

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	20 FEB 2015 Thursday
TABLED BY:	Hon. Naami Wago Deputy Majority Whip
CLERK-AT THE-TABLE:	Imajum Mwale

REPORT

OF

THE AUDITOR-GENERAL

ON

COULSON SECONDARY SCHOOL

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

NAKURU COUNTY

Revised 30th June 2022.



**COULSON SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

COULSON SECONDARY SCHOOL
P. O. BOX 29-20116
GILGIL
Date:..... Sign:.....

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PUBLIC SECONDARY SCHOOL
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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

Coulson Secondary school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Gilgil East Sub-County

The school was registered in 16/03/2021 under registration number 32530000248 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 205 numbers of students as at 30th June 2022. It has 1 stream and 10 teachers of which 3 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	Mr. George K. kimiti	Chairman	27/6/2022
2	Mr. Peter Ng'ang'a	Secretary - Principal	27/6/2022
3	Madam Celine M. Salaash	Member	27/6/2022
4	Mr. John M. Kiruri	Member	27/6/2022
5	Eng. Edgar Sirma	Member	27/6/2022
6	Mr. Dominic mbugua	Member	27/6/2022
7	Mr. John Muira	Member	27/6/2022
8	Mr.Fred Obegi	Member – Rep Teacher	27/6/2022
9	Mr. John muriu	Member	27/6/2022
10	Madam Beth waithera	Member – Special Need	27/6/2022
11	Madam Jane njeri	Member	27/6/2022
12	Mr. Simon kariuki	Member – Student Rep	27/6/2022
13	Madam Alice wanjiku	Member	27/6/2022
14	Pastor Dorcus mumbi	Member	27/6/2022
15	Madam maximillah Indimu	Member	27/6/2022
16	Bishop Patrick Kiiru	Member – Co - opted	27/6/2022
17	Md. Mercy Omudek	Member - Co - opted	27/6/2022
18	Mr. Samuel wainaina Githinji	Member - Co - opted	27/6/2022

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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 pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Madam Maximillah Indimu Mr George K Kimiti		4 out of 6
2	Audit Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Mr.Fred Obegi Mr. George kimiti Madam Alice Wanjiku Madam Maximillah Indimu Simon kariuki		4 out of 6
3	Finance,procurement and general purposes Committee	Mr. George Kimiti Mr. Peter Ng'ang'a Madam Maximillah Indimu		4 out of 6
4	Academic Committee	Mr. George Kimiti Mr. Peter Ng'ang'a Madam Celine M. Salaash Mr. John M. Kiruri Eng. Edgar Sirma Mr. Dominic Mbugua Mr. John muira Mr.Fred Obegi Simon kariuki		4 out of 6

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5	Development Committee	Bishop Patrick Kiiru Mr. Peter Ng'ang'a Mr Goerge Kimiti Md. Alice wanjiku Eng. Edgar Sirma		4 out of 6
6	Discipline and welfare Committee	Mr. George Kimiti Mr. Peter Ng'ang'a Madam Celine M. Salaash Eng. Edgar Sirma Mr.Fred Obegi Mr. John Muira Md. Jane Njeri Pastor Dorcas mumbi Mr.simon kariuki		4 out of 6

(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	Mr. Peter Ng'ang'a	375620
2	Deputy Principal	Mr. Duncan M.Waithaka	240584
3	School Bursar	Ms. Eunice Waithera Kamau	

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 29 – 20116 Gilgil
Telephone: 0722689279
E-mail: coulsonss@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

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

1. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account Number: 1139705091
2. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account Number: 1139704575
3. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account Number: 1139704303
4. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account Number: 1279957190

(g) Independent Auditors

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

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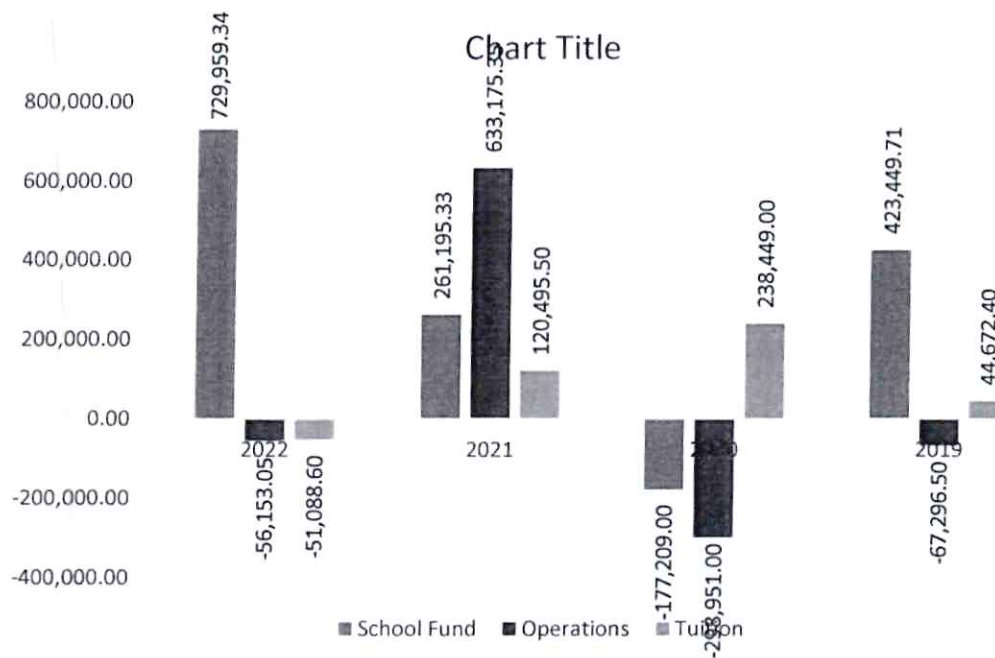
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	729,959.34	261,195.33	(117,209.00)	423,449.71
2	Operations Account	(56,153.05)	633,175.35	(278,951.00)	(67,296.50)
3	Tuition Account	(51,088.60)	120,495.50	(238,449.00)	44,672.40
4	Infrastructure Account	-			
	TOTAL	622,717.69	1,014,866.18	(634,609.00)	400,825.61
	Increase/Decrease	392,148.49	1,649,473.18	(1,035,434.61)	(629,333.69)

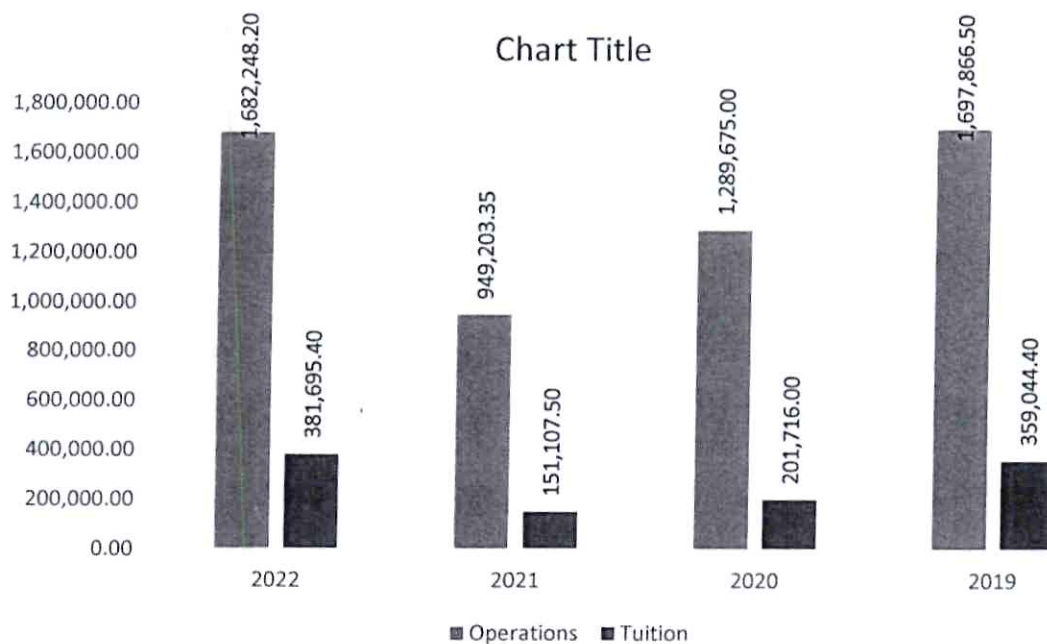
GRAPH PRESENTATION FOR SURPLUS/DEFICIT FOR THE LAST THREE YEARS



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CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2022	2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	1,682,248.20	949,203.35	1,289,675.00	1,697,866.50
2	Tuition Account	381,695.40	151,107.50	201,716.00	359,044.40
	Total	2,063,943.60	1,100,310.85	1,491,391.00	2,056,910.90
	Increase/Decrease	963,632.75	(391,080.15)	(565,519.90)	47,216.30
	No of Students				
	Ratio of Capitation per student				

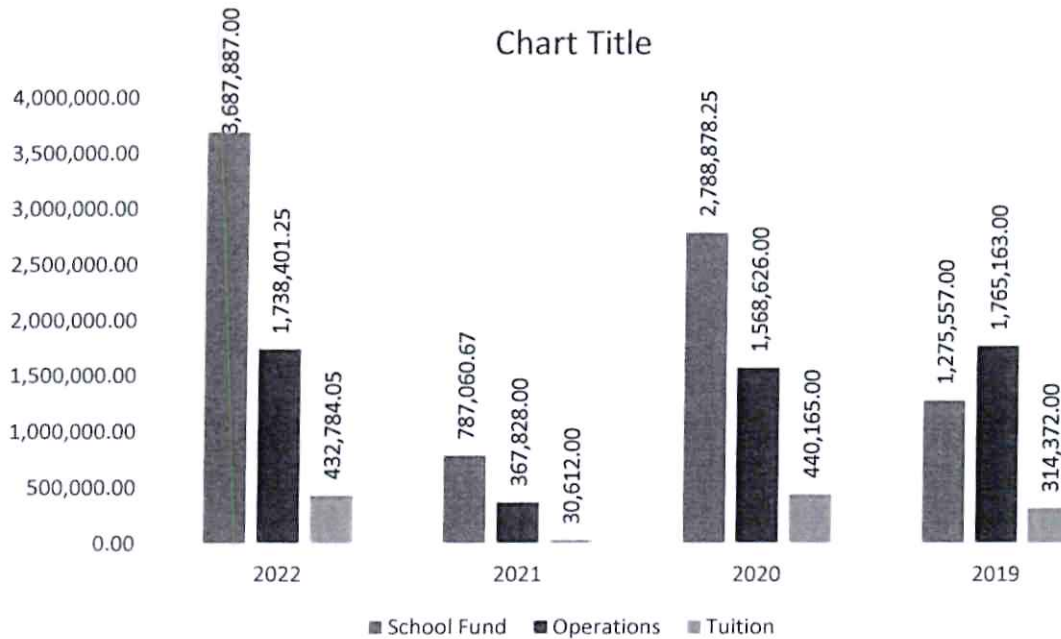
GRAPH PRESENTATION FOR GRANT FROM MINISTRY OF EDUCATION FOR THE LAST THREE YEARS



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OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2022	2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	3,687,887.00	787,060.67	2,788,878.25	1,275,557.00
2	Operations Account	1,738,401.25	367,828.00	1,568,626.00	1,765,163.00
3	Tuition Account	432,784.005	30,612.00	440,165.00	314,372.00
	Total	5,859,072.25	1,185,500.67	4,797,667.25	3,355,092.00
	Increase/Decrease	4,673,571.58	(3,612,168.58)	1,442,577.25	(3,063,593.50)

GRAPH PRESENTATION FOR THE GROWTH IN EXPENDITURE FOR THE LAST THREE YEARS

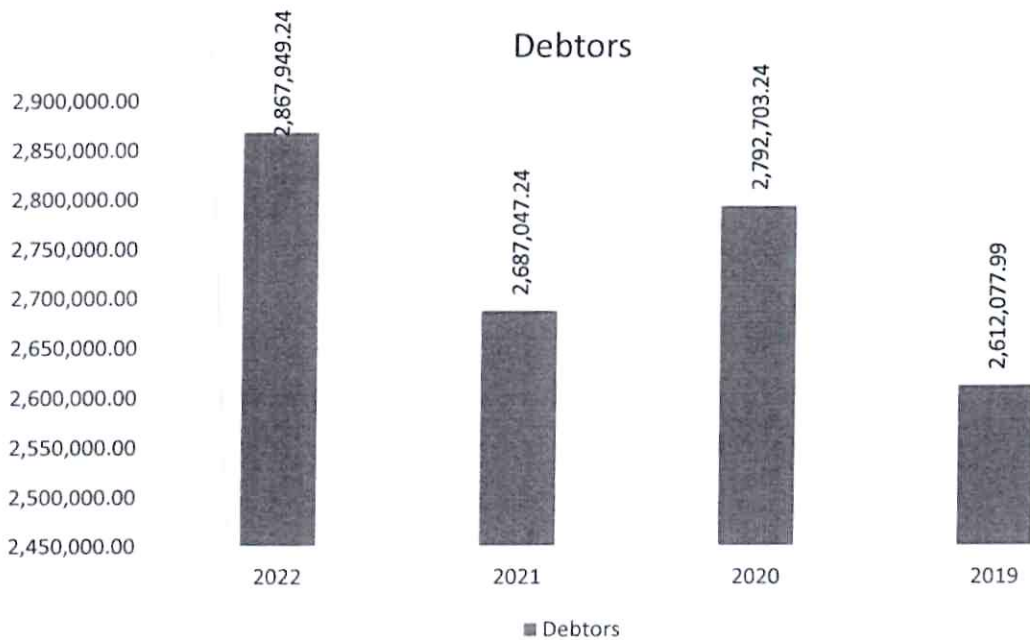


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MOVEMENT OF DEBTORS OF THE SCHOOL

SNO	ACCOUNTS	2022	2021	2020	2019
1	School Fund	KSHS	KSHS	KSHS	KSHS
a	Debtors	2,867,949.24	2,687,047.24	2,792,703.24	2,612,077.99
	Total	2,867,949.24	2,687,047.24	2,792,703.24	2,612,077.99
	Increase/Decrease	180,902.00	(105,656.00)	180,625.25	(359,956.00)

GRAPH PRESENTATION FOR THE MOVEMENT OF DEBTORS OF THE SCHOOL

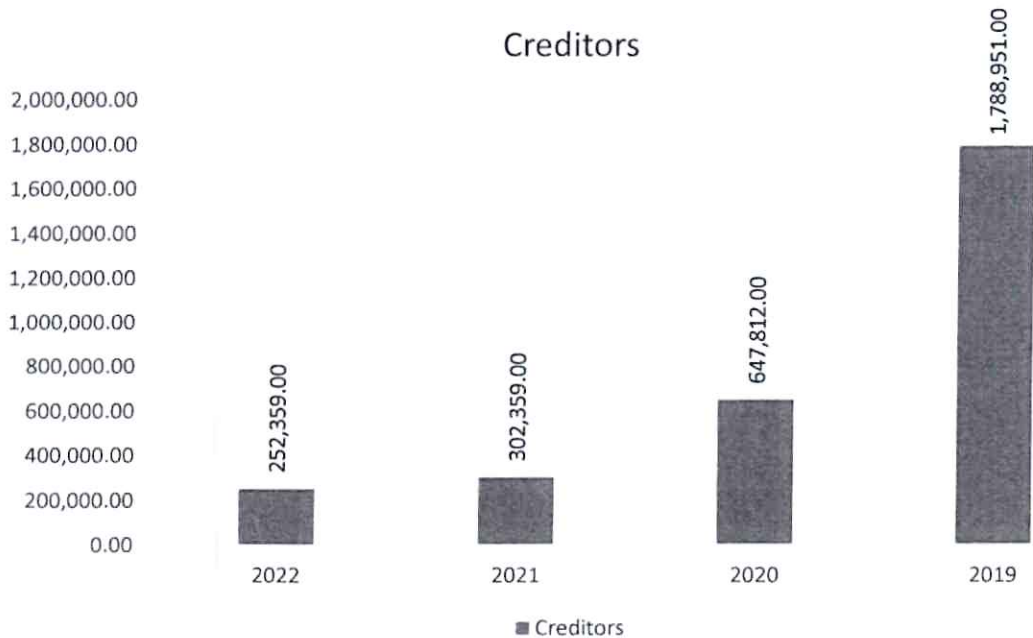


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MOVEMENT OF CREDITORS OF THE SCHOOL

SNO	ACCOUNTS	2022	2021	2020	2019
1	Description	KSHS	KSHS	KSHS	KSHS
a	Creditors	252,359.00	302,359.00	674,812.00	1,788,951.00
	Total	252,359.00	302,359.00	674,812.00	1,788,951.00
	Increase/Decrease	(50,000)	(372,453)	(1,114,139.00)	(528,065.00)

GRAPH PRESENTATION FOR THE MOVEMENT OF CREDITORS

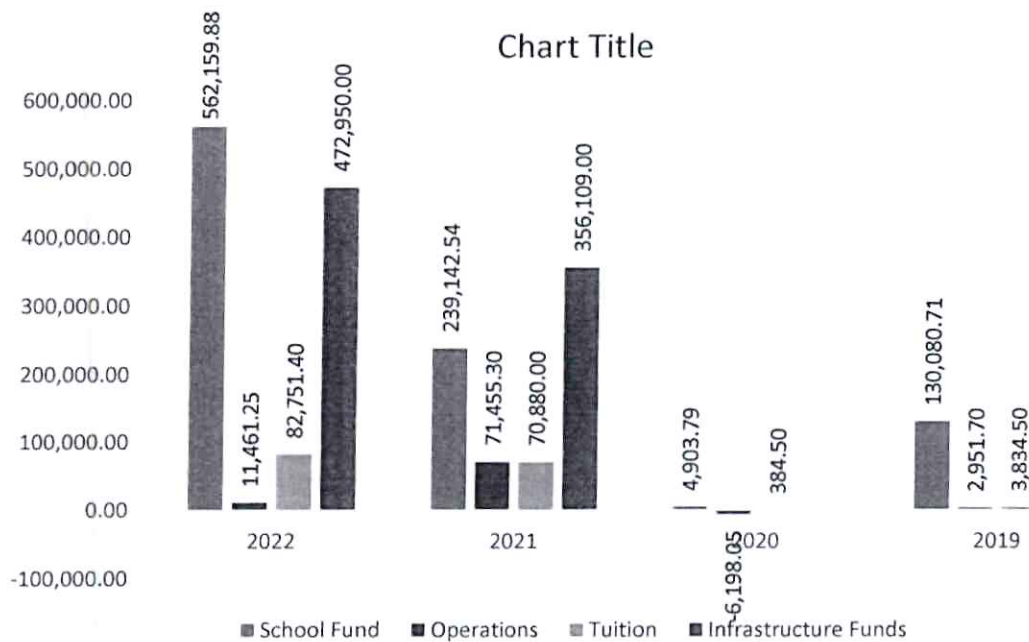


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MOVEMENT OF CASH AND BANK BALANCES

SNO	ACCOUNTS	2022 KSHS	2021 KSHS	2020 KSHS	2019 KSHS
1	School Fund Account	562,159.88	239,142.54	4,903.79	130,080.71
2	Operations Account	11,461.25	71,455.30	(6,198.05)	2,951.70
3	Tuition Account	82,751.40	70,880.00	384.50	3,834.50
4	Infrastructure Account	472,950.00	356,109.00		
	Total	1,129,322.53	737,586.84	(909.76)	136,866.91
	Increase/Decrease	362,167.27	738,946.60	(137,776.67)	232,716.61

GRAPH PRESENTATION FOR CASH AND BANK BALANCES FOR THE LAST THREE YEARS



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b) **Teacher Student ratio:**

The teacher to student ratio is 33:1. The number of teachers recruited in the year ending 31/6/2022 are (3) three female teachers. The total teaching staff was (29) twenty-nine, which was a total of (12) twelve males and (17) seventeen female. The school has no B.O.M teachers.

The following is a breakdown of the number of teachers per each subject.

S/No	Subject	No. of Teachers
1	ENGLISH	1
2	KIAWAHILI	1
3	MATHEMATICS	2
4	BIOLOGY	2
5	CHEMISTRY	3
6	PHYSICS	2
9	C.R.E	0
10	AGRICULTURE	1
12	HISTORY	1
13	GEOGRAPHY	1
14	BUSINESS STUDIES	1

The subject we are having shortages are as follows: -

S/No	Subject
1	C.R.E
2	HISTORY
3	ENGLISH

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c) Mean score in the 2022 KCSE:

YEAR	NO OF CANDIDATES	MEAN SCORE	TRANSITION	REMARKS
2019	9	4.22	2	The performance was above the school target mean of 4.000. The poor performance was attributed to:- students and teachers hard work and cooperation
2020	14	3.43	8	The performance was below the school target of 4.000. the decline was due to low Kcpe entry mark and indiscipline issue due to socio – economic challenges in their home environment.
2021	20	3.55	12	The performance was above the school target mean of 4.000. The poor performance was attributed to:- students and teachers hard work and cooperation

d) Number of Candidates in the 2022 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

YEAR	NUMBER OF CANDIDATES		
	2021	2020	2019
BOYS	16	14	9
GIRLS	4	0	0
TOTAL	20	14	9

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e) Capacity of the school:

FACILITY	CAPACITY	ACTUAL NO.OF STUDENT	RATIO TO STUDENTS	SHORTFALL
CLASSROOM	4	155	1:34	4
LABORATORY	3			
COMPUTER LAB.	0			
LIBRARY	0			
TOILETS				
BOYS	8			
GIRLS	4			

f) Development projects carried out by the school:

S/NO	PROJECT	YEAR	FUNDED BY	STATUS
1.	Four door girls pit latrine	2021 -2022	MOEST	COMPLETED
2.	Renovation of Classrooms	2021 -2022	MOEST	COMPLETED

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

The Board of Management of Coulson Sec 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).

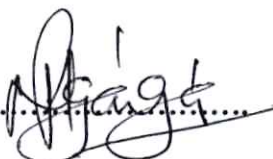
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.



George Kimiti
Chair,
Board of Management

Coulson Sec School

Date:



Peter Ng'ang'a (Mr)
Secretary,
Board of Management
/Principal

Coulson Sec School

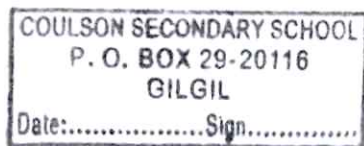
Date:



Eunice Waithera Kamau (Ms)
Bursar

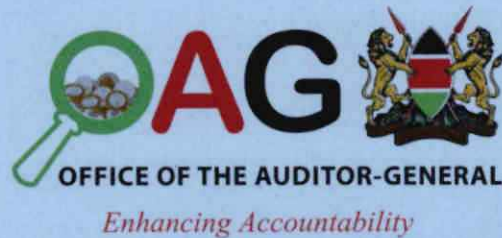
Coulson Sec School

Date:



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COULSON 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 schools are applied for 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 control, 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 Coulson Secondary School set out on pages 17 to 30, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows, 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 Coulson Secondary School 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. Inaccuracy of Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,129,323 as disclosed in Note 10 and 11 to the financial statements. However, the following discrepancies were noted:

1.1 Operations Account

Included in the balance of Kshs.1,129,323 is Kshs.6,022 and Kshs.5,439 in respect to operation cashbook bank and cash balance. However, the cashbook balance as at 30 June, 2022 was incomplete and not updated and therefore it was not possible to confirm the cashbook bank and cash balance. The cashbook had not been closed off and checked for accuracy. Further, there was no board of survey report confirming the cash balance at the end of the financial year.

1.2 Tuition Account

Included in the balance of Kshs.1,129,323 is Kshs.82,751 in respect to tuition bank balance as disclosed in Note 10 to the financial statements. However, the cashbook was incomplete, not updated and closed off for the month of June, 2022 and therefore it was not possible to confirm the cashbook bank balance. Further, there was no board of survey report confirming the cashbook balances at the end of the financial year.

1.3 School Fund Account

Included in the balance of Kshs.1,129,323 is Kshs.554,471 and Kshs.7,689 in respect to school fund account bank balance and cash in hand as disclosed in Notes 10 and 11 to the financial statements. However, the cashbook was incomplete, not updated and closed off for the month of June, 2022 and therefore it was not possible to confirm the cashbook bank balance. Further, there was no board of survey report confirming the cashbook balances at the end of the financial year.

1.4 Infrastructure Account

Included in the balance of Kshs.1,129,323 is Kshs.472,950 in respect to infrastructure account cashbook bank balance as disclosed in Note 10 to the financial statements. However, the cashbook was incomplete and was last updated on 26 April, 2022 and therefore it was not possible to confirm the cashbook bank and cash balance as at 30 June, 2022.

1.5 Failure to Prepare Bank Account Reconciliations

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.1,129,323 as disclosed in Notes 10 and 11 to the financial statements. Review of records revealed that the School did not prepare the standard bank reconciliation statements for operation, infrastructure, boarding and school fund and tuition accounts and board of cash survey certificate to confirm the reported balances. Further, the School did not provide bank confirmation certificates to enable confirmation of bank balances. This is contrary to Regulations 90(1) of the Public Finance Management Regulations, 2015 which states that Accounting Officers shall ensure that bank accounts reconciliations are completed for each bank account held by the Accounting Officer, every month and submit a bank reconciliation statement not later than the 10 of the subsequent month to the National Treasury with a copy to the Auditor-General.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.1,129,323 could not be confirmed and management was in breach of the law.

2. Inaccuracy in the Statement of Budgeted Versus Actual Amounts.

Comparison of the statement of budgeted versus actual amounts and the statement of receipts and payments revealed discrepancies as indicated below.

- i. Errors were noted on casting down receipts and payments under original and final budget, actual on comparable basis and budget utilization as shown below.

	Original Budget	Final Budget	Actual on Comparable	Budget Utilization	Correct Amount	Variance
Receipts	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)	(Kshs.)
Capitation Grants on Operations (Subtotal)	1,930,026	N/A	N/A	N/A	1,538,442	(391,584)
Capitation Grants on Operations (Subtotal)	N/A	1,930,026	N/A	N/A	1,538,442	(391,584)
Capitation Grants on	N/A	N/A	381,695.40	N/A	395,704.24	14,008.84

Tuition (Subtotal)						
Grand Total Income	8,605,509	N/A	N/A	N/A	8,485,509	(120,000)
Grand Total Income	N/A	8,605,509	N/A	N/A	8,485,509	(120,000)
Expenditure						
Operations (Subtotal)	1,939,026	N/A	N/A	N/A	1,538,442	(391,584)
Operations (Subtotal)	N/A	1,939,026	N/A	N/A	1,538,442	(391,584)
Operations (Subtotal)	N/A	N/A	N/A	709,600	621,785	(87,815)
Total Expenditure	8,605,509		N/A	N/A	8,485,509	(120,000)
Total Expenditure	N/A	8,605,509	N/A	N/A	8,485,509	(120,000)

ii. Casting the amounts across between final budget and actual on a comparable basis revealed misstatements as shown below.

	Budget Utilization Difference	Correct Amount	Variance
Receipts	(Kshs.)	(Kshs.)	(Kshs.)
Lab Equipment	(14,696.16)	(28,638)	(14,008.84)
Personal Emoluments	(38,261.09)	(338,885.09)	(300,624)
Administration Costs	199,601.34	198,641.34	(960)
Capitation Grants on Operations (Subtotal)	804,277.80	884,777.80	80,500
Expenditure From Income Generating Activities	0	(552,951)	(552,951)
Expenditure			
Bank Charges	(7,844)	(1,344)	6,500
Tuition (Subtotal)	230,478	236,978	6,500
Personal Emoluments	34,639	(265,985)	(300,624)
Administration Costs	212,933.55	211,973.55	(960)
Expenditure From Income Generating Activities	0	(1,999,353)	(1,999,353)

iii. The statement of budgeted versus actual amounts reflects Kshs.1,045,248 in respect to capitation grants on operations actual on comparable basis. However, the statement of receipts and payments reflects Kshs.1,682,248, resulting to an unexplained and unreconciled variance of Kshs.637,000.

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

3. Unsupported Accounts Payables

The statement of financial assets and liabilities reflects accounts payables balance of Kshs.252,359 as disclosed in Note 13. to the financial statements. However, the detailed aging analysis, schedules and documentation supporting the outstanding creditors were not provided for audit review.

In the circumstances, accuracy and completeness of the account's payables balance of Kshs.252,359 could not be confirmed.

4. Non-Disclosure of Inventory in the Financial Statements

Other important disclosures in the notes to the financial statements include stock/inventory, for which no monetary value was provided. This is despite the school having a well-documented stock list reports for stationeries, foodstuffs, and lab consumables.

Non-disclosure of stock balances contradicts Section 81(3) of the Public Finance Management Act, 2012 which states that the Accounting Officers for a national government entity should prepare the financial statements in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

In the circumstances, the accuracy and completeness of stock and inventory could not be confirmed.

5. Accounts Receivables

5.1 Unsupported Accounts Receivables

The statements of financial assets and liabilities reflects accounts receivables balance of Kshs.2,867,949 as disclosed in Note 12 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivables as disclosed in Note 5 are silent on the treatment of the students' fees balances which is a major source of income for the school.

In the circumstances, the accuracy of the accounts receivables balance of Kshs. 2,867,949 could not be confirmed.

5.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,867,949 in respect of fees arrears as disclosed in Note 12 to the financial statements. Included in the balance are receivables amounting to Kshs.437,442 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.2,867,949 could not be confirmed.

6. Incomplete Fixed Asset Register

Annex 2 to the financial statement reflects a summary of fixed assets register. However, the columns on addition and disposal during the year were omitted. Further, the summary of fixed asset register includes a six (6) acre parcel of land and 1,174 assets which did not have corresponding value or amounts in respect to historical cost brought forward, additions, disposals and historical costs carried down. In addition, the land title deed was not provided for verification.

In the circumstances, the ownership and valuation of the asset register could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Coulson 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.8,605,509 and Kshs.6,481,790 respectively, resulting to an under-funding of Kshs.2,123,719 or 25 % of the budget. However, the School spent a balance of Kshs.5,859,072 against actual receipts of Kshs.6,481,790 resulting to an under-utilization of Kshs.622,718 or 10% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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.

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, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted their financial statement to the Office of the Auditor General on 17 February, 2023 instead of the statutory deadline of 30 September, 2022. 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.

2. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting 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 as follows;

- i. The statement of receipts and payments is omitted from the table of content;
- ii. The statement of cash flows is not referenced in either the table of contents or the body of the report;
- iii. The Summary Report of Performance of the School referenced roman II in the table content is not signed by the Principal;
- iv. The references of financial statements report in the table of contents is not arranged in a chronological order. Further, the references of financial statements report in the body of the report do not correspond to references in the table of contents;
- v. The continuation of the statement of budgeted versus actual amounts on pages

21 and 22 does not contain column titles which include receipt/expenses items, original budget, adjustments, final budget, actual on comparable, budget utilization and percentage utilization;

- vi. Note 5 on the statement of receipts and payments represents school fund income – other receipts. However, the corresponding note to the accounts represents infrastructure;
- vii. Note 4 to the financial statements does not have a corresponding note in the statement of receipts and payments;
- viii. The statement of financial assets and financial liabilities has bank balances, cash balances, accounts receivables, accounts payables and accumulated fund brought forward assigned the wrong Notes to the financial statements;
- ix. The statement of cash flows does not have note reference numbers;
- x. Progress on follow up of auditor recommendations and annexures be removed from the table of content; Note 14 to the financial statements in respect to fund balance brought forward is succeeded by Note 17 in respect to biological assets revealing a gap;
- xi. The statement of cash flows reflects negative Kshs.180,902 and Kshs.50,000 in respect to adjustment of increase in receivables and decrease in payables respectively. However, the adjustment of working capital is disallowed under the direct method of cashflows presentation; and
- xii. The amounts and balances reflected in annual report and financial statements are not rounded off to the nearest shilling.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

3. Lack of Procurement Plan

The statement of receipts and payments reflects Kshs.6,481,790 and Kshs.5,859,072 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 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.

4. Lack of an Approved Budget

The statement of receipts and payments reflects Kshs.6,481,790 and Kshs.5,859,072 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual budget as part of the annual budget preparation process. This was contrary to Section 68(2)(h) of the Public Finance Management Act, 2012 which states that 'an accounting officer shall prepare estimates of expenditure and revenues of the entity in conformity with the strategic plan'.

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

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

The statement of receipts and payments reflects payments for operations and payments for boarding/school fund and infrastructure of Kshs.1,738,401 and Kshs.3,687,887 respectively as disclosed in Note 7 and 8 to the financial statements. Included in the expenditure is an amount of Kshs.237,020 from operations and Kshs.384,600 from boarding/school fund and infrastructure, totaling Kshs.621,620 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.621,620 could not be confirmed.

6. Lack of a Fixed Assets Register

Annex 2 to the financial statements reflects a summary of fixed assets register which includes land. However, the School did not maintain a fixed asset registers during the year under review, contrary to Regulation 143(1) of the Public Management (National Government) Regulations of 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'. Further, Annex 2 to the financial statements did not have monetary values under historical cost brought forward, additions, disposals and historical cost.

In the circumstances, the ownership and valuation of the fixed assets could not be confirmed. Further, 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 comply, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, 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 overall governance were not effective.

Basis for Conclusion

1. 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 of the School 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.

2. Lack of Ownership Documents

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

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

In preparing the financial statements, Management is responsible for assessing the School's ability 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 the 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 controls would not necessarily disclose all matters in the internal controls 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 School'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 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 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 School to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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

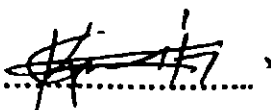
19 December, 2024

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

STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		12 Months	6 Months
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	381,695.40	151,107.50
Capitation grants for operations & Infrastructure	2	1,682,248.20	1,001,003.35
School Fund Income- Parents' Contributions	3	4,417,846.34	259,019.00
School Fund Income – Other receipts	5	-	789,237.00
TOTAL RECEIPTS		6,481,789.94	2,200,366.85
PAYMENTS			
Payments for Tuition	6	432,784.00	30,612.00
Payments for Operations	7	1,738,401.25	367,828.00
Boarding and school fund payments & Infrastructure	8	3,687,887.00	787,060.67
Payments for Infrastructure	9	-	
TOTAL PAYMENTS		5,859,072.25	1,185,500.67
SURPLUS/DEFICIT		622,717.69	1,014,866.18

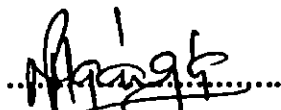
The school financial statements were approved on _____ 2022 and signed by:



George Kimiti
Chair,
Board of Management

Coulson Sec School

Date:



Peter Ng'ang'a (Mr)
Secretary,
Board of Management
/Principal

Coulson Sec School

Date:



Eunice Waithera Kamau (Ms)
Bursar

Coulson Sec School

Date:

COULSON SECONDARY SCHOOL
P. O. BOX 29-20118
GILGIL
Date:..... Sign:.....

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

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

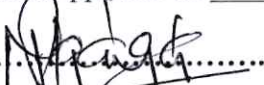
	Note	2021-2022	2020-2021
		12 Months	6 Months
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,116,194.86	767,155.26
Cash Balances	9	13,127.67	(29,568.42)
Total Cash and cash equivalent		1,129,322.53	737,586.84
Account's Receivables	11	2,867,949.24	2,687,047.24
TOTAL FINANCIAL ASSETS		3,997,271.77	3,424,634.08
FINANCIAL LIABILITIES			
Accounts Payables	12	252,359.00	302,359.00
NET FINANCIAL ASSETS		3,744,912.77	3,122,275.08
REPRESENTED BY			
Accumulated Fund b/fwd	13	3,122,195.08	2,107,408.90
Surplus/Deficit for the year		622,717.69	1,014,866.18
Accruals to cash adjustments			
NET FINANCIAL POSITION		3,744,912.77	3,122,275.08

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

.....

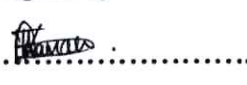

George Kimiti
Chair,
Board of Management

Coulson Sec School
Date:.....

.....


Peter Ng'ang'a (Mr)
Secretary,
Board of Management
/Principal

Coulson Sec School
Date:.....

.....


Eunice Waithera Kamau (Ms)
Bursar

Coulson Sec School
Date:

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

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

	Notes	2021-2022	2020-2021
		12 Months	6 Months
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition		381,695.40	151,107.50
Capitation grants for operations		1,682,248.20	1,001,003.35
School fund income- Parents contributions/ fees		4,417,846.34	259,019.00
School fund income – other receipt			789,237.00
Adjustment increase in receivables		(180,902.00)	105,656.00
Total receipts		6,300,887.94	2,306,022.85
Payments			
Payments for Tuition		432,784.00	30,612.00
Payments for Operations		1,220,426.25	367,828.00
Boarding and school fund payments		3,687,887.00	787,060.67
Adjustment decrease in payables		50,000.00	372,453.00
Total payments		5,391,097.25	1,557,95.67
Net cash flow from operating activities		909,790.69	748,069.18
Net cash flow adjustment			
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities		(517,975.00)	
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENTS		391,815.69	748,069.18
Cash and cash equivalent at BEGINNING of the year		737,506.84	(10,482.34)
Cash and cash equivalent at END of the year		1,129,322.53	737,586.84

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

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

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c = a+b	d	e = c - d	f = d/c
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
(1) CAPITATION GRANT ON TUITION						
Exercise Books	211,200.00	-	211,200.00	174,639.98	36,560.02	82.69%
Lab.Equipments	92,862.00	-	92,862.00	121,500.00	(14,629.16)	115.75%
T/L Materials	74,060.00	-	74,060.00	34,503.34	39,556.66	46.59%
Internal Exam	193,000.00	-	193,000.00	22,117.53	170,882.47	11.46%
Ref/Lib(Textbooks)	85,760.00	-	85,760.00	42,943.39	42,816.61	50.07%
Chalk & Dusters	12,880.00	-	12,880.00		12,880.00	0.00%
SUB-TOTAL	669,762.00	-	669,762.00	381,695.40	288,066.60	56.99%
(2) CAPITATION GRANT ON OPERATIONS						
Local,Transport & Travelling	314,242.00	-	314,242.00	121,553.22	192,688.78	38.68%
Electricity,Water & Conservancy	206,000.00	-	206,000.00	30,342.87	175,657.13	14.73%
Repair,Maintenance & Improvement	-	-	-	-	-	-
Activity (i)	278,200.00	-	278,200.00	160,200.33	117,999.67	57.58%
Medical/Insurance	160,000.00	-	160,000.00	3,408.03	156,591.97	2.13%
Personal Emoluments	270,000.00	-	270,000.00	608,885.09	(38,261.09)	106.71%
Administration Costs	310,000.00		310,000.00	111,358.66	199,601.34	35.81%
Direct Deposit	-		-	9,500.00	(9,500)	0.00%
SUB-TOTAL	1,930,026.00	-	1,930,026.00	1,045,248.20	804,277.80	54.88%
(3) FEES CHARGED ON PARENTS						
Boarding,Equipment & Stores	4,993,475.00	-	4,993,475.00	3,864,895.34	1,128,579.66	77.40%
Expenditure from Income Generating Activities				552,951.00	-	0.00%
SUB-TOTAL	4,993,475.00	-	4,993,475.00	4,417,846.34	576,628.66	77.40%
OTHER INCOME						

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

INFRASTRUCTURE ACCOUNT	892,246.00		892,246.00	637,000.00	255,246.00	71.39%
SUB-TOTAL	892,246.00	-	892,246.00	637,000.00	255,246.00	71.39%
GRANDTOTAL INCOME	8,605,509.00	-	8,605,509.00	6,481,789.94	1,924,233.06	69.82%
EXPENDITURE FOR:						
(1) TUITION						
Exercise Books	211,200.00	-	211,200.00	197,400.00	13,800.00	93.47%
Lab.Equipments	92,862.00	-	92,862.00	121,500.00	(28,638.00)	130.84%
T/L Materials	74,060.00	-	74,060.00	39,000.00	35,060.00	52.66%
Internal Exam	193,000.00	-	193,000.00	25,000.00	168,000.00	12.95%
Ref/Lib(Textbooks)	85,760.00	-	85,760.00	48,540.00	37,220.00	56.60%
Chalk & Dusters	12,880.00	-	12,880.00		12,880.00	0.00%
Bank Charges		-	-	1,344.00	(7,844.00)	0.00%
SUB-TOTAL	669,762.00	-	669,762.00	432,784.00	230,478.00	65.59%
(2) OPERATIONS						
Local,Transport & Travelling	314,242.00	-	314,242.00	107,000.00	207,242.00	34.05%
Electricity,Water & Conservancy	206,000.00	-	206,000.00	26,710.00	179,290.00	12.97%
Repair,Maintenance & Improvement	-	-	-	306,500.80	(306,500)	0.00%
Activity (i)	278,200.00	-	278,200.00	141,020.00	137,180.00	50.69%
Medical/Insurance	160,000.00	-	160,000.00	3,000.00	157,000.00	0.00%
Personal Emoluments	270,000.00	-	270,000.00	535,985.00	34,639.00	93.93%
Administration Costs	310,000.00		310,000.00	98,026.45	212,933.55	31.52%
SUB-TOTAL	1,930,026.00	-	1,930,026.00	1,218,242.25	709,599.75	59.28%
(3) SCHOOL FUND						
Boarding,Equipment & Stores	4,993,475.00	-	4,993,475.00	1,688,534.00	3,304,941.00	33.81%
Expenditure from Income Generating Activities	-	-	-	1,999,353.00	-	0.00%
SUB-TOTAL	4,993,475.00	-	4,993,475.00	3,687,887.00	3,304,940.00	33.81%

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INFRASTRUCTURE ACCOUNT						
RMI	892,246.00		892,246.00	517,975.00	374,271.00	34.35%
Bank Charges				2,184.00	(2,184.00)	0.00%
SUB-TOTAL	892,246.00		892,246.00	520,159.00	372,087.00	34.35%
TOTAL EXPENDITURE	8,605,509.00	-	8,605,509.00	5,859,072.25	4,617,104.75	42.43%

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

- i. The school only received 69.82% of the total expected income within a period of 12 months.*
- ii. The school only spent 42.43% of the total expenditure within a period of 12 months*

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VII. 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 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*.

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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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

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1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Exercise books	174,639.98	
Laboratory equipment	107,491.16	37,776.88
Teaching / learning materials	34,503.34	37,776.88
Internal exams	22,117.53	37,776.88
Textbooks and reference materials	42,943.39	37,776.86
SMASSE	-	
Total	381,695.40	151,107.50

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	608,885.09	326,614.30
Direct Deposit	9,500.00	51,800.00
Repairs and maintenance	637,000.00	436,750.00
Local transport / travelling	121,553.22	71,816.46
Electricity and water	30,342.87	99,745.08
Medical	3,408.03	
Administration costs	111,358.66	14,277.51
Activity	160,200.33	
Total	1,682,248.20	1,001,003.35

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Lunch	3,864,895.34	789,237.00
Personnel emoluments	131,393.00	70,821.00
Repairs and maintenance	89,373.00	-
Local transport / travelling	27,397.00	11,570.00
Electricity and water	185,988.00	91,551.50
Medical/Insurance		44,614.00
Administration costs	102,527.00	36,139.00
Activity	16,273.00	4,323.50
Total	4,417,846.34	1,048,256.00

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4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Other Incomes	-	-
Total	-	-

5 INFRASTRUCTURE

	2021-2022	2020-2021
	Kshs	Kshs
Classrooms	-	-
New Storey Classrooms/Ramp	-	-
Renovation	-	-
Total	-	-

6 PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Exercise books	197,400.00	-
Laboratory equipment	121,500.00	15,460.00
Teaching / learning materials	39,000.00	-
Internal exams	25,000.00	14,540.00
Textbooks and reference materials	48,540.00	-
Bank Charges	1,344.00	612.00
Total	432,784.00	30,612.00

7 PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	535,985.00	276,400.00
Repairs and maintenance	306,500.80	-
Local transport / travelling	107,000.00	72,000.00
Electricity and water	26,710.00	-
Medical/Insurance	3,000.00	3,050.00
Administration costs	98,026.45	11,800.00
Activity	141,020.00	-
Bank Charges	2,184.00	4,578.00
Acquisition of Assets	517,975.00	-
Total	1,738,401.25	367,828.00

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8 BOARDING AND SCHOOL FUND PAYMENTS

		2021-2022	2020-2021
		Kshs	Kshs
Lunch		1,688,534.00	430,068.67
Personnel emoluments		502,531.00	430,068.67
Repairs and maintenance		99,465.00	1,900.00
Local transport / travelling		633,880.00	138,000.00
Electricity and water		291,787.00	77,387.00
Medical/Insurance			
Administration costs		446,710.00	32,805.00
Activity		24,980.00	
Total		3,687,887.00	787,060.67

9 INFRASTRUCTURE PAYMENTS

		2021-2022	2020-2021
		Kshs	Kshs
Classroom/Renovations/Ramp		-	
Bank Charges		-	
Total		-	-

10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		82,751.40	70,880.00
Operations Account		6,022.25	74,808.05
School Fund Account/Boarding		554,471.21	265,358.21
Infrastructure Account		472,950.00	356,109.00
Total		1,116,194.86	767,155.26

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11 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
School Fund account	7,688.67	(26,215.67)
Operations Account	5,439.00	(3,352.75)
Tuition Account		
Total	13,127.67	(29,568.42)

12 ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	2,867,949.24	2,687,047.24
Total	2,867,949.24	2,687,047.24

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	437,442.00	71,014.00
Fees arrears for the previous year		265,998.50
Fees arrears for the previous years recovered		(176,670.00)
Fees arrears for prior periods (over two years)	2,430,507.24	2,526,704.74
Total	2,867,949.24	2,687,047.24

13 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	252,359.00	302,359.00
Prepaid fees	-	
Total	252,359.00	302,359.00

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	-	-
Trade creditors for the previous year	252,359.00	674,812.00
Trade creditors for prior periods (over two years)		(372,453.00)
Total	252,359.00	302,359.00

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14 FUND BALANCE BROUGHT FORWARD

Description		2021-2022	2020-2021
		Kshs	Kshs
Cash & Bank balances		767,075.26	(2,279.59)
Cash balances		(29,568.42)	(8,202.75)
Receivables		2,687,047.24	2,792,703.24
Payables		(302,359.00)	(674,812.00)
Total		3,122,195.08	2,107,408.90

VIII. NOTES TO THE FINANCIAL STATEMENTS

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.

17 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
	0	-	-
Trees	90	-	-
Total		-	-

18 Stock/Inventory

Description		2021-2022	2020-2021
		Kshs	Kshs
b) Borrowings			
Stock/ inventory at beginning of the year			
Stock/ inventory purchased during the year			
Stock/ inventory issued during the year			
Balance at end of the year		-	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Sno	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2022	Comment
		Kshs	Kshs	Kshs	Kshs	
		a	b	c	d=a-c	
a	Construction of Buildings					
1		-		-	-	
	Sub-Total	-		-	-	
b	Supply of goods			-	-	
1	Stan bookshop	232,349.00		100,000	132,349.00	
2	Bendat Enterprises	2,650.00			2,650.00	
3		-			-	
4		-			-	
5		-			-	
6		-			-	
7		-			-	
	Sub-Total	234,999.00	-	-	134,999.00	
c	Supply of Services			-	-	
1	NSSF	117,360.00		-	117,360.00	
2		-		-	-	
3		-		-	-	
	Sub-Total	117,360.00		-	117,360.00	
	Grand Total	352,359.00	-	100,000.00	252,359.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

S/NO.	ASSET CLASS	QUANTIT Y	LOCATIO N	HISTORIC AL COST B/F	ADDITIO N DURING THE YEAR	DISPOSA L DURING THE YEAR	HISTORIC AL COST C/F
1	Land	12 Acres	Coulson Sec				
2.	Building and Structure 1. Classrooms 2. Laboratories 3. Admin Block 4. Kitchen 5. Dinning Hall	6 3 1 1 1	Coulson Sec				
3.	Office Equipment, furniture and fittings 1. Chairs 2. Lockers 3. Tables	447 427 20	Coulson Sec				
4.	ICT Equipment and Other ICT Assets 1. Computers 2. Printers	2 2	Coulson Sec				
5.	Tools and Apparatus	500	Coulson Sec				
6.	Text Books	400	Coulson Sec				

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

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CONSOLIDATED TRIAL BALANCE AS AT 30TH JUNE 2022

		DR	CR
Cash and Cash equivalents			
	Bank Balances	1,116,194.86	
	Cash Balances	13,127.67	
	Receivables	2,867,949.24	
Payments			
	Payments for Tuition	432,784.00	
	Payments for operations	1,738,401.25	
	Boarding and school fund payments	3,687,887.00	
	Infrastructure	-	
Receipts			
	Capitation grants for tuition	-	381,695.40
	Capitation grants for operations		1,682,248.20
	School Fund Income- Parents' Contributions		4,417,846.34
	Proceeds from borrowings-payables		252,359.00
Prior Year Adjustment		-	
Fund Balance b/f			3,122,195.08
TOTAL		9,856,344.02	9,856,344.02