758	54,184	68.0%
Chalks	38,007	-	38,007	3,000	35,007	0.0%
Library	42,565	-	42,565	18,905	23,660	68.0%
Teachers guides	0	-	0	-	-	0
Reference/Library	97,264		97,264	10,000	87,264	82.0%
(2)CAPITATION GRANT ON OPERATION						
Personnel emoluments	902,208	-	902,208	800,000	102,208	90.0%
Maintenance and Improvement	1,500,000	-	1,500,000	582,000	918,000	72.0%
Local transport / travelling	76,889	-	76,889	260,704	(183,815)	29.5%
Electricity and water	115,333	0	115,333	260,704	(145,371)	44.2%
Infrastructure						
Administration costs	115,333	-	115,333	468,000	(352,667)	24.6%
Insurance/Medical	89,704	-	89,704	-	89,704	100%
Activity	115,333	-	115,333	-	115,333	100%

KERINGET SECONDARY SCHOOL NAKURU
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For the year ended 30th June 2022

(3) FEES CHARGED ON PARENTS						
Lunch	2,400,000	0	2,400,000	1,279,263	1,123,737	53.0%
Bursary	0	0	0	0	0	0
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Activity	0	0	0	0	0	0
SMASSE	0	0	0	0	0	0
Fee on Boarding Equipment and Stores	0	0	0	0	0	00
OTHER INCOME						
<i>Fee on Boarding Equipment and Stores</i>	0	0	0	0	0	0
<i>Electricity, water & Conservancy</i>	0	0	0	0	0	0
<i>LT&T</i>	0	0	0	0	0	0
<i>Repairs and Maintenance</i>	0	0	0	582,000	0	0
<i>Personal Emoluments</i>	0	0	0	0	0	0
<i>Admin Costs</i>	0	0	0	0	0	0
<i>Activity</i>	0	0	0	0	0	0
<i>Pocket Money</i>	0	0	0	0	0	0
<i>Caution Money</i>	0	0	0	0	0	0
<i>Tender income</i>	0	0	0	0	0	0
<i>Income from farming activities</i>	0	0	0	0	0	0
<i>Fee for hire of ground and equipment</i>	0	0	0	0	0	0
<i>Income from grants and donations*</i>	0	0	0	0	0	0
<i>Interest income</i>	0	0	0	0	0	0
<i>Dividends income</i>	0	0	0	0	0	0
TOTAL INCOME	5,936,400	0	5,936,400			

KERINGET SECONDARY SCHOOL NAKURU
Reports and Financial Statements
For the year ended 30th June 2022

(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	0	0	0	0	0	0
Exercise books	156,525	0	156,525	172,000	(15,475)	0%
Laboratory equipment	129,175	0	129,175	60,000	69,175	89%
Internal exams	47,123	0	47,123	72,000	(24,877)	0
Teaching / learning materials	110,941	0	110,941	0	(69,059)	106%
Chalks	38,007	0	38,007	5,000	33,007	0
Library	42,565	0	42,565	0	42,565	0
Teachers guides	97,264	0	97,264	0	97,264	0
Reference	0	0	0	3,000	(3,000)	0
Bank Charges	0	0	0	435	(435)	0
(2) EXPENDITURE FOR OPERATIONS						
Personal Emoluments	902,208	0	908,208	818,280	(177,632)	119%
Service Gratuity	0	0	0	0	0	0
Administration Cost	115,333	0	115,333	463,321	(249,993)	316%
Maintenance and Improvement	1,500,000	0	1,500,000	582,000	(722,000)	51%
Local transport / travelling	76,889	0	76,889	240,000	25,889	66%
Electricity and water	115,333	0	115,333	84,000	54,333	53%
Activity Expenses	115,333	0	115,333	128,000	115,333	0
Medical expenses	89,704	0	89,704	50,000	39,704	56%
Bank Charges	0	0	0	0	0	0
Acquisition of Assets	0	0	0	0	0	0
Bursary						
Bus hire						
Tender Money						
Caution Money	-	-	-	-	-	-
Personnel emoluments	-	-	-	-	-	-
Service Gratuity	-	-	-	-	-	-
Repairs and maintenance & Improvements	-	-	-	-	-	-
Local transport / travelling	-	-	-	-	-	-
Electricity and water	-	-	-	-	-	-

KERINGET SECONDARY SCHOOL NAKURU
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Medical Expenses	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Lunch Programme	2,400,000	0	2,400,000	1,092,245	1,307,755	45%
Bank Charges	-	-	-	-	-	-
Expenses on Income Generating Activities	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	-	-	-	-	-	-
Transfers	-	-	-	-	--	-
Insurance Cost (Life Property)	--	-	-	-	-	-
Loan Principal repayment	-	-	-	-	-	-
Loan Interest repayment	-	-	-	-	-	-
Acquisition of Assets	10,126	-	-	10,126	(10,126)	0
TOTAL	5,946,526	0	5,946,400	3,780,407	2,155,993	64%

Comments;

Failure to implement budgeted values made some voteheads to have less than 90% while others to have more than 100%.

Underfunding from ministry of education.

IX. 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 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 Keringet secondary 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

Keringet secondary school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by Keringet secondary school. In addition, Keringet secondary school recognises all expenses when the event occurs and the related cash has actually been paid out by Keringet secondary school.

3. In-kind contributions

In-kind contributions are donations that are made to Keringet secondary 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, Keringet secondary 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprest 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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

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.

KERINGET SECONDARY SCHOOL NAKURU
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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books		120,000.00
Laboratory equipment		61,925.75
Internal exams		25,000.00
Teaching / learning materials	685,915.20	30,620.00
Chalks		12,860.00
Library		-
Teachers guides		11,400.00
Reference/Library		-
Total	685,915.20	261,925.75

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,087,937.00	849,854.00
Maintenance and Improvement	1,122,898.85	605,000.00
Local transport / travelling	318,148.00	202,139.00
Electricity and water	212,780.00	145,000.00
Infrastructure		-
Administration costs	408,076.00	261,061.27
Insurance/Medical		-
Activity	212,780.00	-
Transfers from lunch		726,276.00
Total	3,362,620.85	2,789,330.55

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
BES	4,742,368.00	2,609,447.000
Others	1,688,722.00	-
ACTIVITY	512,578.00	-
RMI	512,578.00	-
Transfer from operations		12,800.00
Total	7,041,325.00	624,972.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Electricity, water & Conservancy	-	-
LT&T	-	-
Repairs and Maintenance		171,347.00
Activity		-
Pocket Money		-
Caution Money		-
Tender income		-
Income from farming activities	30,224.00	53,512.00
Insurance compensation		-
Income from Bus Hire	75,000.00	-
Fee for hire of ground and equipment		-
Income from grants and donations*		-
Interest income		-
Dividends income		-
Transfers from operation		175,000.00
TOTAL	105,224.00	399,859.00

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	602,910.00	98,210.00
Laboratory equipment	487,000.00	25,160.00
Internal exams	34,000.00	-
Teaching / learning materials	83,110.00	240.00
Library and reference	347,000.00	-
Trade Creditors	204,840.00	-
Bank Charges	420.00	-
Transfer from operation		-
Total	1,759,280.00	123,610.00

KERINGET SECONDARY SCHOOL NAKURU
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personal Emoluments	1,667,808.00	668,508.00
Service Gratuity		-
Administration Cost	1,104,900.00	94,652.00
Maintenance and Improvement	497,684.00	1,199,330.00
Local transport / travelling	83,300.00	-
Electricity and water	211,156.00	142,500.00
Activity Expenses	434,090.00	-
Trade Creditors	114,641.00	-
Medical & Insurance Cost		-
Bank Charges	5,104.00	-
Acquisition of Assets		-
Transfers to boarding		175,000.00
TOTAL	4,118,683.00	2,279,990.00

7 PAYMENTS FOR SCHOOL FUND

	2021-2022	2020-2021
	Kshs	Kshs
Bursary funds	-	-
Bus hire	72,350.00	-
Activity Money	32,400.00	-
Personnel emoluments	413,145.00	478,608.00
Repairs and Maintenance & Improvements	564,199.00	103,280.00
Local transport / travelling	155,490.00	85,950.00
Electricity and water and conservancy	333,160.00	41,660.00
Medical Expenses [Transfer to operation]		726,277.00
Administration costs	803,493.00	221,983.00
Boarding Equipment and store		1,003,897.00
Bank Charges	9,126.00	
Expenses on Income Generating Activities-farming	138,825.00	66,068.00
BES	3,280,599.00	-
Trade Creditors	995,456.00	-
TOTAL	6,798,203.00	2,727,723.00

KERINGET SECONDARY SCHOOL NAKURU
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	01025054202200	9,917.20	89,922.00
Operations Account	110167441	60,917.90	6,479.05
School Fund Account	1101861460	98,510.00	104,610.95
Infrastructure Account	01022054202201	-	-
			-
			-
			-
Total		169,345.10	201,003.00

9 CASH IN HAND

Description		2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		-	-
Operation Account			5,058.00
School Fund account		6,579.00.00	273.75
Infrastructure Account			
Total		6,579.00.00	5,331.75

10 SHORT TERM INVESTMENTS

Description		2021-2022	2020-2021
		Kshs	Kshs
Cooperative shares		-	-
Treasury Bills		-	-
Fixed deposit		-	-
Equity stock		-	-
Other investments		-	-
Total		-	-

KERINGET SECONDARY SCHOOL NAKURU
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	8,254,065.00	9,029,493.00
Other non-fees receivables		-
Salary advances		-
Imprest		-
Total	8,254,065.00	9,029,493.00

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	1,324,923.00	2,110,403.00
Fees arrears for the previous year	2,154,324.00	2,154,324.00
Less recoveries	(163,218)	(173,270.00)
Fees arrears for prior periods (over two years)	4,938,036.00	4,938,036.00
Total	8,254,065.00	9,029,493.00

12 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,755,752.00	1,891,206.00
Prepaid fees	190,616.00	8,733.00
Retention monies		-
Total	3,946,368.00	1,899,939.00
DESCRIPTION		
Trade creditors for current year	2,440,815.00	710,044.00
Trade creditors for the previous year	1,314,937.00	2,132,504.00
Creditors paid		(951,342.00)
Trade creditors for prior periods (over two years)		-
TOTAL	3,755,752.00	1,891,206.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	181,928.00	39,872.75
Cash balances	5,331.00	5,020.70
Short Term Investments		-
Receivables	7,092,380.05	7,092,360.00
Payables	1,314,937.00	2,132,504.00
Total	5,964,702.05	5,004,749.45

Other important disclosure notes

IPSAS 1 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.

14 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	11	-	-
Goats	-	-	-
Trees (Blue gum)	33	-	-
Coffee or tea plantation	-	-	-
Poultry	-	-	-
Gravellia trees	17		
Olive trees	110		
Whispering pine tree	19		
Total	-	-	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2022	Com
	A	B	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.	2020/2021	2021				
Sub-Total						
Supply of goods						
1 .FIG EDU	33,840			33,840.00	372,910.00	
2. HOME HEALTH EDUCATIONAL SERVICES	0				36,950.00	
3. BENARD KIPRONO	67,625			67,625.00	67,625.00	
4. AKIYDA TWO THOUSAND LTD	113,600		23,670.00	89,930.00	89,930.00	
5. GEOFFRY KIPLANGAT	86,100			86,100.00	231,830.00	
6. HIGHMAX EDUCATIONAL SERVICES	0				20,000.00	
7. JETLINK EDU ENTERPRISES	20,000			20,000.00	40,000.00	
8. COPY SOLUTION	56,000			56,000.00	135,000.00	
9. SITONIK HARDWARE	0				40,680.00	
10. IDEAL SMART CRAPHICS	163,500			163,500.00	165,500.00	
11. LIGHTMORE	0				18,000.00	
12. KERINGET BOARDING PRIMARY	0				27100.00	
13. LELGOT SUPPLIES	0				322,540.00	
14. N.S.S.F	86,016			86,016.00	109,000.00	
15. COTU	6,300			6,300.00	11,100.00	
16. KUDHEIHA	23,510			23,510.00	37,970.00	
17. SALARY	801,762		568,109.00	233,653.00	233,653.00	
18.MARY CHELANGAT	33,600		12,800.00	20800	20,800.00	
19. DORMSIRY EDU SUPPLY	56,000			56,000.00	223,000.00	
20.N.H.I.F	43,000		37,600.00	5,400.00	5,400.00	
21REUBEN KOSKEI	20,000				20,000.00	
Supply of Services						
1.FIRE MASTER	89,790				89,790.00	
1.PRESTIGE	0				122,037.00	
2.						
3.						
Sub-Total						
Grand Total	2032504.00			948,674.00	2,440,815.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 20xx
Land 12 HECTARE	2003	Keringet				
Buildings and structures	1988-2021	School				
Classes- 10						
Labs- 2						
Toilets girls 3						
Toilets boys 14						
Staff toilet 10						
Kitchen 1						
Stores 5						
Tanks 2						
Calves shed 1						
Firewood shed 1						
BORE HOLE 2						
Water wells 4						
Office equipment, furniture and fitting	1988-2021	Classrooms, Laboratory, Staffroom				
Office safe 1						
Cupboards 4						
Office desk executive 1						
Lockers – 225						
chairs – 215						
teachers tables- 2						
double decker beds 61						
staffroom desks 16						
kitchen boilers 6						
posho mill 1						
Generator 1						
white boards 9						
television set 2						
teachers chair- 22						
Dining hall tables 30						
Dining hall chairs/form/beches-60						
Computers – good condition- 7	2009-2021	Exam room				
Computer- good condition 4						
Type writers 2						
Duplicating machine 1						

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Asset class		Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 20xx
Laptop	1						
Printers-	1						
Photocopier-	1						
Tools and apparatus-			laboratory				
Tanks	- 2						
Textbooks	- 10,183	1988-2021	Books store				
Intangible assets		NA	NA				
Other Machinery and Equipment		NA	NA				
Heritage and cultural assets		NA	NA				
Intangible assets- soft ware		1	Exam office				
Total							

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Asset class		Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 20xx
Laptop	1						
Printers-	1						
Photocopier-	1						
Tools and apparatus-			laboratory				
Tanks	- 2						
Textbooks	- 10,183	1988-2021	Books store				
Intangible assets		NA	NA				
Other Machinery and Equipment		NA	NA				
Heritage and cultural assets		NA	NA				
Intangible assets- soft ware		1	Exam office				
Total							

