

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 JUN 2026	DAY: Thursday
TABLED BY:	Hon. Samuel Chapkonga (on behalf of leader of Majority)
CLERK-AT-TABLE:	Womale

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

FRIENDS SCHOOL KIKAI
BOYS SECONDARY

FOR THE YEAR ENDED
30 JUNE 2023

BUNGOMA COUNTY



**FRIENDS SCHOOL KIKAI BOYS SECONDARY
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

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Friends School Kikai Boys Secondary.
Annual Report and Financial Statements For the year ended 30th June 2023

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Acronyms and Glossary of Terms

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

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

Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Bungoma County, Bungoma West Sub-County.

The school was registered in 15/04/2014 under registration number PU/S/3/1932/14 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 432 number of students as at 30th June 2023. It has 3 streams and 18 teachers of which 1 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The functions of the School Board of Management are to:

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

c).Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Isaya Masinde 2.Bonface Wangila 3.Edith Wepukhulu 4.Violet Masinde 5.Reuben Rutto 6.George Barasa	Bom Chair. Secretary Bom Menber Member Member PA Chair.	3/3
2	Audit Committee	1.Reuben Rutto 2.Isaya Masinde 3.Edith Wepukhulu	Chair person Member Member	3/3
3	Finance,procurement and general purposes Committee	1.Violet Masinde 2.Bonface Wangila 3.Joseph Wachina	Chair Person Member Member	3/3
4	Academic Committee	1.Getrude Wanyonyi 2.Bonface Wangila 3.Elcah Wawire 4.Joseph Wachina 5.Godfrey Wakoli DOS	Chair Person Secretary Member Member Member	3/3
5	Development Committee	1.Philip Malemo 2.Eliud Wamabaya DP 3.Isaya Masinde 4.Tina Oburu 5.Wataka Meshack 6.Thadayo Masibo 7.George Barasa 8.Violet Mulandafu	Chair Secretary Member Member Member Member Member member	3/3
6	Discipline and welfare Committee	1.Margaret Mamai 2.Bonface Wangila 3.Liza Muruiki 4.Thadayo Masibo	Chair Member Member member	3/3
7	Adhoc Committee	1.D/Principal 2.Bursar 3.Store keeper 4.Departmental Heads	Chair Member Secretary Member	5

(c) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	BONFACE WANGILA	TSC No. 351024
2	Deputy Principal (AG)	ELIUD WAMBAYA	TSC No.412107
3	School Bursar	CONCEPHTA WASIKE	-
4	Other (specify)		

e.Schools contacts

Post Office Box: 345-50202,Chwele.
Telephone: 0729223050
E-mail: friendskikai3@gmail.com
Website: www.kikaiboysssec.com

f.School Bankers

- i. Name of Bank: Co-operative (Tuition)
Branch: Bungoma
Account Number: 01139049936000
- ii. Name of Bank: Co-operative (Operation)
Branch: Bungoma
Account Number: 01139049936001
- iii. Name of Bank: Co-operative (M&I)
Branch: Bungoma
Account Number: 01139049936002
- iv. Name of Bank: Co-operative (CDF)
Branch: Bungoma
Account Number: 01141049936000
- v. Name of Bank: National (School Fund).
Branch: Bungoma
Account Number: 01021054619700

(d) Independent Auditors

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

Friends School Kikai Boys Secondary.**Annual Report and Financial Statements For the year ended 30th June 2023****3. Summary Report of Performance of the School**

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

a) FINANCIAL PERFORMANCE:

YEAR	MOE CAPITATION	Ratio of grant/student	Movement of Debtors Creidtors		Bank Balances	Expenditure growth	Other Incomes
2020- 2021	5,360,552.70	10,527.4	1,025,428.00	2,087,521.00	69,468.60	9,388,930.00	158,972.00
2021- 2022	8,047,577.90	16,323.7	1,988,932.00	3,348,290.00	39,507.70	16,797,910.80	325,600.00
2022- 2023	7,056,365.36	16,334.1	1,359,980.00	2,239,670.00	14,474.06	13,345,343.00	142,500.00

b).TEACHERS STUDENT RATIO (CBE 27)

YEAR	TEACHERS POSTED	TEACHERS TRANSFERRED/RETIRED	TEACHERS EMPLOYED BY TSC	TEACHERS EMPLOYED BY BOM	STUDENTS ENROLMENT
2020- 2021	0	0	1	2	417
2021- 2022	1	1	0	0	456
2022- 2023	1	1	0	0	432

c).MEAN SCORE IN KCSE

YEAR	MEAN SCORE	UNIVERSITY ENTRY	ENROLMENT OF CANDIDATES
2020	3.405	03	69
2021	2.420	0	89
2022	2.990	04	70

d).CAPACITY OF THE SCHOOL

YE R	LAN D	CLASSE S	ADMI N BLOC K	DORMITORIE S	LAB	DININ G HALL	TOILET S	LIBRAR Y	GENERATOR S	VEHICL E
2020- 2021	5.5	8	0	2	1	0	10	1	2	1
2021- 2022	7.45	8	1	2	1	1	16	1	2	1
2022- 2023	7.45	8	1	2	1	1	20	1	2	1

DEVELOPMENT PROJECTS CARRIED OUT BY THE SCHOOL:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
CLASSROOM	WORLD BANK	COMPLETED			
RENOVATION OF CLASSROOMS WITH FIXING TILES ON FLOOR	M&I ACCOUNT	78%	KSH.3,979,900.00	KSH.2,576,275.00	DECEMBER 2023

.....
School Principal



4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school.

Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Friends School Kikai Boys Sec 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, 2023, and of the school's financial position as at that date.



.....
Name: Habakkuk Nakiboli

Designation: Chairman, School Board of Management

Date: 21/9/2023

.....
Name: Saul Kituyi

Designation: School Principal & Secretary to Board of Management

Date: 21/9/2023

.....
Name: Concephta Wasike

Designation: Bursar

Date: 21/9/2023

REPUBLIC OF KENYA

Phone: +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 FRIENDS SCHOOL KIKAI BOYS SECONDARY FOR THE YEAR ENDED 30 JUNE, 2023 – BUNGOMA COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Friends School Kikai Boys Secondary set out on pages 1 to 25, which comprise of the statement of assets and

Report of the Auditor-General on Friends School Kikai Boys Secondary for the year ended 30 June, 2023 – Bungoma County

liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the 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 Friends School Kikai Boys Secondary as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Financial Statements

1.1. The Statement of Receipts and Payments

The statement of receipts and payments reflects school fund income-parents contribution of Kshs.4,468,391 as disclosed under Note 4 to the financial statements. However, recast of Note 4 gives amount of Kshs.4,427,291 resulting to unreconciled variance of Kshs.41,000. Further, the statement reflects miscellaneous income of Kshs.2,223,500 as disclosed under Note 5 to the financial statements. However, Note 5 discloses an amount of Kshs.247,500 resulting to unreconciled variance of Kshs.1,976,000.

Additionally, the statement reflects Boarding and school fund payments of Kshs.6,241,283 as disclosed in Note 9 to the financial statements. However, Note 9 discloses an amount of Kshs.4,113,705 resulting to unreconciled variance of Kshs.2,127,578.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of receipts and payments could not be confirmed.

1.2. The Statement of Cash Flows

Review of the statement of cash flows revealed the following anomalies:

- (i) The statement reflects net cash out flow from financing activities of Kshs.25,037. However, the recast of the same reveals a Nil balance.
- (ii) The statements erroneously reflects acquisition of assets under cash flows from investing activities section as cash inflow of Kshs.1,976,000 instead of cash outflow.

- (iii) The statement reflects cash flow from operating activities in respect to payments for tuition of Kshs.1,962,130. However, the amount varies with amount disclosed under the statement of receipts and payments of Kshs.1,328,130 resulting to unreconciled variance of Kshs.634,000.
- (iv) The statement erroneously indicates Note12 under cash and cash equivalents at the end of the year 2023 instead of Notes 10 and 11 to the financial statements.
- (v) The statement reflects total receipts amounting to Kshs.11,826,727 which varies with Kshs.13,748,256 reflected in the statement of receipts and payments and Kshs.10,425,647 reflected in the statement of budgeted versus actual amounts resulting in variances of Kshs.1,921,529 and Kshs.1,401,080 respectively which have not been explained or reconciled.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of cash flows could not be confirmed.

1.3. The Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects actual receipts of fees charged on parents amounting to Kshs.3,226,782. However, the amount differs with amounts disclosed in the statement of cash flows of Kshs.4,627,862 resulting to unreconciled variance of Kshs.1,401,080.

Further, the statement reflects actual expenditure for tuition, operations and school fund/boarding of Kshs.1,272,498, Kshs.2,801,480, Kshs.3,237,039 respectively. However, the amounts differ from payments amounts relating to tuition, operations and school fund disclosed in the statement of cash flows of Kshs.1,962,130, Kshs.3,799,930 and Kshs.4,113,705 respectively, resulting to unreconciled variances of Kshs.689,632, Kshs.998,450 and Kshs.876,666, respectively. Additionally, the grand totals for budgeted and actual amounts were not disclosed in the statement.

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

2. Variances Between Financial Statements and Ledger Amounts

Review of amounts disclosed in the statement of receipts and payments and supporting ledgers revealed variances as detailed below.

Component	Amounts in the Financial Statements- (Kshs.)	Amount in the ledger (Kshs.)	Variance (Kshs.)
Miscellaneous Income			
Other Income Bursary	105,000.00	-	105,000
Payment for operations			

Component	Amounts in the Financial Statements- (Kshs.)	Amount in the ledger (Kshs.)	Variance (Kshs.)
Personnel Emoluments	2,089,960	1,928,310	161,650
Administration Cost	619,780	603,780	16,000
Local Transport / Travelling	89,200	87,200	2,000
Medical	20,000	-	20,000
Activity Expense	217,450	159,100	58,350
Insurance Cost	300,000	90,000	210,000
Bank charges	3,540	-	3,540
Transfer to infrastructure	-	1,976,000	1,976,000
Boarding and school fund payments			
Repairs And Maintenance & Improvements	174,455	156,015	18,440
Local Transport / Travelling	183,350	184,750	1,400
Electricity And Water	58,900	55,400	3,500
Administration Costs	252,490	276,970	24,480
Bank charges	3,450	2,880	570
Expenses on Income Generating Activities	70,500	-	70,500
Fee on Boarding Equipment and Stores	3,270,080	2,709,490	560,590
Activity	73,480	60,600	12,880
Infrastructure Payments	1,976,000	1,982,400	6,400

The above variances were not explained or reconciled.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of receipts and payments could not be confirmed.

3. Failure to Maintain Procurement Records

The statement of receipts and payments reflects boarding and school fund expenditure amounting to Kshs.6,241,283 as disclosed under Note 9 to the financial statements, which includes payments of Kshs.3,270,080 in respect of boarding equipment and stores. However, review of documents provided for audit revealed that stock records such as bin cards and store ledgers, were either not maintained or were not up to date. Additionally, periodic stock counts were not conducted and reconciliations between physical stock balances and ledger records were not provided for audit verification.

In the circumstances, the effectiveness of internal controls could not be confirmed.

4. Unconfirmed Accounts Payables Balance

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.4,001,261. However, Annex 1 to the financial statements on analysis of pending accounts payables reflects a balance of Kshs.4,587,972, resulting to unexplained variance of Kshs.586,711.

The statement of financial assets and financial liabilities as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.4,001,261. Included in this balance is Kshs.1,761,591 relating to payables that have been outstanding for a period exceeding one year, exposing the School to the risk of loss of public funds through litigations, interests and penalties.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.4,001,261 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Friends School Kikai Boys Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on page iii to ix which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Prepare School Improvement Plan

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

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

2. Irregular Payments to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations amount of Kshs.3,799,930 as disclosed under Note 7 to the financial statements. Included, in this is an administration cost of Kshs.619,780 that includes a payment of Kshs.158,480 to Bungoma County Kenya Secondary Schools Heads (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.158,480 could not be confirmed.

3. Unconfirmed Students Enrollment Data

Review of documents provided for audit revealed that, the National Education Management Information System (NEMIS) indicated students enrollment numbers of four hundred and ninety-four (494) students as at 20 September, 2022, four hundred and ninety-three (493) students as at 29 December, 2022, and four hundred and thirty-two (432) students as at 12 April, 2023. Schools are required to maintain accurate and

up-to-date student attendance registers to verify actual learner presence and ensure alignment between physical attendance records, enrollment registers, and the National Education Management Information System (NEMIS).

However, the School did not maintain properly updated attendance registers for all learners across the various forms, as several registers were incomplete, inconsistently updated, or missing altogether. Consequently, the reported NEMIS enrolment numbers for the specified dates could not be independently verified against actual student attendance.

In the circumstances, absence of complete and reliable attendance records may result in misallocation of capitation funds.

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 27 September, 2024 instead of the statutory deadline of 30 September 2023. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which states that the Accounting Officer of a National Government entity should prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit, and in the case of a National Government entity, forward a copy to the National Treasury.

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

5. Lack of an Approved Staff Establishment

The statement of receipts and payments reflects payments for operations amount of Kshs.6,782,288 as disclosed under in Note 6 to the financial statements. Included, in this is personnel emoluments expenditure of Kshs.2,604,030. However, there was no documentary evidence indicating that the School had an approved salary structure indicating the progression for each employee under their terms.

Further, the School had not developed and approved a scheme of service for Board of Management teachers and non-teaching staff defining job descriptions, recruitment criteria, qualifications, and terms of service. In addition, the School did not have an approved staff establishment outlining authorized positions and staffing levels.

In the circumstances, management may not be able to adequately plan for the optimum number of employees and remunerate them accordingly.

6. Lack of Approved Budget

The statement of budgeted versus actual amounts reflects final receipts budget and final expenditure budget amounts of Kshs.14,517,715 each. However, the minutes of the Board of Management approving the original budget and any subsequent revisions were not provided for audit review.

This was contrary to Table 8 on Summary of Budget Procedure of the Ministry of Education Operational Manual for Utilization of Learner Capitation Grants and Other School Funds which states that during the Budget preparation/formulation, the head teacher is to identify key activities – guided by circulars and guidelines on capitation grants and other school funds. It states that on Budget approval, the school budget should be discussed and approved by Board of Management and submitted to Sub-County Director of Education (SCDE) for records in both hard and soft copies and that no deficit budget should be allowed.

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

7. Lack of an Annual Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.58,505,854.50 and Kshs.58,882,589 in respect of total receipts and payments respectively. However, during the year under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non- Compliance with Prescription on Principals, Board of Management and Committees' Terms of Services

During the year, the School Management did not provide internal audit reports for audit verification.

In addition, review of the records and documents relating to the Board of Management revealed that the Board had not constituted an Audit Committee as required under Section 61(2) of the Basic Education Act, 2013, which mandates the establishment of such a committee to enhance oversight over financial management, internal controls, and accountability. Further, the school management did not provide attendance registers for Board meetings, making it impossible to verify the allowances paid to members of the Board of Management.

In the circumstances, the effectiveness of the School's governance could not be confirmed.

2. Inadequate Internal Control on Receipts

Review of the School's operations revealed that the institution did not have a computerized system for charging, receipting and recording school fees. All fee receipts, collections and balances are maintained manually. This limits effective monitoring and reconciliation of fees collected and outstanding balances, and exposing the school to risks of errors, revenue leakages, and unreliable financial records. Further, the school had not implemented computerized systems to support other key operational areas such as human resource management and procurement functions, including maintenance of staff records, payroll administration, supplier records, and procurement processing.

In the circumstances, key operational areas of the School are exposed to errors, omissions, and misstatements in financial records increasing the likelihood of inefficiencies in operations.

3. Incomplete Fixed Assets Register

The fixed assets register provided for audit review lacked critical disclosures, including asset status, year of acquisition, custodian details, asset identification/serial numbers, tag numbers, make/model, delivery and installation dates, depreciation rates, annual and accumulated depreciation, net book values, disposal dates and values, details of responsible officers, revaluation dates and amounts, and asset condition as required by Assets and Liability Management in the Public Sector, 2020 Guidelines issued by The National Treasury.

In the circumstances, the effectiveness of management of the School's assets could not be confirmed.

5. Long Outstanding Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects a balance of Kshs.14,536.080 in respect to accounts receivables as disclosed under Note 11 to the financial statements. The balance includes fees arrears amounting to Kshs.13,176,100 that had been outstanding for over one (1) year as indicated in Note 13b on ageing analysis, without clear strategy to ensure recovery of the same. Additionally, there was no policy on the impairment of long outstanding accounts receivables casting doubt on the fair statement of accounts receivables balance.

Further, detailed ageing analysis indicating the period each receivable balance had been outstanding was not provided for audit review.

In the circumstances, the effectiveness of internal controls and governance on accounts receivables could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Cash basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain 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 cease its operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 April, 2026

Report of the Auditor-General on Friends School Kikai Boys Secondary for the year ended 30 June, 2023 – Bungoma County

6. Statement of Receipts and Payments For the Year Ended 30th June 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,320,881.50	1,510,275.00
Government grants for operations	2	3,759,483.86	6,537,302.90
Government Grants for infrastructure	3	1,976,000.00	.00
School fund income- parents' contributions	4	4,468,391.00	5,509,423.00
Miscellaneous incomes	5	2,223,500.00	325,600.00
Total Receipts		13,748,256.36	13,882,600.90
Payments			
Tuition	6	1,328,130.00	1,903,004.80
Operations	7	3,799,930.00	6,872,288.00
Infrastructure	8	1,976,000.00	.00
Boarding and school fund	9	6,241,283.00	5,863,618.00
Total Payments		13,345,343.00	14,638,910.80
Surplus/Deficit		402,913.36	(756,309.90)

The school financial statements were approved on 21/9/ 2023 and signed by:



NAME: Habakkuk Nakiboli
CHAIR BOM

Date:21/9/2023.



NAME :Saul Kituyi
PRINCIPAL/SECRETARY BOM

DATE:21/9/2023.



NAME:Conceptha Wasike
Bursar.
Date :21/9/2023.

Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	14,474.06	39,507.70
Cash balances	11	389.45	393.45
Short term investments	12	0	0
Total cash and cash equivalent		<u>14,863.51</u>	<u>39,901.15</u>
Account's receivables	13	14,536,080.00	14,390,059.00
Total financial assets		<u>14,550,943.51</u>	<u>14,429,960.15</u>
Financial liabilities			
Accounts payables	14	4,001,261.00	4,283,191.00
Net financial assets		<u>10,549,682.51</u>	<u>10,146,769.15</u>
Represented by			
Accumulated fund b/fwd	15	10,146,769.15	10,903,079.05
Surplus/deficit for the year		402,913.36	(756,309.90)
Net financial position		<u>10,549,682.51</u>	<u>10,146,769.15</u>

The school's financial statements were approved on 21/9/2023 and signed by:


.....

Name: Habakkuk Nakiboli

Chair BOM

Date: 21/9/2023


.....

Name: Saul Kituyi
Principal / Secretary to
BOM

Date: 21/9/2023


.....

Name: Concephta Wasike

Bursar

Date: 21/9/2023

Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,320,881.50	1,510,275.00
Government grants for operations	2	3,759,483.86	4,378,302.90
Government grants for infrastructure	3	1,976,000.00	0
School fund income- parents contributions/ fees	4	4,627,862.00	5,509,423.00
Other income	5	142,500.00	2,484,600.00
Total receipts		11,826,727.36	13,882,600.90
Payments			
Cash outflows for tuition	6	1,962,130.00	1,903,004.80
Cash outflows for operations	7	3,799,930.00	4,458,968.00
Cash outflows Boarding/lunch and school fund payments	8	4,113,705.00	8,188,308.00
Total payments		9,875,765.00	14,550,280.00
Net cash inflow/outflow from operating activities		1,950,962.36	(667,679.90)
Add/Less decrease /increase in receivables			(1,192,564.00)
Add/Less increase /decrease in payables			(1,829,740.00)
			(30,503.90)
Cash flow from investing activities			
Government grants from infrastructure			
Acquisition of assets		1,976,000.00	
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		1,976,000.00	
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		(25,037.64)	(30,503.90)
Net increase/decrease in cash and cash equivalents	10	(25,037.64)	(30,503.90)
Cash and cash equivalent at beginning of the 2022	11	39,901.15	70,405.05
Cash and cash equivalent at end of the 23	12	14,863.51	39,901.15

The school's financial statements were approved on 21/9/2023 and signed by:

Friends School Kikai Boys Secondary.

Annual Report and Financial Statements For the year ended 30th June 2023


.....
**Name: Habakkuk
Nakiboli**

Chair BOM

Date: 21/9/2023.


.....
**Name: Saul Kituyi
Principal / Secretary to
BOM**

Date:21/9/2023.


.....
Name: Concepta Wasike

Bursar.

Date:21/9/2023.

9.Statement of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Text Books	350,000.00	0	350,000.00	93,000.00	26.57%
Reference Materials	134,500.00	0	134,500.00	0	0
Exercise Books	265,500.00	0	265,500.00	221,000.00	83.23%
Laboratory Equipment	591,050.00	0	591,050.00	350,000.00	59.21%
Internal Exams	400,000.00	0	400,000.00	140,000.00	35.0%
Teaching / Learning Materials	600,000.00	0	600,000.00	438,194.00	73.03%
Exams And Assessment	150,600.00	0	150,600.00	70,000.00	46.48%
Chalk	16,000.00	0	16,000.00	8,687.50	54.30%
	2,491,650.00		2,491,650.00	1,320,881.50	
(2) Capitation Grant on Operations					
Personnel Emoluments	1,644,000.00	598,000.00	2,242,000.00	2,114,410.00	94.31%
Local Transport / Travelling	212,000.00	30,000.00	242,000.00	233,694.81	96.56%
Electricity And	602,200.00	0	602,200.00	517,750.00	85.98%

Friends School Kikai Boys Secondary.
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Water					
Medical	150,000/00	0	150,000/00	98,700.00	65.80%
Administration Costs	662,000.0	0	662,000.00	527,329.05	79.65%
Activity	215,000.00	55,000.00	270,000.00	267,600.00	99.10%
Gratuity	448,000.00	0	448,000.00	0	0
TOTAL	3,933,200.00	683,000.00	4,616,200.00	3,759,483.86	
3) FDSE for infrastructure					
Maintenance &Improvement MoE	2,400,000.00	0	2,400,000.00	1,976,000.00	82.3%
M&I parents' contribution	0	0	0	0	0
Economic Stimulus Programs	0	0	0	0	0
Transition Infrastructure Grants	0	0	0	0	0
Administration Block	0	0	0	0	0
TOTAL	2,400,000.00	0	2,400,000.00	1,976,000.00	
(4) Fees Charged on Parents					
Personnel Emoluments	738,000.00	0	738,000.00	113,900.00	15.4%
Repairs And Maintenance	1,020,000.00	0	1,020,000.00	176,635.00	17.3%
Local Transport /	512,000.00	0	512,000.00	75,950.00	14.8%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Travelling					
Electricity And Water	826,200.00	0	826,200.00	191,720.00	23.2%
Medical	150,000.00	0	150,000.00	0	0
Administration Costs	512,000.00	0	512,000.00	99,800.00	19.49%
Activity	310,300.00	0	310,300.00	4,800.00	1.54%
SMASSE	0	0	0	0	0
Fee On Boarding Equipment and Stores	10,395,800.00	0	10,395,800.00	2,404,506.00	23.12%
Fees Arrears recovery	0		0	159,471.00	
TOTAL	14,464,300.00	0	14,464,300.00	3,226,782.00	
5) Miscellenous Income					
Rent income	0	0	0	0	0
Income From Farming Activities	205,000.00	0	205,000.00	117,500.00	57.3%
Insurance Compensation	0	0	0	0	0
Income From Posho Mill	0	0	0	0	0
Income From Bus Hire	150,000.00	0	150,000.00	25,000.00	16.6%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Fee For Hire of Ground and Equipment	0	0	0	0	0
Interest Income	0	0	0	0	0
Income From Any Other Investment	0	0	0	0	0
Total Income	355,000.00		355,000.00	142,500.00	
(6) Expenditure For Tuition					
Textbooks	350,000.00	0	350,000.00	0	0
Reference Materials	134,500.00	0	134,500.00	0	
Exercise Books	265,500.00	0	265,500.00	210,000.00	79%%
Laboratory Equipment	591,050.00	0	591,050.00	385,568.00	65%%
Internal Exams	400,000.00	0	400,000.00	322,730.00	80%%
Teaching / Learning Materials	600,000.00	0	600,000.00	347,000.00	58%
Chalks	16,000.00	0	16,000.00	6,000.00	38%
Exams And Assessment	150,600.00	0	150,600.00	0	0
Teachers Guides	56,000.00	0	56,000.00	0	0
Administration Costs	0	0	0	0	0
Bank Charges	3,200.00	0	3,200.00	1,200.00	38%
TOTAL	2,432,350.00	0	2,432,350.00	1,272,498.00	

Friends School Kikai Boys Secondary.

Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(7) Expenditure For Operations					
Personnel Emoluments	2,174,000.00	0	2,174,000.00	1,401,400.00	64.46%
Repairs, Maintenance & Improvements	602,200.00	0	602,200.00	0	0
Local Transport / Travelling	212,000.00	0	212,000.00	89,200.00	42.07%
Electricity, Water and Conservancy	602,200.00	0	602,200.00	460,000.00	76.38%
Medical	150,000.00	0	150,000.00	90,000.00	60%
Administration Costs	662,000.00	0	662,000.00	601,780.00	90.9%
Activity Expenses	215,000.00	0	215,000.00	159,100.00	74%
Gratuity	448,000.00	0	448,000.00	0	0
SMASSE	0	0	0	0	0
TOTAL	5,065,400.00	0	5,065,400.00	2,801,480.00	
(8) Expenditure For infrastructure					
Construction of classrooms	3,979,900.00	0	3,979,900.00	1,976,000.00	50%
Construction of LAB	0	0	0	0	0
Construction of DORMS	0	0	0	0	0
Purchase of furniture	0	0	0	0	0

Friends School Kikai Boys Secondary.

Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of equipment	0	0	0	0	0
Purchase of machinery	0	0	0	0	0
	3,979,900.00	0	3,979,900.00	1,976,000.00	50%
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	738,000.00	0	738,000.00	27,000.00	3.66%
Repairs, Maintenance and Improvements	1,020,000.00	0	1,020,000.00	163,933.00	16.07%
Local Transport / Travelling	512,000.00	0	512,000.00	183,350.00	35.8%
Electricity, Water and Conservancy	826,200.00	0	826,200.00	58,900.00	7.13%
Administration Costs	512,000.00	0	512,000.00	252,490.00	49.3%
Activity	310,300.00	0	310,300.00	73,480.00	23.68%
Lunch Programme	3,276,000.00	0	3,276,000.00	757,420.00	23.12%
Boarding Equipment and Stores	7,119,800.00	0	7,119,800.00	1,647,086.00	23.13%
Expenditure For Income Generating Activity	150,500.00	0	150,500.00	70,500.00	46.8%

Friends School Kikai Boys Secondary.

Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Insurance Costs	0	0	0	0	0
Other Expenses On Investments	0	0	0	0	0
Rent Expenses	0	0	0	0	0
Bank Charges	4,200.00	0	4,200.00	2,880.00	68.57%
Loan Interest Repayment	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0
Acquisition Of Assets	0	0	0	0	0
Totals	14,469,000.00	0	14,469,900.00	3,237,039.00	

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

- i. Fees payment was poor.
- ii. MOE disbursed less funds compared to expected figure.

Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash

Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for;

- a) Receivables that include school fees from parents, imprest, salary advances and other receivables and
- b) Payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school*, and all values are rounded to the nearest Kenya Shilling (Kshs).

The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*.

In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services.

Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and

Opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, Which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables.

Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6.

Accounts Payable

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

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal.

However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements.

The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

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

10. Subsequent events

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

Friends School Kikai Boys Secondary.
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	0	0
Exercise Books	241,000.00	150,000.00
Laboratory Equipment	400,000.00	300,000.00
Internal Exams	140,000.00	250,390.00
Teaching / Learning Materials	531,194.00	809,885.00
Chalks	8,687.50	0
Total	1,320,881.50	1,510,275.00

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,114,410.00	2,673,926.00
Repairs And Maintenance	0	0
Local Transport / Travelling	233,694.81	324,926.90
Electricity And Water	517,750.00	736,600.00
Medical	98,700.00	95,000.00
Administration Costs	527,329.05	547,850.00
Activity	267,600.00	0
Other Vote Heads (specify)*	0	0
Total	3,759,483.86	4,378,302.90

Friends School Kikai Boys Secondary.
Annual Report and Financial Statements For the year ended 30th June 2023

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	1,976,000.00	2,159,000.00
Transition infrastructure grants	0	0
Administration Block	0	0
Economic stimulus grants	0	0
Other (specify) (NGCDF and County govt.	0	0
Total	1,976,000.00	2,159,000.00

4 School Fund Income -Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	196,240.00	310,336.00
Repairs and maintenance	272,395.00	526,126.00
Local transport / travelling	140,850.00	224,800.00
Electricity and water	280,370.00	395,800.00
Medical	0	111,994.00
Administration costs	176,000.00	263,200.00
Activity	49,910.00	137,326.00
Fee on Boarding		
Equipment and stores	3,311,526.00	3,539,841.00
PA Levies*	0	0
Others (specify)	0	0
Total	4,468,391.00	5,509,423.00

Friends School Kikai Boys Secondary.
Annual Report and Financial Statements For the year ended 30th June 2023

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	0	0
Income From Farming Activities	117,500.00	135,540.00
Insurance Compensation	0	0
Income From PoshoMill	0	96,060.00
Income From Bus Hire	25,000.00	7,000.00
Fee For Hire of Ground and Equipment	0	0
Income From Grants and Infrastructure	0	2,159,000.00
Interest Income	0	0
Dividends Income	0	0
Loans/Borrowings*	0	0
Other Income Bursary	105,000.00	87,000.00
Total	247,500.00	2,484,600.00

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	141,880.00	101,730.00
Textbooks	0	0
Reference materials	0	0
Laboratory Equipment	579,320.00	196,800.00
Teaching / Learning Materials	444,662.00	1,266,942.00
Exams And Assessment	155,068.00	331,000.00
Chalks	6,000.00	5,270.00
Bank Charges	1,200.00	1262.80
Others (<i>specify</i>)	0	0
Total	1,328,130.00	1,903,004.80

Friends School Kikai Boys Secondary.**Annual Report and Financial Statements For the year ended 30th June 2023****7 Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,089,960.00	2,604,030.00
Service Gratuity	0	0
Administration Cost	619,780.00	771,830.00
Repairs And Maintenance & Improvements	0	0
Local Transport / Travelling	89,200.00	185,300.00
Electricity And Water	460,000.00	788,809.00
Medical	20,000.00	15,000.00
Activity Expenses	217,450.00	37,800.00
Insurance Cost of Bus Service & Repair	300,000.00	53,671.00
Bank Charges	3,540.00	2,528.00
Total	3,799,930.00	4,458,968.00

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Renovation of classrooms with floored tiles	1,976,000.00	2,155,550.00
Construction of laboratory	0	0
Construction of dormitory	0	0
Purchase of furniture	0	0
Purchase of equipment	0	0
Purchase of apparatus	0	0
Drilling of boreholes	0	0
Total	1,976,000.00	2,155,550.00

Friends School Kikai Boys Secondary.
Annual Report and Financial Statements For the year ended 30th June 2023

9 Boarding and School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	27,000.00	15,500.00
Service Gratuity	0	0
Repairs And Maintenance & Improvements	174,455.00	399,550.00
Local Transport / Travelling	183,350.00	218,400.00
Electricity And Water	58,900.00	118,345.00
Medical Expenses	0	7,220.00
Administration Costs	252,490.00	382,175.00
Bus Hire	0	3,500.00
Bank Charges	3,450.00	4,806.00
Expenses On Income Generating Activities**	70,500.00	98,250.00
Fee On Boarding	3,270,080.00	4,683,012.00
Equipment and stores	73,480.00	15,000.00
Activity Expenses		
Insurance Cost (<i>Life Property</i>)	0	0
Loan Principal Repayment	0	0
Loan Interest Repayment	0	0
Acquisition Of Assets (renovation of classrooms)		2,155,550.00
Bursary		87,000.00
Examination		
Total	4,113,705.00	8,188,308.00

Friends School Kikai Boys Secondary.**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01139049936000	5,878.45	8,926.95
Operations Account	Active	01139049936001	4,502.16	2,821.30
School Fund Account/Boarding	Active	01021054619700	722.65	17,418.65
Savings Account	Dormant	324	1,000.30	1,000.30
Parent Association Development Account	No.	NO.	0	0
Income Generating Activities Account	No.	NO.	0	0
Infrastructural Account	Active	01139049936002	2,370.50	9,340.50
Total			14,474.06	39,507.70

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	389.45	393.45
Total	389.45	393.45

12 Short Term Investments

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

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Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	14,536,080.00	14,390,059.00
Other Non-Fees Receivables		
-NHIF	0	2,500.00
-NSSF	0	86,130.00
Salary Advances (list/schedule attached)	0	0
Imprest (list/schedule attached)	0	0
Rent arrears(list/schedule attached)	0	0
Total	14,536,080.00	14,478,689.00

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2023	% of the total	2022	% of the total
Less than 1 year	1,359,980.00	9.36%	1,988,932.00	13.83%
Between 1- 2 years	1,385,790.00	9.53%	2,346,240.00	16.30%
Between 2-3 years	3,285,790.00	22.60%	3,506,237.00	24.36%
Over 3 years	8,504,520.00	58.51%	6,548,650.00	45.51%
Total (should tie to note 13 a)	14,536,080.00	100%	14,390,059.00	100%

14.Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,312,701.00	3,820,591.00
Prepaid Fees	0	0
Retention Monies	0	0
Unpaid salaries and statutory deductions	688,560.00	462,600.00
Caution money	0	0
Other payables (specify)	0	0
Total	4,001,261.00	4,283,191.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2023	% of the total	2022	% of the total
Less than 1 year	2,239,670.00	55.97%	3,008,290.00	70.25%
Between 1- 2 years	1,426,690.00	35.65%	872,065.00	20.39%
Between 2-3 years	224,500.00	5.61%	340,000.00	7.9%
Over 3 years	110,401.00	2.77%	62,836.00	1.46%
Total (should tie to note 14)	4,001,261.00	100%	4,283,191.00	100%

15.Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	39,507.70	69,468.60
Cash Balances	393.45	936.45
Short Term Investments	0	0
Receivables	14,390,059.00	13,286,125.00
Payables	(4,283,191.00)	(2,453,451.00)
Total	10,146,769.15	10,903,079.05

Friends School Kikai Boys Secondary.**Annual Report and Financial Statements For the year ended 30th June 2023****Other important disclosure notes**

IPSAS Cash Standard encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities.

The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

15 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	4	108,000.00	135,000.00
Goats	3	13,000.00	0
Trees	45	99,500.00	97,500.00
Coffee Plantation	1040	132,500.00	90,804.00
Poultry		0	0
Others (specify)		0	0
Total		353,000.00	323,304.00

16 Borrowings

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

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Other important disclosure notes

17 Stock/ Inventory

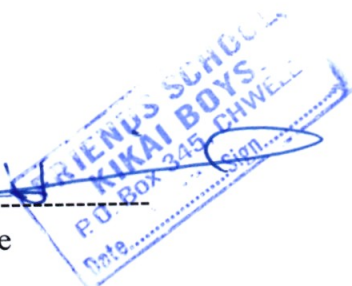
Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	6,500.00	17,720.00
Lab consumables	36,350.00	160,060.00
Farm produce	2,300.00	0
Medication	0	0
Construction Materials	0	0
Others (specify)	0	0
	45,150.00	177,780.00

20. Progress on follow up of Auditors Report Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FSKB/24/05/2026	-Inaccuracy in financial statements	Proper & accuracy financial statements should be maintained		
	-Non- compliance	Compliance should be key factor in preparation of financial statements		
	-Huge outstanding fees arrears	-Enhance fees collection policy, to recover fees arrears.		
	-Long lasting creditors	-Pay creditors within financial,make income generating projects to be active,which will also assist the school to offset the creditors.		

Sign and Date
Principal



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Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Renovation of 14 No. Classrooms, Computer Lab, Twin Lab and prep offices.	3,979,900.00	02/04/2021	2,576,275.00	1,403,625.00	1,835,625.00	
2.						
Sub-Total	3,979,900.00		2,576,275.00	1,403,625.00	1,835,625.00	
Supply Of Goods						
1.BES GOODS	3,232,680.00	01/07/2022	2,673,120.00	559,560.00	1,759,327.00	
2.OPERATION GOODS	1,909,200.00	01/07/2022	1,596,213.00	312,987.00	958,221.00	
3.TUITION GOODS	1,899,150.00	01/07/2022	1,322,730.00	760,200.00	1,030,742.00	
Sub-Total	7,041,030.00		5,592,063.00	1,632,747.00	3,748,290.00	
Supply Of Services						
1.SALARIES	2,980,000.00	01/07/2022	1,428,400.00	1,551,600.00	889,560.00	
2.LABOUR	98,727.00	05/04/2023	96,727.00	0	0	
3.						
Sub-Total	3,078,727.00		1,525,127.00	1,551,600.00	889,560.00	
Grand Total	14,099,657.00		9,693,465.00	4,587,972.00	6,473,475.00	

Friends School Kikai Boys Secondary.
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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	370,000.00	980,000.00	0	1,350,000.00
Buildings And Structures	3,200,000.00	1,600,000.00	0	4,800,000.00
Motor Vehicles (BUS KBQ016D)	5,200,000.00	0	0	5,200,000.00
Office Equipment, Furniture And Fittings	540,500.00	450,000.00	0	990,500.00
Textbooks	3,913,800.00	78,000.00	0	3,991,800.00
ICT Equipment	342,000.00	32,720.00	0	374,720.00
Tools And Apparatus	5,200.00	0	0	5,200.00
Posho Mill	76,000.00	0	0	76,000.00
Heritage And Cultural Assets	0	0	0	0
Intangible Assets- Soft Ware	5,600.00	0	0	5,600.00
Total	13,653,100.00	3,140,720.00	0	16,793,820.00

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