

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

**OF**


**THE AUDITOR-GENERAL**

**ON**

**CHEPLELACHBEI EAST SECONDARY  
SCHOOL**

**FOR THE SIX (6) MONTHS PERIOD  
ENDED 30 JUNE, 2021**

**UASIN GISHU COUNTY 2025**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DAY. WEDNESDAY	
TABLED BY:	DEPUTY MINORITY WHIP (HON. NAOMI KIAGO, MP)
CLERK-AT THE-TABLE:	S. LEMEREUE



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**CHEPLELACHBEI EAST SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE, 2021**

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PREPARED IN ACCORDANCE WITH THE CASH BASIS OF ACCOUNTING METHOD UNDER THE  
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)



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**KEY SCHOOL INFORMATION AND MANAGEMENT**

**CHEPLELACHBEI EAST SECONDARY SCHOOL**

**(a) Background information**

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Uasin Gishu County, Ainabkoi Sub-County. The school was registered on 18<sup>th</sup> February 2020 under registration number 27530000778 and is currently categorized as a Public day school established, owned or operated by the Government.

The school is a day school and had 230 numbers of students as at 30<sup>th</sup> June 2021.

It had 1 stream and 12 teachers of which 7 are employed by the Teachers Service Commission and 5 by 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Lilian Kimulany	Chairman/Sponsor	17.05.2019
2	Geoffrey Rutto	Secretary - Principal	17.05.2019
3	Sabina Sigilai	Member - Co-opted	17.05.2019
4	Abraham Bor	Member – Rep Parents/Local community	17.05.2019
5	Samwel Ngetich	Member – Rep Parents/Local community	17.05.2019
6	Scolastica Chemeli	Member	17.05.2019
7	John Kurgat	Member -Rep CEB	17.05.2019
8	Eng. Nicholas Arusei	Member – Special interest	17.05.2019
9	Ezekiel Maritim	Member – Rep Teachers	17.05.2019
10	Rev. Sammy Toman	Member – Rep Sponsor	17.05.2019
11	Grace Kapkoi	Member	17.05.2019
12	James Singoei	Member	17.05.2019
13	S.C.D.E Ainabkoi	Member	17.05.2019

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The function of the School Board of Management includes:**

- 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 students' 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 paragraph 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

<b>Ref</b>	<b>Name of Committee</b>	<b>Names of Members</b>	<b>Designation</b>	<b>Number of meetings attended during the year</b>
1	Executive Committee	Mrs. Lilian Kimulany Geoffrey Ruto Eng Nicholas Arusei Mrs. Grace Kapkoi	Chairman Secretary Member Member	6

**CHEPLELACHBEI EAST SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**Report and Financial Statements For the period ended 30<sup>th</sup> June 2021**

2	Audit Committee	Eng. Arusei Nicholas Mr, Francis Senerwa Mrs. Kapkoi Grace Mr. Samwel Chesang	Chairman Secretary Member Member	1
3	Finance, procurement and general-purpose Committee	Eng. Arusei Nicholas Mr, Francis Senerwa Mrs. Kapkoi Grace Mr. Samwel Chesang	Chairman Secretary Member Member	3
4	Development Committee	Rev Sammy Toman Mr. Francis Senerwa Mr. Abraham Bor Mr. Samwel Chesang	Chairman Secretary Member Member Member	4
5	Academic Committee	Mr. Martim Ezekiel Mr. John Kurgat Ms. Scolastica Chemeli Mr. Abraham Bor	Chairman Secretary Member Member	6
6	Discipline and welfare Committee	Mr. Francis Senerwa Rev. Toman Mrs Sabina Sigilai Mr. James Singoei	Chairman Secretary Member Member	3

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June, 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Hosea Marindich	383620
2	Deputy Principal	James K. Ngetich	295244
3	Bursar	Zephania Siror	35404716

**(e) Schools contacts**

Post Office Box: 12-30102 Burnt Forest.

Mobile Number: 0722656075.

E-mail:cesmsschool@gmail.com.

Website: None.

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(f) School Bankers**

The school operated 5 number of bank accounts and 1 Pay bill number as follows:

Name of Bank:	KCB
Branch:	Eldoret West
Account Number:	1108813887
Operation a/c	

Name of Bank:	KCB
Branch:	Eldoret West
Account Number:	1103418327
Tuition a/c	

Name of Bank:	Co-Operative Bank
Branch:	Eldoret
Account Number:	01139184809000
School fund a/c	

Name of Bank:	KCB
Branch:	Eldoret West
Account Number:	1261605144
Maintenance and improvement a/c	

MPESA Pay Bill No.:	Business Number: 400222
	Account Number: 363731
	Attached to co-op bank

**(g) Independent Auditors**

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

### I. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

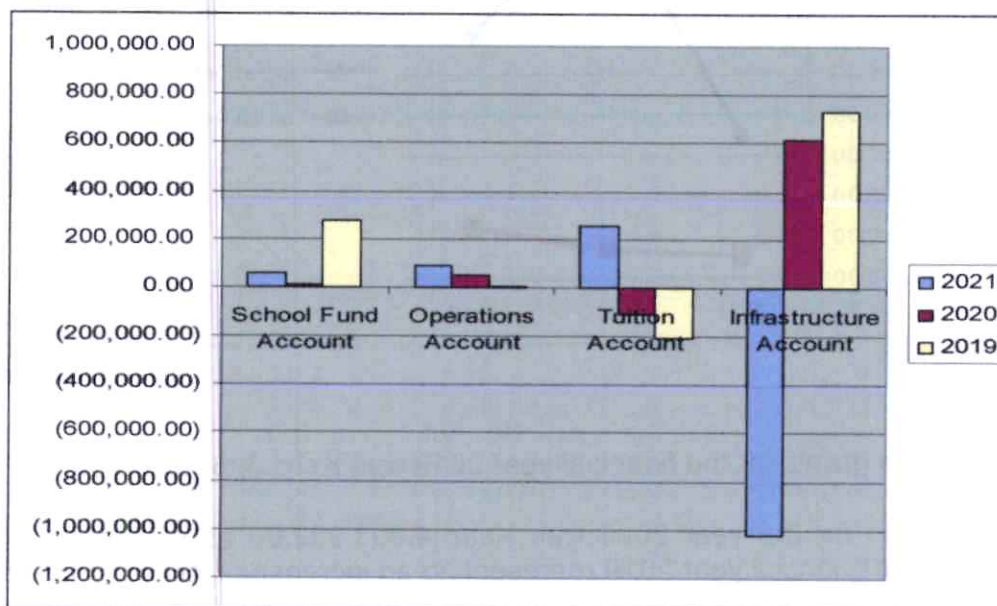
The following is a summary report of the performance of the school against the set performance evaluation criteria:

#### a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last two years period between 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2020 which covers a period of 12 months while 30<sup>th</sup> June 2021 covers a period of 6 months and is summarized as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS				
SN O	ACCOUNTS	2021 Kshs Cts	2020 Kshs Cts	2019 Kshs Cts
1	School Fund Account	58,604.00	11,528.70	274,675.75
2	Operations Account	89,617.00	53,187.65	6,242.90
3	Tuition Account	257,287.00	(109,486.00)	(205,492.40)
4	Infrastructure Account	(1,020,242.00)	615,196.00	731,269.00
	<b>TOTAL</b>	<b>(614,734.00)</b>	<b>570,426.35</b>	<b>806,695.25</b>
	<b>Increase/Decrease</b>	<b>(1,185,160.35)</b>	<b>(236,271.90)</b>	

Trend over the Last Three Years



**CHEPLELACHBEI EAST SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

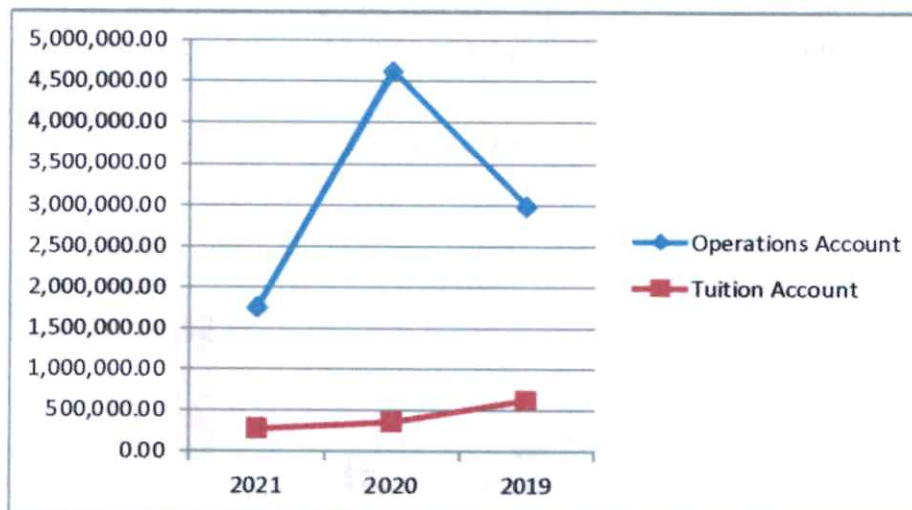
**Report and Financial Statements For the period ended 30<sup>th</sup> June 2021**

The surplus for the year 2020 decreased by Kshs 236,268.90 from a surplus of Kshs 806,695.25 in the year 2019 which was attributed by default of fees arrears that they fall in to outstanding debts.

The deficit for the year 2021 increased by Kshs 1,185,160.35 from a deficit of Kshs 236,271.90 in the year 2020 due to prolonged closure after abrupt shutting of the schools due to Covid-19.

<b>CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS</b>				
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>Kshs Cts</b>	<b>Kshs Cts</b>	<b>Kshs Cts</b>
1	Operations Account	1,754,222.80	4,617,475.00	2,978,723.90
2	Tuition Account	279,478.50	366,517.00	629,959.60
	<b>Total</b>	<b>2,033,701.30</b>	<b>4,983,992.00</b>	<b>3,608,683.50</b>
	<b>Increase/Decrease</b>	<b>(2,950,290.70)</b>	<b>1,375,308.50</b>	
	No of Students	248	236	194
	<b>Ratio of Capitation per student</b>	<b>1:8,200.40</b>	<b>1:20,737.00</b>	<b>1:15,594.00</b>

**Trend over the Last Three Years**



The total capitation grants for the financial year 2019 was Kshs.3, 606,863.50.

The total capitation for the year 2020 was Kshs 4,893,992.00 as compared to Kshs 3,606,863.50 in the financial year 2019 representing an increase of Kshs 1,375,308.50.

**CHEPLELACHBEI EAST SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

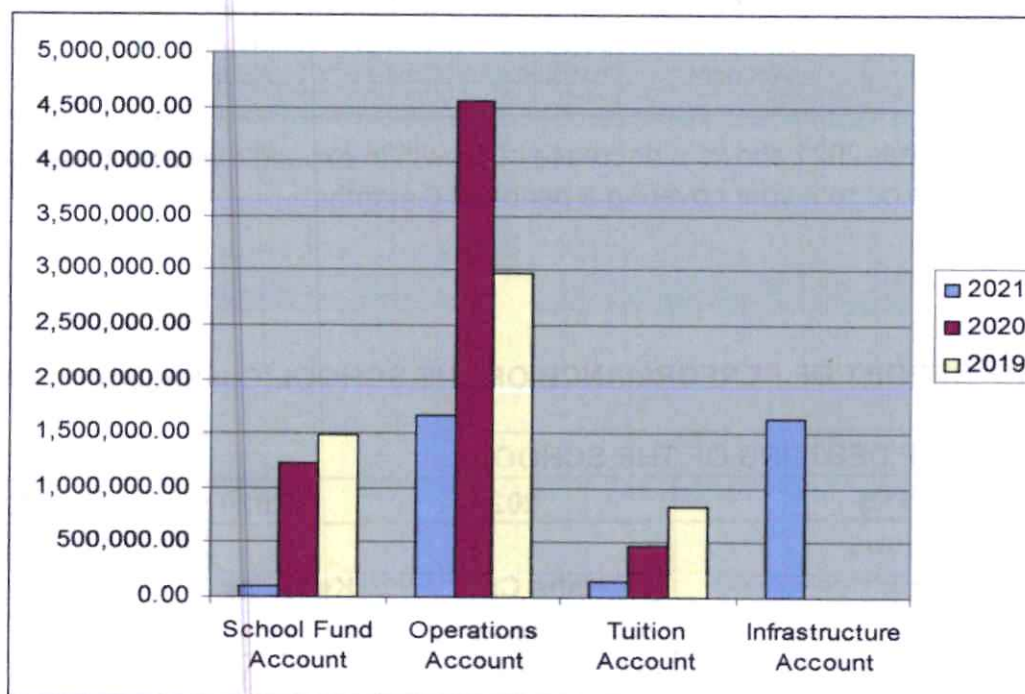
**Report and Financial Statements For the period ended 30<sup>th</sup> June 2021**

The capitation grant for the financial year 2021 was Kshs 2,033,701.30 as compared to Kshs 4,893,992.00 in the financial year 2020 representing a decrease of Kshs 2,950,290.70. The net decrease is mainly attributed by the change of school financial reporting from calendar year to financial year i.e the period covered 6 months.

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)**

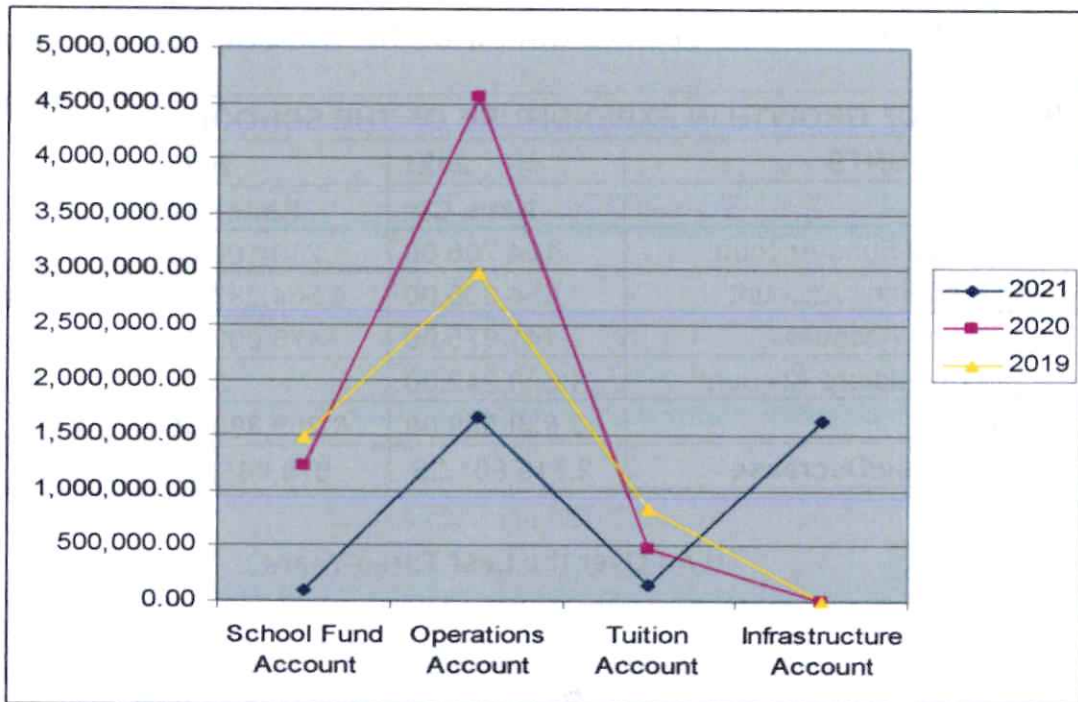
<b>OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL</b>				
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>Kshs Cts</b>	<b>Kshs Cts</b>	<b>Kshs Cts</b>
1	School Fund Account	104,766.00	1,219,100.00	1,480,292.25
2	Operations Account	1,664,606.00	4,564,287.35	2,972,681.00
3	Tuition Account	141,975.00	476,003.00	835,452.00
4	Infrastructure Account	1,628,242.00	0.00	0.00
	<b>Total</b>	<b>3,539,589.00</b>	<b>6,259,390.35</b>	<b>5,288,425.25</b>
	<b>Increase/Decrease</b>	<b>2,719,801.35</b>	<b>970,965.10</b>	

**Trend Over the Last Three Years**



**CHEPLELACHBEI EAST SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**  
*Report and Financial Statements For the period ended 30<sup>th</sup> June 2021*

**Trend over the Last Three Years**



In the financial year 2021 shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months

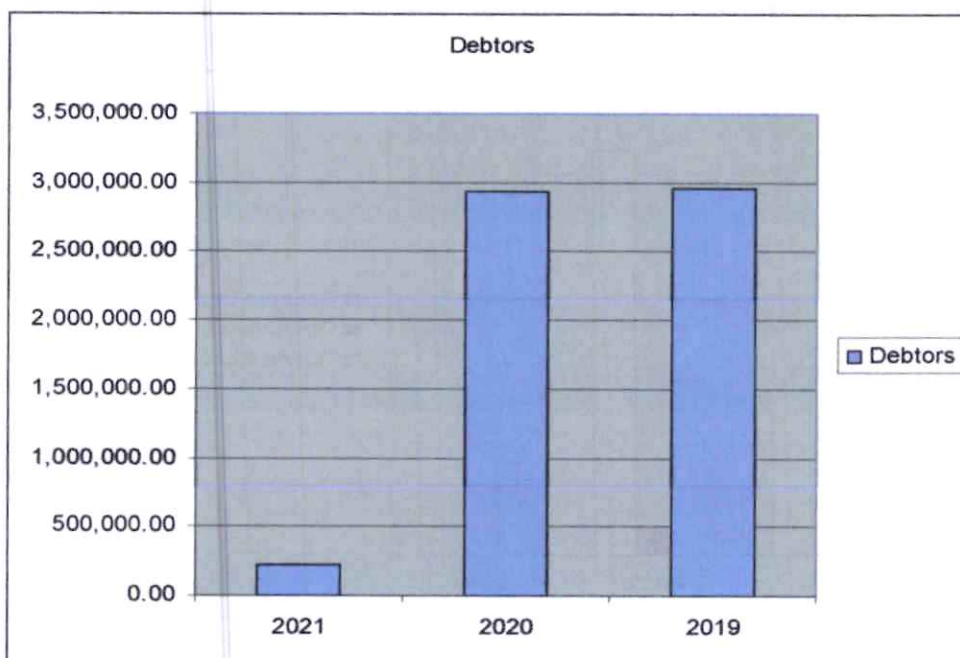
**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)**

<b>MOVEMENT OF DEBTORS OF THE SCHOOL</b>				
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>1</b>	<b>School Fund Account</b>			
		<b>Kshs Cts</b>	<b>Kshs Cts</b>	<b>Kshs Cts</b>
a	Debtors	2,959,803.10	2,933,204.30	2,963,415.00
	<b>Total</b>	<b>2,959,803.10</b>	<b>2,933,204.30</b>	<b>2,963,415.00</b>
	<b>Increase/Decrease</b>	<b>26,598.80</b>	<b>302,107.00</b>	

CHEPLELACHBEI EAST SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL

Report and Financial Statements For the period ended 30<sup>th</sup> June 2021

Trend over the Last Three Years

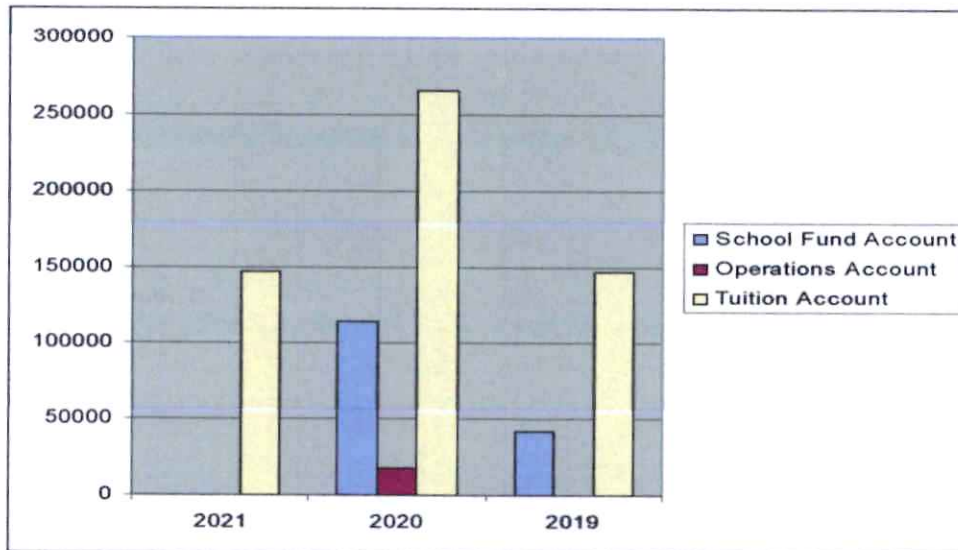


Total debtors as at 30<sup>th</sup> June 2021 increased by 0.9% to Kshs 26,598.80 compared to Kshs 302,107.00 as at the end of the financial year 2020. The main contributors to the increase in total debtors is the students' having more fees balances.

MOVEMENT OF CREDITORS OF THE SCHOOL				
		2021	2020	2019
SNO	ACCOUNTS	Kshs Cts	Kshs Cts	Kshs Cts
1	School Fund Account	0.00	114,504.00	41,536.00
2	Operations Account	0.00	17,500.00	0.00
3	Tuition Account	146,517.00	266,000.00	146,615.00
	<b>Total</b>	<b>146,517.00</b>	<b>398,004.00</b>	<b>188,151.00</b>
	<b>Increase/Decrease</b>	<b>(251,487.00)</b>	<b>209,853.00</b>	

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Trend over the Last Three Years



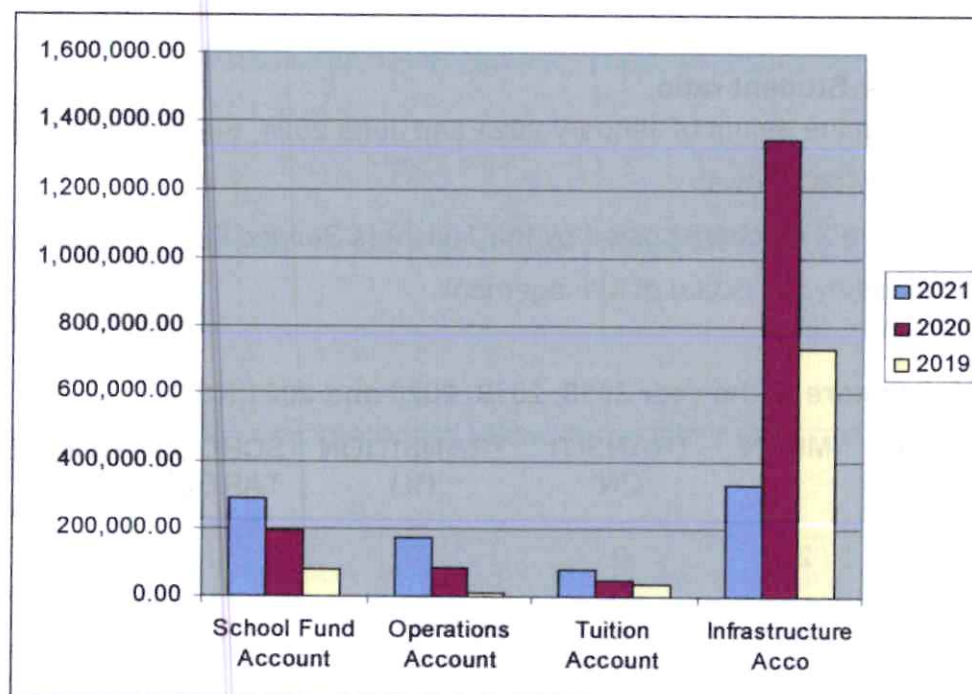
Total creditors as at 30<sup>th</sup> June 2021 decreased by Kshs compared to Kshs

Total creditors as at 30<sup>th</sup> June 2021 decreased by Kshs. 251,487.00 compared to Kshs 398,004.00 as at the end of the financial year 2020. The main contributors to the decrease in total creditors was the deliberate efforts made by the management to clear them which was commendable.

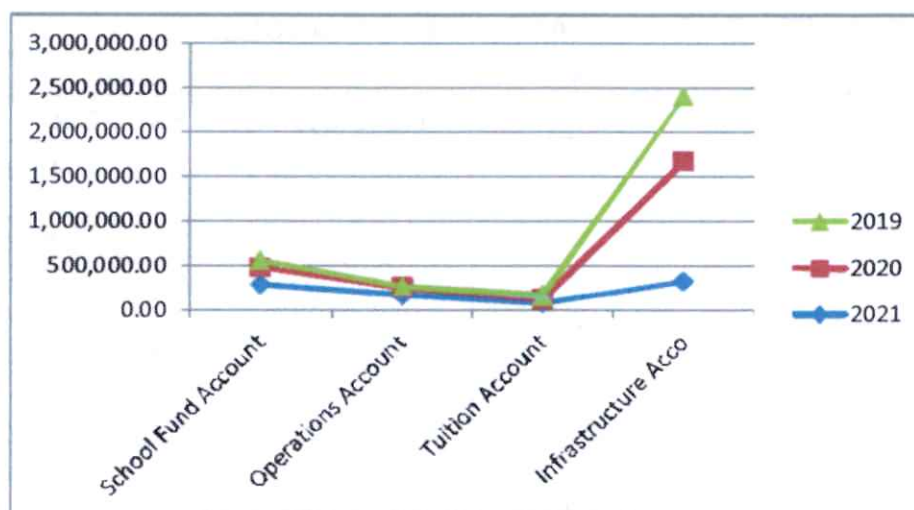
**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

<b>MOVEMENT OF CASH AND BANK BALANCES</b>				
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>Kshs Cts</b>	<b>Kshs Cts</b>	<b>Kshs Cts</b>
1	School Fund Account	289,455.60	194,494.50	79,787.10
2	Operations Account	173,217.95	83,601.15	12,902.15
3	Tuition Account	80,336.20	48,315.70	38,416.70
4	Infrastructure Acco	328,223.00	1,346,465.00	731,269.00
	<b>Total</b>	<b>871,232.75</b>	<b>1,672,876.35</b>	<b>862,374.95</b>
	Increase/Decrease	(801,643.60)	810,501.40	

**Trend over the Last Three Years**



**Trend over the Last Three Years**



**b) Teacher Student ratio:**

Between the month of January 2021 and June 2021, the status of the teaching staff was as follows:

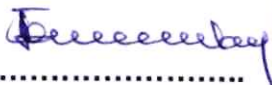
There are 7 teachers posted by the Teachers Service Commission and 5 recruited by the Board of Management.

**c) Mean score in the year 2018, 2019, 2020 and 2021 KSCE**

YEAR	ENRO	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	62	2.45	0	0	3.00	Low student teacher ratio, Absentism.
2020	36	3.72	0	0	4.00	Students indicipline cases.
2019	33	3.33	1	1	4.00	Absenteeism,
2018	24	3.45	0	0	4.50	

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)**  
d) Development projects carried out by the school:

Sn/o.	Project	Year	Status	Amount	Fund Source
1	Teachers quarters	2019-2020	Completed	900,000.00	Savings from school fund account and fund raising
2	Laboratory	2019-2020	Incomplete	2,000,000.00	TIG, Maintenance & Improvement.
3	Teachers Toilet	2019-2020	Completed	500,000.00	TIG, Maintenance & Improvement and Savings from school fund account
4	Painting and furnishing.	2020-2021	Completed	100,000.00	Maintenance & Improvement from government
5	Kitchen and quarters toilets	2020-2021	Completed	247,000.00	Savings from school fund account.
6	Construction of Class room	2020-2021	Completed	1,660,000.00	Maintenance & Improvement from G.O.K



.....  
**Mrs. Lilian Kimulany**

**Chairperson  
Board of Management**

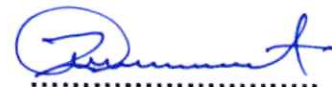
Date: 30/08/2024



.....  
**Mr. Hosea Marindich**

**Secretary,  
Board of Management  
/Principal**

Date: 28/08/2024



.....  
**Mr. Zephania Siror**

**Bursar**

Date: 28/08/2024

**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 that the Board of Management of a public institution of basic education keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Cheplelachbei East Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

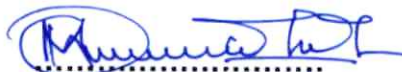
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.



.....  
**Mrs. Lilian Kimulany**

**Chairperson  
Board of Management**

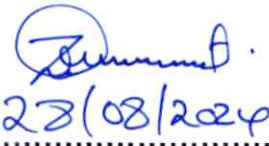
Date: 30/08/2024



.....  
**Mr. Hosea Marindich**


**Secretary,  
Board of Management  
/Principal**

Date: 28/08/2024

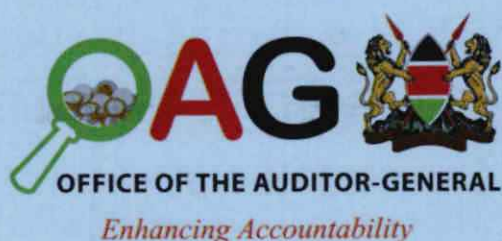


.....  
**Mr. Zephania Siror**

**Bursar**

Date:   
28/08/2024

# 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 CHEPLELACHBEI EAST SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – UASIN GISHU COUNTY

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and 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 Cheplelachbei East Secondary School – Uasin Gishu County set out on pages 17 to 32, which comprise of the statement

of financial assets and financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Cheplelachbei East Secondary School – Uasin Gishu County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of the financial statements revealed the following:-

- i. The financial statements reflects the audit coverage period of one (1) year. However, audit review revealed that the audit covers a period of six (6) months.
- ii. First time preparation of financial statements is not supposed to have a column for comparative period performance. However, Management has prepared financial statement for the first time with comparative balances.
- iii. The statement of receipts and payments and Note 3 to the financial statements reflects parents' contribution receipts amounting to Kshs.1,106,270. Out of this amount, the Management was unable to provide documentary evidence for review to support receipts of Kshs.141,109.
- iv. Statement of receipts and payments and Note 5 to the financial statements reflect payments for tuition of Kshs.22,192. However, supporting documents and schedules provided for review reflects amount of Kshs.246,720 resulting to unexplained variance of Kshs.224,528.
- v. The statement of receipts and payments and Note 6 to the financial statements reflect payments for operations of Kshs.1,664,606 which the School was not able to provide documentary evidence for review to support the payments.
- vi. Further, Note 7 to the financial statements reflect boarding and school fund payments of Kshs.1,047,666. However, review of supporting documents and schedule provided reflects an amount of Kshs.706,650 resulting to an unexplained variance of Kshs.341,016.

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

## **2. Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,959,809 as disclosed in Note 11 to the financial statements. However, the ledger balance and invoices issued for review reflects a balance of Kshs.226,605 resulting to an unexplained variance of Kshs.2,733,204.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.2,959,809 could not be confirmed.

## **3. Cash and Cash Equivalents Balances**

The statement of financial assets and financial liabilities and Note 9 to the financial statements reflects bank balances of Kshs.871,233. However, the Management did not carry out bank reconciliations for the bank balances. In addition, Note 10 to the financial statements reflects cash balance of Kshs.65,900 which was not supported by Board of Survey Report.

In the circumstances, the existence, accuracy and completeness of cash and cash equivalents balance of Kshs.937,133 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the of Cheplelachbei East 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 audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.5,758,636 and Kshs.3,139,971 respectively, resulting to an under-funding of Kshs.2,618,665 or 18% of the budget. However, the School spent an amount of Kshs.2,959,630 against actual receipts of Kshs.3,139,971 resulting to an over-utilization of Kshs.180,341 or 6% of actual receipts.

The under-funding 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.

# 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. Under Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.279,479 and Kshs.1,754,223 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, National Education Management Information System (NEMIS) reported a total number of two hundred and fourteen (214) students while the enrolment records provided by the School indicated a total number of two hundred and twenty seven (227) students, resulting to an unexplained variance of thirteen (13) students. As a result of the variances, the School was under funded by an amount of Kshs.123,543.

In the circumstances, the accuracy and completeness of capitation grants for tuition and capitation grants for operations amounting to Kshs.279,479 and Kshs.1,754,223 respectively could not be confirmed.

### **2. Lack of Procurement Plans and Procurement Professional**

The School does not have a procurement plan contrary to Section 44(2) of the Public Procurement and Assets Disposal Act, 2015 which states "In the performance of the responsibility under Subsection (1), an accounting officer shall— (c) ensure procurement plans are prepared in conformity with the medium-term fiscal framework and fiscal policy objectives and Section 45(3) All procurement processes shall be— (a) within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan."

Further, the School has not procured the services of a procurement professional contrary to Section 47 of the Public Procurement and Assets Disposal Act, 2015 states that a procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya. (2) The head of the procurement function shall among other functions under this Act, be responsible for rendering procurement professional advice to the accounting officer.

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

### **3. Failure to Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflect operations grant amount of Kshs.1,754,223 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.968,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.748,000 was transferred to infrastructure account, leaving a balance of Kshs.220,500 as at 30 June, 2021. 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.

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

The statement of receipts and payments reflect boarding and school fund payments amount of Kshs.1,047,666 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.117,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, Kenya Secondary School Heads Association (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 Kenya Secondary School Heads Association (KESSHA) amounting to Kshs.117,500 could not be confirmed.

#### **Late Submission of Financial Statements**

Management did not submit the annual report and financial statements to the Auditor-General by the statutory date of 30 September, 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. The financial statements have been audited as a result of a proactive initiative by the Auditor-General.

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

### **6. Failure to Prepare School Improvement Plan**

During the year/period under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual

for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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. Asset Management- Fixed Assets Register

Annex 2 to the financial statements reflect a summary of fixed assets register totalling Kshs.31,700,000. However, the School does not maintain a detailed and comprehensive Fixed Asset Register (FAR) in accordance with the instructions provided at Annex 2 to the financial statements.

The assets listing provided for review did not indicate; the date of acquisition, detailed serial and tagging numbers, cost or valuation amount, depreciation rates and amount, and net book values.

In circumstances, lack of a comprehensive fixed assets register may lead to loss of assets and inaccurate disclosure in financial statements.

#### 2. Excess Supply of Books

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD).

Examination of records revealed that the Institute distributed one hundred and thirty-two (132) of "Memories We Lost" set books to the School while none of books were issued to the students, resulting to an unexplained excess text books of one hundred and thirty two (132) books in the School store.

In the circumstances, value for money on the excess one hundred and thirty-two (132) text books could not be confirmed.

### **3. Failure to Hold Meeting by the Audit Committee**

Audit review, revealed that the School has established an audit committee as per Section 73(5) of the Public Finance Management Act, 2012 that states that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the Regulations. However, the Committee has never held a meeting since inception.

In the circumstances, the School did not benefit from the oversight role and advice from the Audit Committee.

### **4. Unqualified Members of Board of Management**

The statement of receipts and payments reflect payments for operations amounting to Kshs.1,664,606 as disclosed in Note 6 to the financial statements. However, the Board of Management that is supposed to direct the School in achieving its strategic objectives was constituted of members who did not meet the minimum qualification of a degree from recognized university in Kenya as per Regulation 6(b) of the Basic Education Regulations, 2015.

In the circumstances, the School will not achieve its strategic objectives.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 intentions 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 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 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 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 September, 2024

CHEPLELACHBEI EAST SECONDARY SCHOOL  
 PUBLIC SECONDARY SCHOOL  
 Report and Financial Statements For the period ended 30<sup>th</sup> June 2021

**STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup>  
 JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	279,478.50	366,517.00
Capitation grants for operations	2	1,754,222.80	4,617,475.00
School Fund Income- Parents' Contributions	3	1,106,270.10	1,230,638.70
Maintenance and Improvement	4	608,000.00	2,640,000.00
<b>TOTAL RECEIPTS</b>		<b>3,747,971.40</b>	<b>8,854,630.70</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	22,192.00	476,003.00
Payments for operations	6	1,664,606.00	4,437,782.45
Boarding and school fund payments	7	1,047,666.00	1,350,615.00
Maintenance and Improvement	8	1,628,242.00	2,024,804.00
<b>TOTAL PAYMENTS</b>		<b>4,362,706.00</b>	<b>8,289,204.45</b>
<b>SURPLUS/DEFICIT</b>		<b>(614,734.60)</b>	<b>565,426.25</b>

The accounting policies and explanatory notes to these financial statements for an integral part of the financial statements. The report covers the six months for the period ended 30<sup>th</sup> June 2021 and accompanying comparatives cover the twelve months period ended 31<sup>st</sup> December 2020.

The financial statements should be read in conjunction with the accompanying notes.

  
 Mrs. Lilian Kimulany

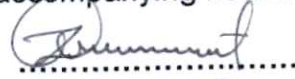
Chairperson  
 Board of Management

Date: 30/08/2024

  
 Mr. Hosea Marindich

Secretary,  
 Board of Management  
 /Principal

Date: 28/08/2024

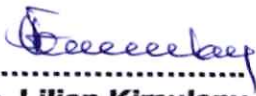
  
 Mr. Zephania Siror

Bursar

Date: 28/08/2024

**STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES  
AS AT 30<sup>TH</sup> JUNE 2021**

	Note	1.1.2021 - 30.06.2021	31.12.2020
<b>FINANCIAL ASSETS</b>		Kshs	Kshs
<b>Cash and Cash Equivalents</b>			
Bank Balances	9	871,232.75	1,672,876.35
Cash Balances	10	65,900.00	0.00
<b>Total Cash and Cash Equivalents</b>		<b>937,132.75</b>	<b>1,672,876.35</b>
Account's receivables	11	2,959,809.30	2,933,204.30
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,896,942.05</b>	<b>4,606,080.65</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable	12	146,517.00	398,004.00
<b>NET FINANCIAL ASSETS</b>		<b>3,750,425.05</b>	<b>4,208,076.65</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st January, 2021.	13	4,365,159.65	3,642,649.95
Surplus/Deficit for the year		(614,734.60)	565,426.25
<b>NET FINANCIAL POSITION</b>		<b>3,750,425.05</b>	<b>4,208,076.20</b>



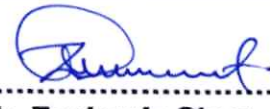
Mrs. Lilian Kimulany

Chairperson  
Board of Management



Mr. Hosea Marindich

Secretary,  
Board of Management  
/Principal



Mr. Zephania Siror

Bursar

Date: 30/08/2024

Date: 28/08/2024

Date: 28/08/2024

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		2020 - 2021 Kshs	2019 - 2020 Kshs
<b>Receipts from operating activities</b>			
Capitation grants for tuition	1	279,178.50	366,517.00
Capitation grants for operations	2	1,754,222.80	4,617,475.00
School fund income- Parents contributions fees	3	1,106,270.10	1,230,628.70
Mainteince and Improvement	4	608,000.00	2,640,000.00
Less current years arrears		226,605.00	399,381.00
<b>Total receipts</b>		<b>3,521,366.40</b>	<b>8,455,239.70</b>
<b>Payments</b>			
Payments for Tuition	5	22,192.00	476,003.00
Payments for operations	6	1,664,606.00	4,437,782.45
Boarding and school fund payments	7	1,088,587.00	1,350,615.00
Mainteince and Improvement	8	1,628,242.00	2,024,804.00
Less current years creditors		146,517.00	398,004.00
<b>Total payments</b>		<b>4,257,110.00</b>	<b>7,891,200.45</b>
Net cash flow from operating activities		(735,743.60)	564,039.25
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(735,743.60)</b>	<b>564,039.25</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	10	<b>1,672,876.35</b>	<b>1,108,837.10</b>
<b>Cash and cash equivalent at END of the year</b>		<b>937,132.75</b>	<b>1,672,876.35</b>

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 cash flow as recommended by PSAS

CHEPLELACHBEI EAST SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL

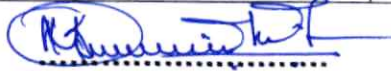
Report and Financial Statements For the period ended 30<sup>th</sup> June 2021

TRIAL BALANCE AS AT 30TH JUNE 2021			
		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	871,232.75	
	Cash Balances	65,900.00	
	Receivables	2,959,803.10	
<b>Payments</b>			
	Payments for Tuition	22,192.00	
	Payments for operations	1,664,606.00	
	Boarding and school fund payments	1,047,666.00	
	Maintenance and Improvement	1,628,242.00	
<b>Receipts</b>			
	Capitation grants for tuition		279,478.50
	Capitation grants for operations		1,754,222.80
	School Fund Income- Parents' Contributions		1,106,263.90
	Maintenance and Improvement		608,000.00
	Proceeds from borrowings		
<b>Prior Year Adjustment</b>			
	Fund Balance b/f		4,365,159.65
	Payables		146,517.00
<b>TOTAL</b>		<b>8,259,641.85</b>	<b>8,259,641.85</b>

  
.....  
**Mrs. Lilian Kimulany**

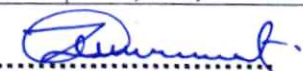
**Chairperson  
Board of Management**

Date: 30/08/2024

  
.....  
**Mr. Hosea Marindich**

**Secretary,  
Board of Management  
/Principal**

Date: 28/08/2024

  
.....  
**Mr. Zephania Siror**

**Bursar**

Date: 28/08/2024

IV. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2021

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b				
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>(1) TUITION</b>	<b>284,200.00</b>	<b>48,315.70</b>		<b>284,200.00</b>	<b>279,478.50</b>	<b>4,721.50</b>	<b>98.34</b>
<b>(2) OPERATIONS</b>	<b>2,132,560.00</b>	<b>83,601.15</b>		<b>2,132,560.00</b>	<b>1,754,222.80</b>	<b>378,337.20</b>	<b>82.26</b>
Maintenance and Improvement	575,000.00	1,346,465.00		575,000.00	806,821.00	(231,821.00)	140.32
Other voteheads	1,557,560.00			1,557,560.00	947,401.80	610,158.20	60.83
<b>SCHOOL FUND</b>	<b>1,270,000.00</b>	<b>194,494.50</b>	<b>399,000.00</b>	<b>1,669,000.00</b>	<b>1,106,270.10</b>	<b>562,729.90</b>	<b>66.28</b>
Lunch fees	1,150,000.00	0.00		1,150,000.00	1,059,770.10	90,229.90	92.15
Fees Arrears	0.00	0.00	399,000.00	399,000.00	200,000.00	199,000.00	50.13
Income from farming activities	120,000.00	0.00		120,000.00	46,500.00	73,500.00	38.75
<b>TOTAL</b>	<b>3,686,760.00</b>	<b>1,672,876.35</b>	<b>399,000.00</b>	<b>5,758,636.35</b>	<b>3,139,971.40</b>	<b>945,788.60</b>	<b>82.29</b>
<b>EXPENDITURES</b>							
<b>(4) TUITION</b>	<b>284,200.00</b>			<b>284,200.00</b>	<b>247,458.00</b>	<b>36,742.00</b>	<b>87.07</b>
Chalks and files	124,200.00			124,200.00	0.00	0.00	
Pens, Dusters And Envelopes	12,500.00			12,500.00	0.00	0.00	
Photocopying papers	15,000.00			15,000.00	0.00	0.00	
Tonnors	25,000.00			25,000.00	0.00	0.00	

## CHEPLELACHBEI EAST SECONDARY SCHOOL

## PUBLIC SECONDARY SCHOOL

*Report and Financial Statements For the period ended 30<sup>th</sup> June 2021*

Examinations	22,500.00		22,500.00	0.00	0.00	
White Boards	85,000.00		85,000.00	0.00	0.00	
<b>(5)OPERATION</b>	<b>1,163,260.00</b>		<b>1,163,260.00</b>	<b>901,246.00</b>	<b>262,014.00</b>	<b>77.48</b>
Personnel emoluments	750,000.00		750,000.00	499,380.00	250,620.00	66.58
Local transport / travelling	80,000.00		80,000.00	107,050.00	(27,050.00)	133.81
Electricity, water and conservancy	163,000.00		163,000.00	62,600.00	100,400.00	38.40
Administration costs	170,260.00		170,260.00	232,216.00	(61,956.00)	136.39
<b>(6)SCHOOL FUND</b>	<b>1,205,325.00</b>		<b>1,205,325.00</b>	<b>1,047,666.00</b>	<b>157,659.00</b>	<b>86.92</b>
Lunch programme	1,105,325.00		1,105,325.00		1,105,325.00	0.00
Income Generating Activity	100,000.00		100,000.00		100,000.00	
<b>(7)INFRASTRUCTURE</b>	<b>575,000.00</b>		<b>575,000.00</b>	<b>763,260.00</b>	<b>(188,260.00)</b>	<b>132.74</b>
Maintenance and improvements	575,000.00		575,000.00	763,260.00	(188,260.00)	132.74
<b>TOTAL</b>	<b>3,227,785.00</b>		<b>3,227,785.00</b>	<b>2,959,630.00</b>	<b>268,155.00</b>	<b>96.05</b>

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

- i. The school has only received 52.49% of the expected revenue from 4<sup>th</sup> January 2021 to 30<sup>th</sup> June 2021
- ii. The school has only utilized 36.15% of the fees collected from 4<sup>th</sup> January 2021 to 30<sup>th</sup> June, 2021

## **V. 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.

**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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 30<sup>th</sup> June 2021.

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<b>I. NOTES TO THE FINANCIAL STATEMENTS</b>			
<b>1</b>	<b>CAPITATION GRANT FOR TUITION</b>		
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Teaching / learning materials	279,478.50	366,517.00
	<b>Total</b>	<b>279,478.50</b>	<b>366,517.00</b>
<b>2</b>	<b>CAPITATION GRANT FOR OPERATIONS</b>		
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Personnel Emoluments		240,000.00
	Maintenance & Improvement	806,821.00	2,900,897.97
	Others	947,401.80	1,358,890.78
	Medical	-	39,228.75
	Activity	-	78,457.50
	<b>Total</b>	<b>1,754,222.80</b>	<b>4,617,475.00</b>
<b>3</b>	<b>PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT</b>		
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Lunch Programme	1,059,770.10	1,230,628.70
	Farm account	46,500.00	0.00
	<b>Total</b>	<b>1,106,270.10</b>	<b>1,230,628.70</b>

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<b>4 MAINTENANCE AND IMPROVEMENT ACCOUNT</b>			
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	M.O,E - TIG Grants	-	2,000,000.00
	Maintenance and Improvement	608,000.00	640,000.00
	<b>Total</b>	<b>608,000.00</b>	<b>2,640,000.00</b>
<b>5 PAYMENTS FOR TUITION</b>			
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Teaching / learning materials	22,192.00	476,003.00
	<b>Total</b>	<b>22,192.00</b>	<b>476,003.00</b>
<b>6 PAYMENTS FOR OPERATIONS</b>			
		<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Personnel emoluments	499,380.00	866,720.00
	Administration Cost	203,890.00	463,133.00
	Maintenance & improvements	763,260.00	3,105,377.85
	Local transport / travelling	107,050.00	166,275.00
	Electricity and water	62,600.00	36,600.35
	Medical	-	2,300.00
	Activity Expenses	25,500.00	48,790.00
	Bank Charges	2,926.00	1,596.00
	<b>TOTAL</b>	<b>1,664,606.00</b>	<b>4,690,792.20</b>

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<b>7 BOARDING AND SCHOOL FUND PAYMENTS</b>				
			<b>30.06.2021</b>	<b>31.12.2020</b>
			<b>Kshs</b>	<b>Kshs</b>
	Lunch Programme		950,016.00	1,219,100.00
	Bank Charges		2,160.00	-
	Expenses on Income Generating Activities		95,490.00	-
	<b>TOTAL</b>		<b>1,047,666.00</b>	<b>1,219,100.00</b>
<b>8 MAINTENANCE AND IMPROVEMENT PAYMENTS</b>				
			<b>30.06.2021</b>	<b>31.12.2020</b>
			<b>Kshs</b>	<b>Kshs</b>
	M.O.E - TIG Grants		-	2,000,000.00
	Maintenance and Improvement		1,628,242.00	<u>24,804.00</u>
	<b>Total</b>		<b>1,628,242.00</b>	<b>2,024,804.00</b>
<b>9 BANK ACCOUNTS</b>				
<b>Name of Bank, Account No. &amp; currency</b>		<b>Ban k A/C NO.</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
			<b>Kshs</b>	<b>Kshs</b>
	Tuition Account		80,336.20	48,315.70
	Operations Account		173,217.95	83,601.15
	School Fund Account/Boarding		289,455.60	194,494.50
	Infrastructural Account		328,223.00	1,346,465.00
	<b>Total</b>		<b>871,232.75</b>	<b>1,672,876.35</b>

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<b>10</b>	<b>CASH IN HAND</b>			
	<b>Description</b>		<b>30.06.2021</b>	<b>31.12.2020</b>
			<b>Kshs</b>	<b>Kshs</b>
	School Fund account		65,900.00	-
	<b>Total</b>		<b>65,900.00</b>	<b>-</b>
<b>11</b>	<b>ACCOUNTS RECEIVABLE</b>			
	<b>Description</b>		<b>30.06.2021</b>	<b>31.12.2020</b>
			<b>Kshs</b>	<b>Kshs</b>
	Fees arrears		2,959,803.10	2,933,204.30
	<b>Total</b>		<b>2,959,803.10</b>	<b>2,933,204.30</b>
	[Include an ageing of the fees / non fees arrears below]			
	<b>Description</b>		<b>30.06.2021</b>	<b>31.12.2020</b>
			<b>Kshs</b>	<b>Kshs</b>
	Fees arrears for current year		226,605.00	-
	Fees arrears for the previous year		199,381.00	399,381.00
	Fees arrears for prior periods (over two years)		2,533,823.30	2,533,823.30
	<b>Total</b>		<b>2,959,809.30</b>	<b>2,933,204.30</b>

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12	<b>ACCOUNTS PAYABLE</b>		
	<b>Description</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Trade creditors (See ageing below and appendix 1)	146,517.00	283,500.00
	Prepaid fees	270,848.00	114,504.00
	<b>Total</b>	<b>417,365.00</b>	<b>398,004.00</b>
	[Include an ageing of the creditor's arrears below]		
	<b>Description</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Trade creditors for current year	266,300.00	-
	Trade creditors for the previous year	-	398,004.00
	<b>Total</b>	<b>266,300.00</b>	<b>398,004.00</b>
13	<b>FUND BALANCE BROUGHT FORWARD</b>		
	<b>Description</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	Bank balances	1,692,876.35	862,304.15
	Cash balances	-	81.80
	Receivables	2,933,204.30	2,963,415.00
	Payables	260,921.00	183,151.00
	<b>Total</b>	<b>4,365,159.65</b>	<b>3,642,649.95</b>

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**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.

**19 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2021-2021</b>	<b>2020-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle	5		
Trees	Several		
<b>Total</b>			

**20 Stock/Inventory**

<b>Description</b>		<b>2021-2021</b>	<b>2020-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Stock/ inventory at beginning of the year			-
Stock/ inventory purchased during the year			-
Stock/ inventory issued during the year			-
<b>Balance at end of the year</b>			-



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<b>ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE</b>						
<b>S/no</b>	<b>Supplier of Goods or Services</b>	<b>Original Amount</b>	<b>Date Contracted from</b>	<b>Amount Paid To-date</b>	<b>Outstanding Balance as at as 30/06/2021</b>	<b>Comment</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
		<b>a</b>	<b>b</b>	<b>c</b>	<b>d=a-c</b>	
<b>a</b>	<b>Supply of Goods</b>					
	<b>Tuition Account</b>					
1	Miron Agencies	206,145.00		100,000.00	106,145.00	Should be cleared
2	Tekischem	170,000.00		129,628.00	40,372.00	Should be cleared
	<b>Grand Total</b>	<b>376,145.00</b>		<b>229,728.00</b>	<b>146,517.00</b>	

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**ANNEX 2 - SUMMARY OF FIXED ASSETS REGISTER**

S/No	Asset class	Date purchased	Historical Cost b/f	Historical Cost c/f
			Kshs Cts	Kshs Cts
1	Land	Balance b/f 01/01/2021	-	10,000,000.00
2	Buildings and Structures	Balance b/f 01/01/2021	-	20,000,000.00
3	Office Equipment, furniture and fittings	Balance b/f 01/01/2021		1,000,000.00
4	ICT Equipment and Other ICT Assets	Balance b/f 01/01/2021		300,000.00
5	Tools and Apparatus	Balance b/f 01/01/2021		400,000.00
6	Textbooks	Balance b/f 01/01/2021		GOK
7	Intangible assets-Software	Balance b/f 01/01/2021		-