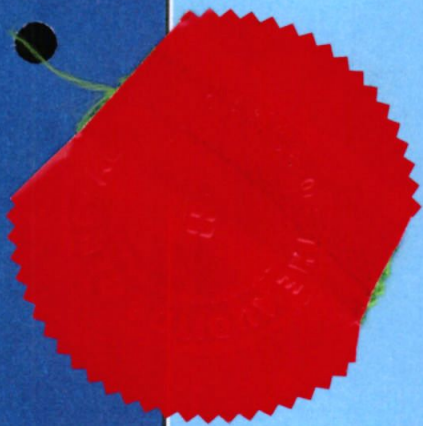


REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 10 APR 2023 THURSDAY

TABLED BY: HON SILVANIUS CSIRO, MP  
MAJORITY PARTY KIPP

CLERK AT THE TABLE: INZOFU MWALE



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

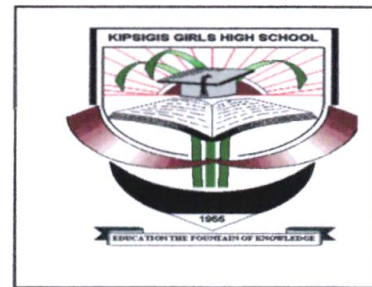
**ON**

**KIPSIGIS GIRLS HIGH SCHOOL**

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

**KERICHO COUNTY**

*Revised 30<sup>th</sup> June 2023.*



---

**KIPSIGIS GIRLS PUBLIC SECONDARY SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

---

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

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

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**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended *30<sup>TH</sup> June 2023***

**II. Acronyms and Glossary of Terms**

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

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**III. 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 located in Kericho County, Kericho-East Sub-County.

The school was registered under registration number GP/A/7268/09 and is currently categorized as a *National* public school established, owned or operated by the Government.

The school is a boarding school and had an enrolment of 1,614 of students as at 30<sup>th</sup> June 2023. It has 7 streams and 63 teachers of which 12 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	MR.NIXON SIGEY	Chairman- Community	1st April 2022
2	MRS. CHRISTINE CHUMBA	Secretary- Principal	1st April 2022
3	MS. WINNIE CHEBET	Member – Rep CEB	1st April 2022
4	MRS. BEATRICE CHERUIYOT	Member Rep Teachers	1st April 2022
5	MRS.DOROTHY MUKIO	Member - Community	1st April 2022
6	MRS. BETTY CHEPKWONY	Member - Community	1st April 2022
7	MRS.MARY WANJIKU	Member - Community	1st April 2022
8	REV. FRANCIS ANGWENYI	Member - Community	1st April 2022
9	ENG. JOASH KORIR	Member - Community	1st April 2022
10	DR. CAREN TANUI	Member Special Needs	1st April 2022
11	HON. DOMINIC RONO	Member - Sponsor	1st April 2022
12	ARCH. NICHOLAS NGENO	Member - Sponsor	1st April 2022
13	HON. NAOMI WAIRIMU	Member - Sponsor	1st April 2022
14	MR. DAVID SIELE	Member Special interest group	1st April 2022
15	MR. CHARLES KIRUI	Member – P.A Representative	1st April 2022
16	MR. GEOFFREY ROTICH	Member – Co-opted	1st April 2022
17	STUDENT	Students Representative	1st April 2022

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**KEY SCHOOL INFORMATION AND MANAGEMENT**

**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**

The following are the various committees of the Board established by the Board with the respective committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	i. Mr. Nixon Sigey ii. Dr. Caren Tanui iii. Mrs. Christine Chumba iii. Mr. Charles Kirui iv. Mr. David Siele v. Mrs. Betty Chepkwony	Chairperson Vice Chair Secretary Member Member Member	<b>1 out of 1</b> <b>1 out of 1</b> <b>1 out of 1</b> <b>1 out of 1</b> <b>1 out of 1</b> <b>1 out of 1</b>
2	Finance, procurement and general purposes Committee	i. Mrs. Betty Chepkwony ii. Mr. Geoffrey Rotich iii. Hon. Dominic Rono iv. Mr. Charles Kirui v. Eng. Joash Korir vi. Mr. Nixon Sigey	Chairperson Secretary Member Member Member Member	3 out of 3 2 out of 3 1 out of 3 3 out of 3 1 out of 3 1 out of 3
3	Academic Committee	i. Mr. David Siele ii. Mr. Charles Kirui iii. Dr. Caren Tanui iv. Mrs. Beatrice Cheruiyot	Chairperson Member Member Secretary	2 out of 2 2 out of 2 1 out of 2 2 out of 2
4	Development Committee	i. Eng. Joash Korir ii. Mr. Nixon Sigey ii. Mr. Charles Kirui iv. Rev. Francis Angwenyi v. Arch. Nicholas Ngeno vi. Mrs. Christine Chumba	Chairperson Member Member Member Member	1 out of 4 1 out of 1 2 out of 4 4 out of 4 3 out of 4

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

		vii. Mrs. Lizzy Kirui viii. SCDE	Member Secretary Member	4 out of 4 3 out of 4 3 out of 4
5	Discipline and welfare Committee	i. Hon. Naomi Wairimu ii. Rev. Francis Angwenyi iii. Ms. Winnie Chebet iv. Dr. Caren Tanui v. Arch. Nicholas Ngeno	Chairperson Member Secretary Member Member	1 out of 2 2 out of 2 2 out of 2 1 out of 2 2 out of 2

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023, the School day-to-day management was under the following persons:

S/NO	Designation	Name	TSC Number
1	Chief Principal	Mrs. Christine Chumba	273045
2	Deputy Principal - Administration	Mrs. Lizzy Kirui	387063
3	Deputy Principal - Academics	Mrs. Sylvia Towett	431864
4	School Bursar	Mr. Erick Rotich	CPAK-25805

**(e) Schools contacts**

Post Office Box: 194-20200  
 Telephone: **0714034055**  
 E-mail: kipsigisgirls194@gmail  
 Website: www.kipsigisgirls.ac.ke  
 Facebook:  
 Twitter:

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**(f) School Bankers**

The school operated six bank accounts in the following banks:

1. Name of Bank: Kenya Commercial Bank  
Branch: Kericho  
Account Number: 1107170990 (School Fund Account)
2. Name of Bank: Kenya Commercial Bank  
Branch: Kericho  
Account Number: 1103522132 (Operations)
3. Name of Bank: Kenya Commercial Bank  
Branch: Kericho  
Account Number: 1104675579 (Tuition)
4. Name of Bank: Kenya Commercial Bank  
Branch: Kericho  
Account Number: 1133327850 (Infrastructure)
5. Name of Bank: Kenya Commercial Bank  
Branch: Kericho  
Account Number: 1107171075 (Farm)
6. Name of Bank: Kenya Commercial Bank  
Branch: Kericho  
Account Number: 1285394593 (CDF)
7. MPESA PayBill No. 560698 attached to A/C NO:1107170990 bank account at Kenya Commercial Bank.

**(g) Independent Auditors**

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

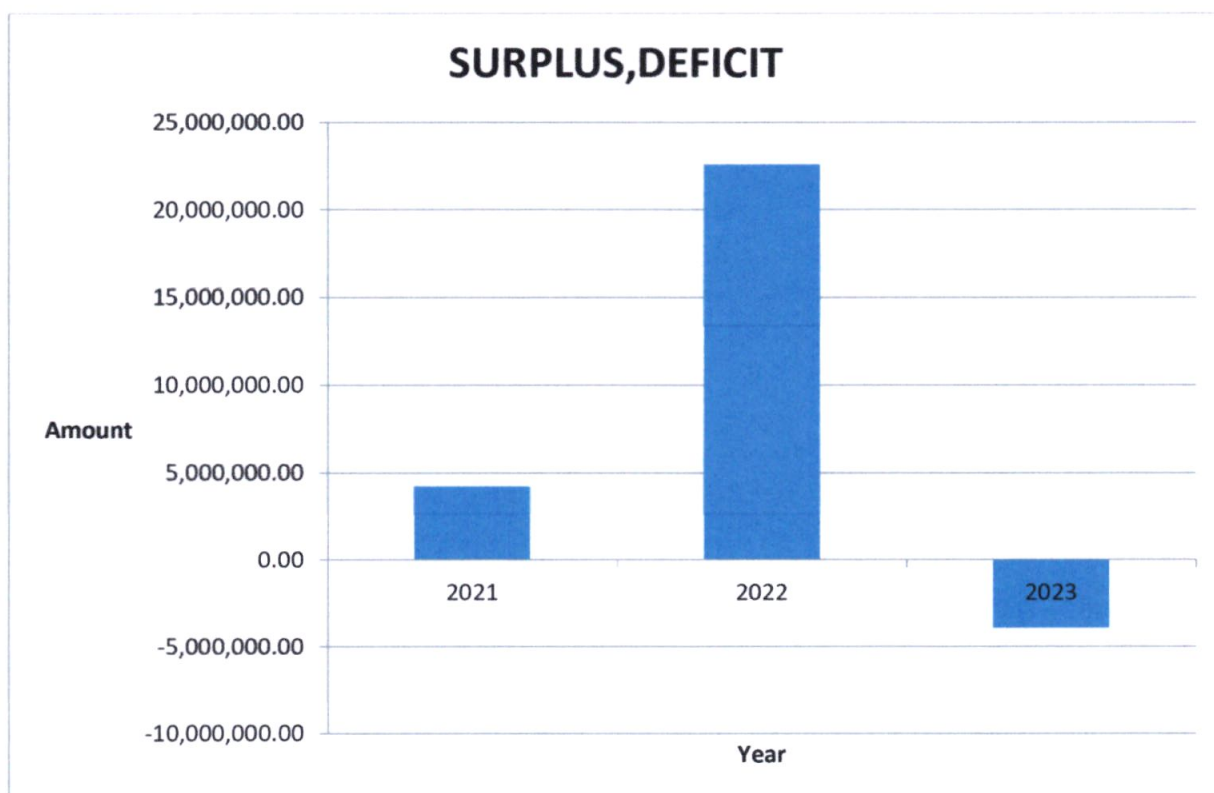
**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**IV. Summary Report of Performance of the School**

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

**a) Financial performance:**

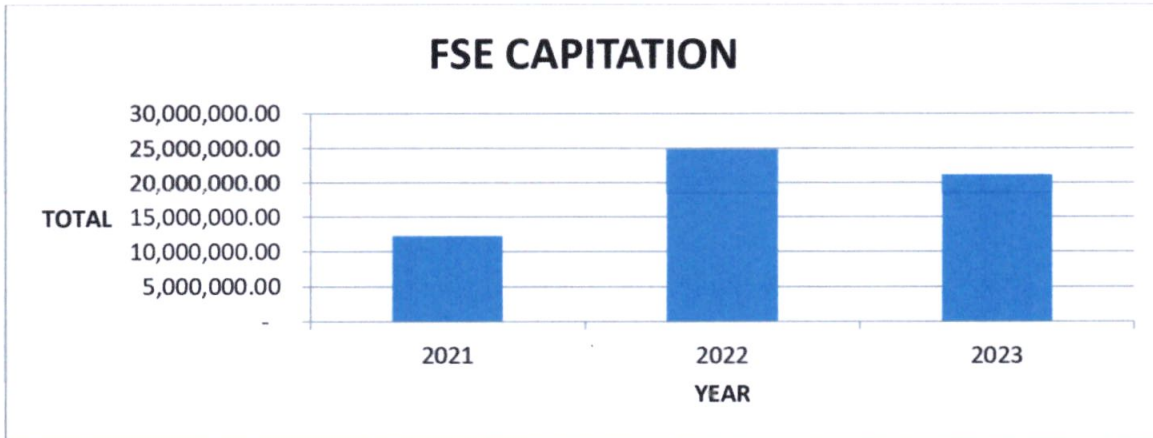
SURPLUS	
YEAR	AMOUNT (KSH)
2021	4,219,919.75
2022	22,544,371.97
2023	-3,936,315.90



**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

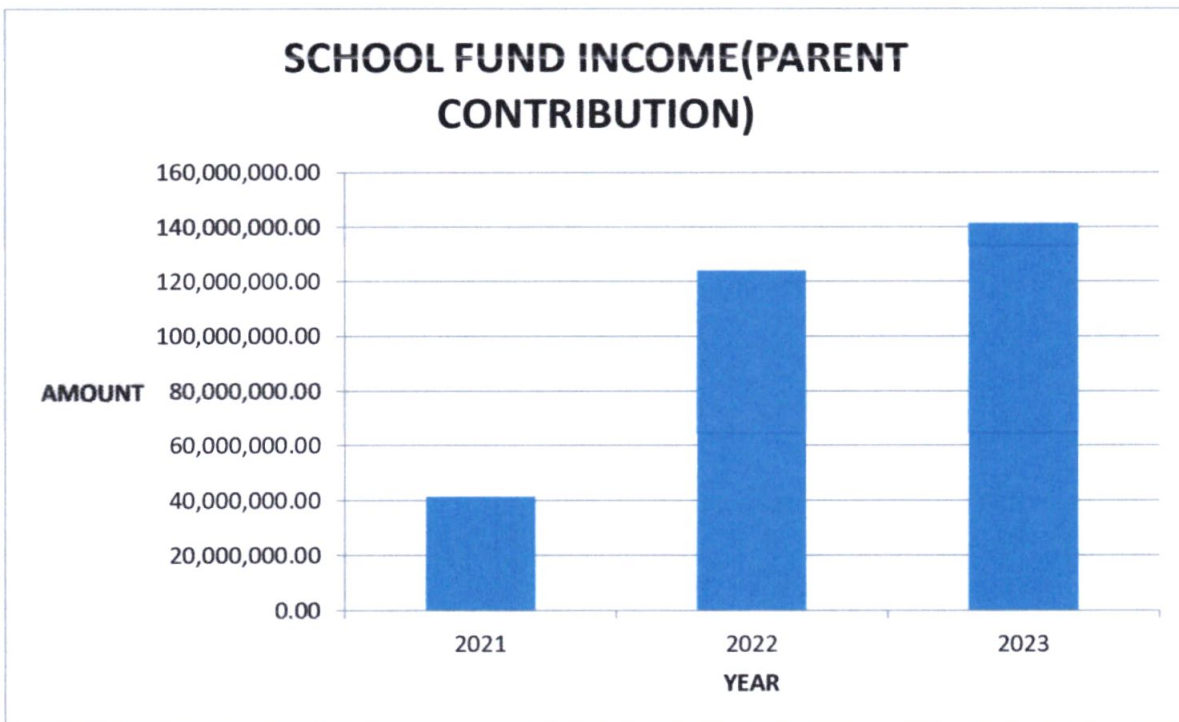
**FSE CAPITATION**

YEAR	OPERATIONS	TUITION	TOTAL
2021	10,590,482.50	1,677,928.00	12,268,410.50
2022	20,264,430.55	4,594,194.40	24,858,624.95
2023	17,234,582.60	3,958,550.50	21,193,133.10



**School fund income- parents contributions/fees**

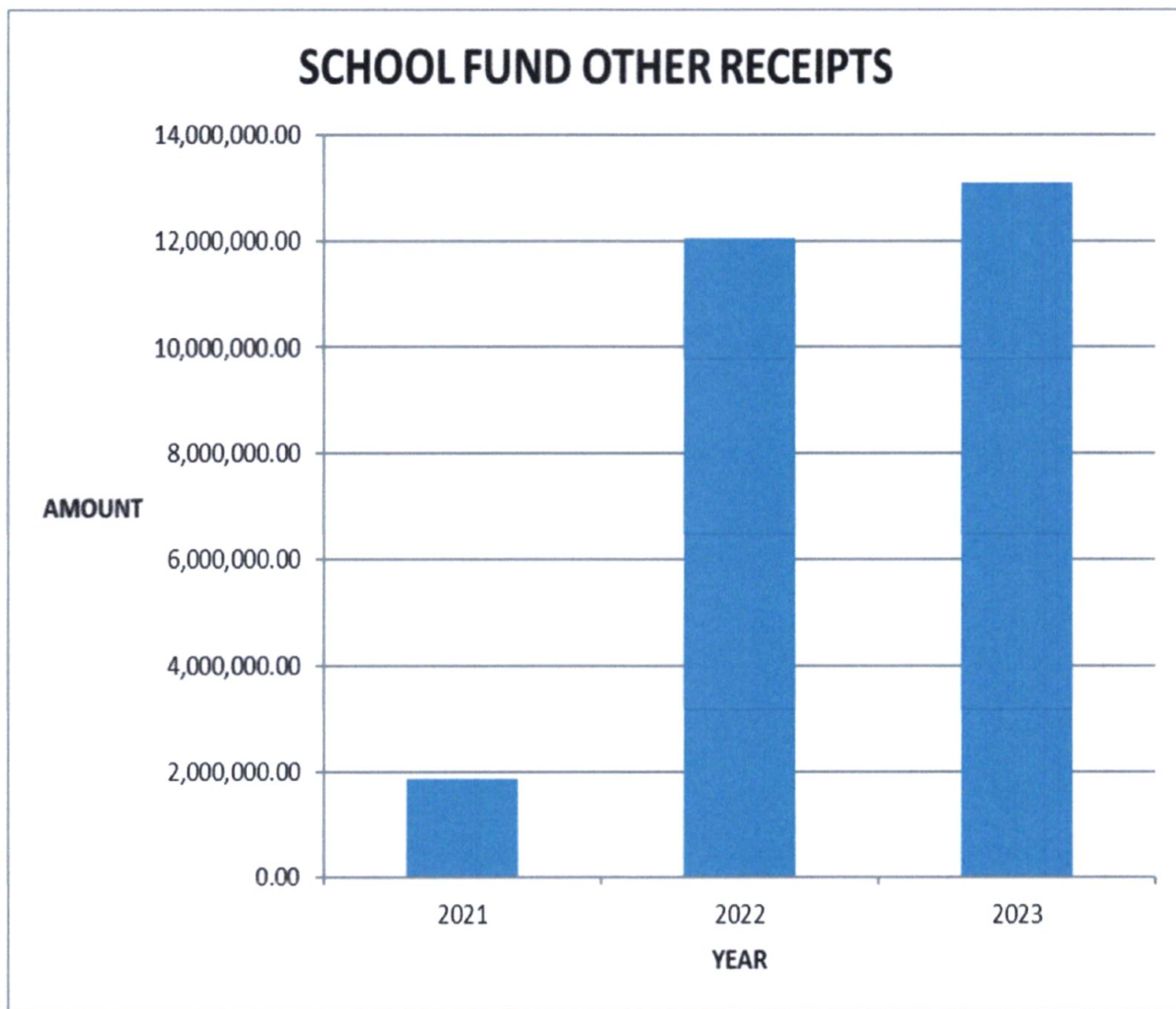
YEAR	AMOUNT
2021	41,403,989.10
2022	124,060,908.75
2023	141,393,990.15



**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**School fund income- other receipts**

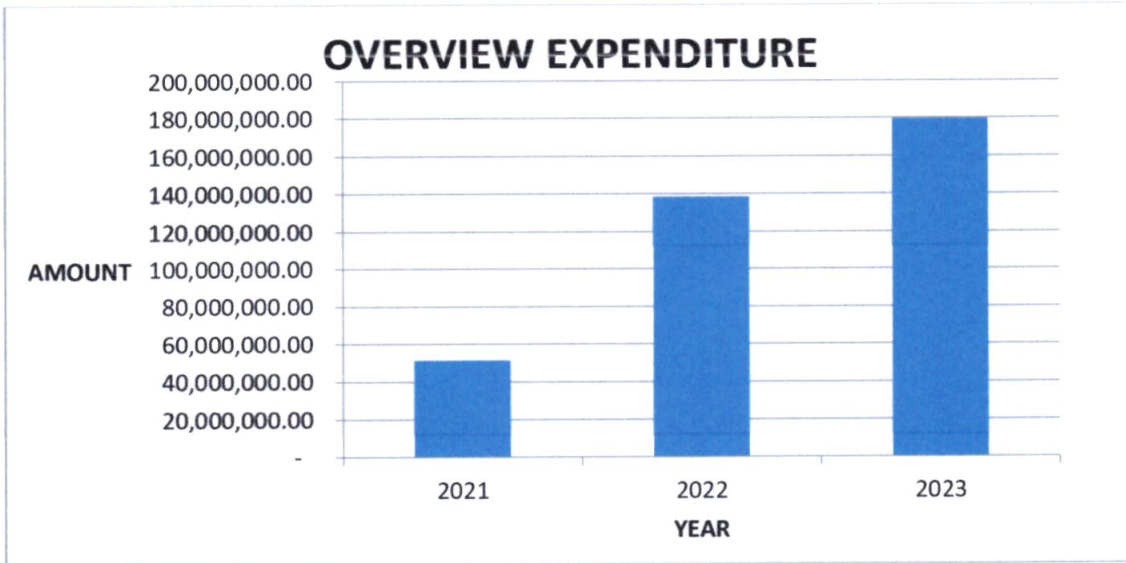
YEAR	AMOUNT
2021	1,868,127.05
2022	12,034,178.15
2023	13,072,318.55



**OVERVIEW EXPENDITURE**

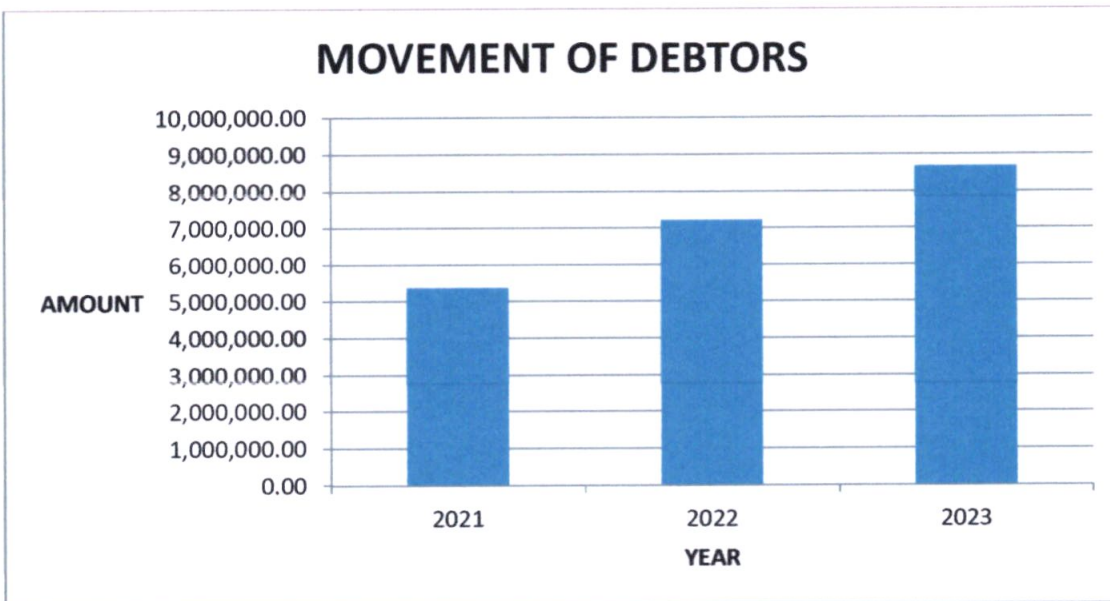
YEAR	AMONUT
2021	51,320,606.90
2022	138,409,339.88
2023	179,595,757.70

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**



**MOVEMENT OF DEBTORS**

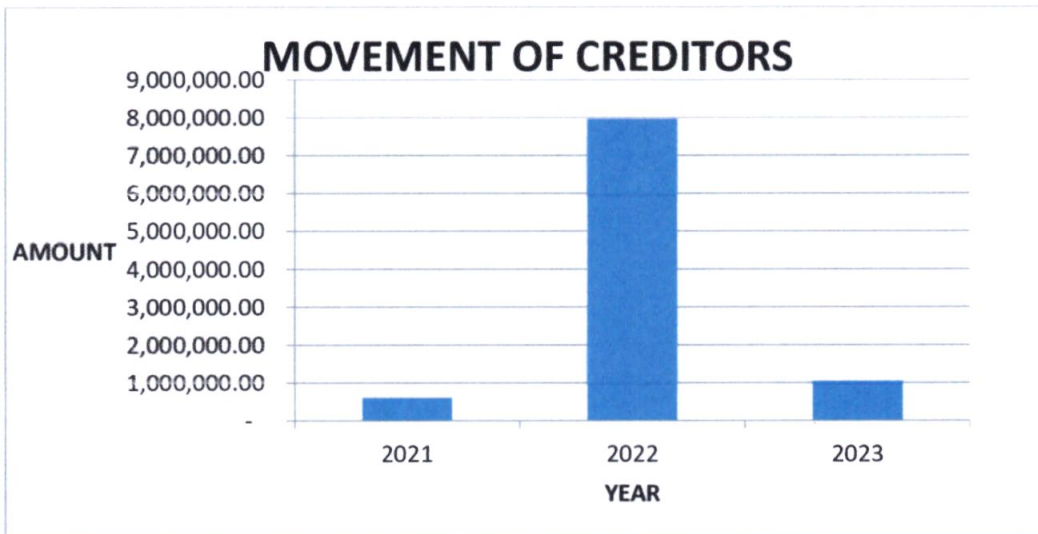
YEAR	AMOUNT
2021	5,355,895.80
2022	7,217,562.80
2023	8,683,768.25



**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

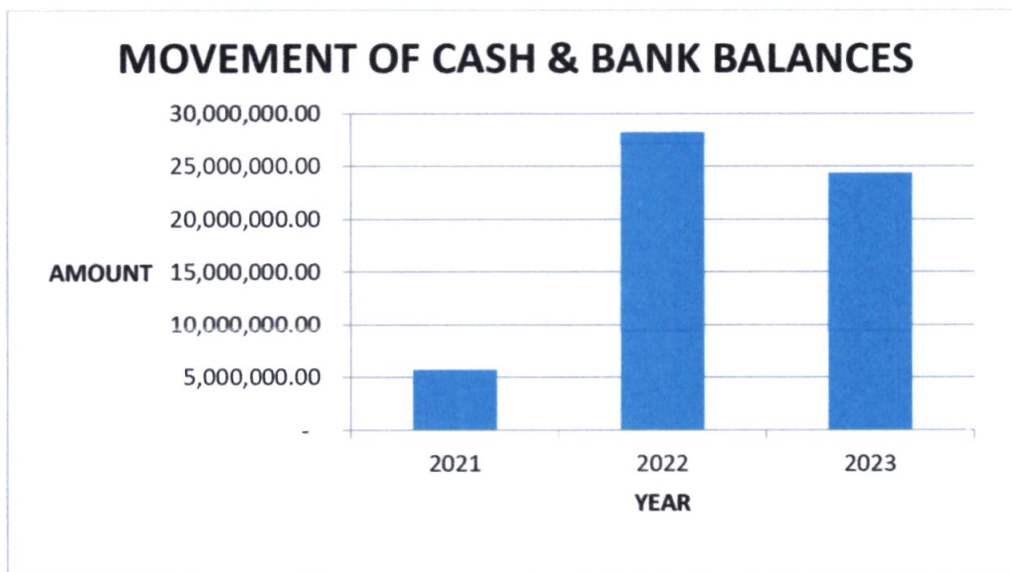
**MOVEMENT OF CREDITORS**

YEAR	AMOUNT
2021	589,492.00
2022	7,954,567.00
2023	1,656,948.80



**MOVEMENT OF CASH & BANK BALANCES**

YEAR	AMOUNT
2021	5,699,830.26
2022	28,244,202.23
2023	24,307,886.33



**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**b) Teacher Student ratio:**

S/NO	SUBJECT	TEACHERS (TSC)	TEACHERS (BOM)	TOTAL TEACHERS	TOTAL STUDENTS	TEACHER STUDENT RATIO
1	ENGLISH	9	1	10	1612	161
2	KISWAHILI	11	1	12	1612	134
3	MATHS	16	6	22	1612	73
4	BIOLOGY	10	1	11	1612	147
5	PHYSICS	3	5	8	1372	172
6	CHEMISTRY	11	2	13	1612	124
7	HISTORY	5	2	7	1224	175
8	GEOGRAPHY	7	2	9	1189	132
9	CRE	8	2	10	1261	126
10	HOME SCIENCE	3	0	3	395	132
11	ART & DESIGN	1	0	1	94	94
12	AGRICULTURE	3	1	4	396	99
13	COMPUTER STUDIES	1	0	1	284	284
14	FRENCH	0	1	1	130	130
15	MUSIC	1	0	1	141	141
16	BUSINESS STUDIES	4	1	5	898	180
17	SPECIAL EDUCATION	1	0	1	5	5

*TOTAL NUMBER OF TEACHERS*

1	TSC TEACHERS	52
2	BOM TEACHERS	13
	TOTAL	65

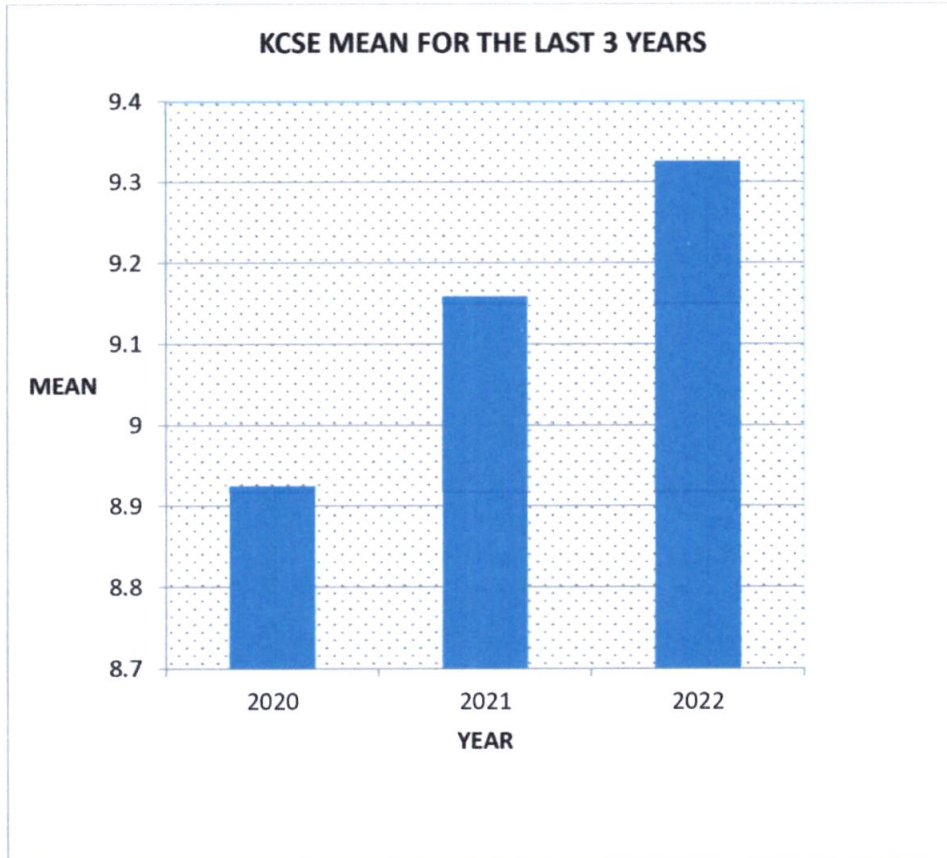
*TRANSITION OF TEACHERS*

1	TEACHERS RECRUITED (TSC)	3
2	TEACHERS RECRUITED (BOM)	6
3	TEACHERS TRANSFERRED	3
4	TEACHERS RETIRED	0

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**c) KCSE MEAN SCORES FOR THE LAST 3 YEARS 2020, 2021 AND 2022**

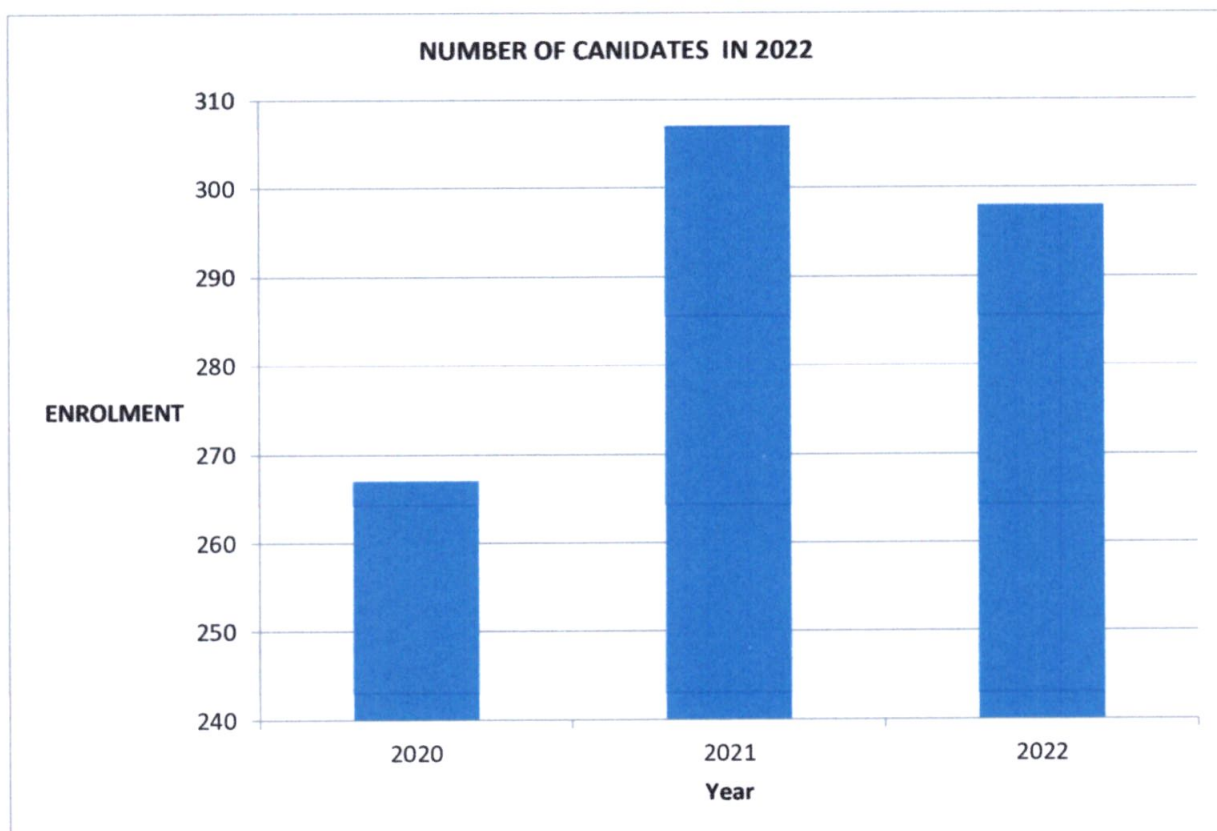
NO	YEAR	MEAN	NO.OF CANDIDATES	C+ AND ABOVE
1	2020	8.9251	267	255
2	2021	9.1596	307	293
3	2022	9.3255	298	280



**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**d) Number of Candidates in the 2023 KCSE:**

NO	YEAR	NO.OF CANDIDATES
1	2020	267
2	2021	307
3	2022	298



**e) Capacity of the school::**

S/NO	FACILITY	ENROLMENT	CURRENT CAPACITY	SHORTFALL
1	CLASSES	1,614	28	1
2	DORMITORIES	1,614	1656	0
3	DINING HALL	1,614	1200	414
4	TOILETS	1,614	59	6
5	LABORATORIES	1,614	8	2

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**f) Development projects carried out by the school:**

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Phase II Tuition Block Project	-M.O.E -Parents	On-going	37,272,785.00	26,744,602.70	February 2024

*[Handwritten Signature]*

School Principal

**KIPSIGIS GIRLS HIGH SCHOOL**  
**P.O Box 194-20200, KERICHU**  
**TEL. 0714 034 055**  
**Email. kipsigisgirls194@gmail.com**

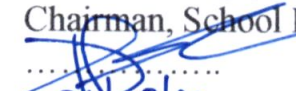
### **III. Statement of School Management Responsibility**

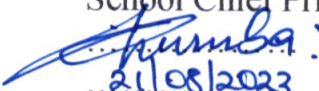
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year to prepare financial statements in respect of Kipsigis Girls High School. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.


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

The Board of Management of ***Kipsigis Girls High 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, 2023, and of the school's financial position as at that date.

**Name:** Mr. Nixon Sigey  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 21/08/2023

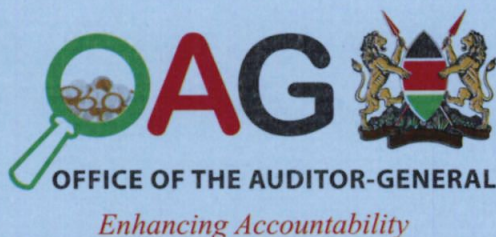
**Name:** Mrs. Christine Chumba  
**Designation:** School Chief Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 21/08/2023

**Name:** Mr. Erick Rotich  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 21/08/2023



# 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 KIPSIGIS GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KERICHO COUNTY

---

### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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 Kipsigis Girls High School – Kericho County set out on pages 1 to 20, which comprise the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of

cash flows and Summary 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 Kipsigis Girls High School – Kericho County 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Account Receivables**

The statement of financial assets and financial liabilities as at 30 June, 2023 and as disclosed under Note 13 to the financial statements reflects accounts receivables figure of Kshs.8,683,768. The balance is in respect of school fees arrears which has been long outstanding for more than three years with no recovery measures put in place.

In the circumstance, the recovery payables amount of Kshs.8,683,768 could not be ascertained.

#### **2. Understated Summary of Fixed Asset Register**

The financial statement under Annex 2 indicated a summary of fixed assets register indicating a balance of Kshs.382,676,935. The asset register provided by the school's management indicated a figure of Kshs.7,260,000 however, there were no supporting documents such as the acquisition invoices.

In the circumstances, the School assets actual value could not be confirmed.

#### **3. Unsupported Inventory Balances**

As reported in the financial year disclosure notes, the inventory balance of Kshs.1,179,588. However, the balance was not supported with stock certificates, board of survey reports or ledgers confirming the balance.

In the circumstances, the accuracy, existence of stocks and completeness of the inventories balance of Kshs.1,179,588 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kipsigis Girls High School – Kericho County 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 analysis of budgeted Vs. actual amounts for the fiscal year under audit highlighted underfunding of capitation grants for tuition, amounting to 30% and capitation grants for operations underfunded by 35%. Despite budgeting of Kshs.5,664,848 for tuition capitation grants, the School only received Kshs. 3,958,551, resulting in a shortfall of Kshs.1,706,298 against the budgeted amount.

Further, the School underestimated fee collections from parents by 5%. The variances have been tabulated below.

Revenue Component	Current Year Budget Amounts Kshs.	Current Year Actuals Amounts Received Kshs.	Variance Kshs.	% Variance
Fees Charged on Parents	136,082,786	142,860,195	-6,777,409	-5%
Capitation Grant-Operations	17,803,685	11,537,582	6,266,103	35%
Capitation Grant-Tuition	5,664,848	3,958,551	1,706,298	30%
Miscellaneous Income	13,037,101	13,072,319	718,693	38%

In addition, it was noted that the School exceeded its budget by Kshs.1,877,615 representing a -1% overrun as analyzed below, suggesting the implementation of unanticipated programs and activities.

Components	Current Year Budget Amounts Kshs.	Current Year Actuals Kshs.	Variance Kshs.	% Variance
<b>Expenses</b>				
Expenditure for Tuition	12,764,876	3,490,320	9,274,556.00	73%
Expenditure for Operations	23,025,961	15,641,474	7,384,487.00	32%

<b>Components</b>	<b>Current Year Budget Amounts Kshs.</b>	<b>Current Year Actuals Kshs.</b>	<b>Variance Kshs.</b>	<b>% Variance</b>
Boarding for School Fund	112,610,200	129,286,267	-16,676,067.00	-15%
Infrastructure	23,019,488	24,880,078.5	-1,860,590.50	87%
<b>Total Expenditure</b>	<b>171,420,525</b>	<b>173,298,140</b>	<b>-1,877,615</b>	<b>-1%</b>

There was significant underfunding of the budget allocated for operations and tuition by 35% and 30%, respectively. No explanations were provided for these variances.

### **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 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. Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

During the audit, it was noted that the School transferred co-curricular funds totaling to Kshs. 1,496,940 to Kenya Secondary School Heads Association a private entity that is not subject to the Public Finance Management Act, 2012 or any other public finance regulations. The funds were vired from Government Operation Capitation grants received by the School per student. KESSHA is a welfare organization that draws its membership from School Principals only.

In the circumstance, the authenticity of Kshs. 1,496,940 that was transferred to KESSHA account could not be confirmed.

## 2. Lack of Mandatory Board Committees

The School's Board of Management had not established mandatory committees that is, discipline, ethics and integrity committee, audit committee and human rights and student welfare committee contrary to Section 61(2) of the Basic Education Act, 2013.

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

## 3. Shortfall in Number of Textbooks Delivered Compared to Distribution Lists

The audit established that there was a shortfall of one hundred and thirty-two (132) in the number of textbooks delivered to Kipsigis Girls High School as indicated in signed delivery notes, compared to the numbers indicated in the distribution lists provided by the State Department for Basic Education. The shortfall is detailed in the table below:

### FY 2023/2024

No	Title of Textbook	Number of Copies Expected as per the Contract	Number of Copies Received	Was there a Shortfall or Excess?	Number of Shortfall
1	Art and Design Form One Students book	40	0	Shortfall	40
2	Home Science Form Two Students Book	44	0	Shortfall	44
3	Art and Design Form Two Students book	44	0	Shortfall	44
4	Art and Design Form Three Students book	1	0	Shortfall	1
5	Home Science Form Two Teacher's Guide	1	0	Shortfall	1
6	Home Science Form Three Teacher's Guide	2	0	Shortfall	2

## 4. Inadequate Delivery Details of Textbooks Monetary Value

The audit conducted in the month of May, 2024 revealed that the textbooks delivered by publishers did not indicate monetary value making it difficult for schools to quantify the monetary value of its text books stock delivered in various financial years. As a result, the

value of the books remains unknown to the management of the schools in the period of audit.

In the circumstances, the value of text books held by schools cannot be confirmed.

## 5. Accuracy of Student Enrollment Data

The financial statements for the year ended 30 June, 2023 under Note 1 and 2 represents Capitation grants for tuition at Kshs.3,958,551 and operations at Kshs.17,234,583. Examination of documents provided for audit revealed that there were discrepancies between the data in the County Director of Education (CDE), National Education Management Information System (NEMIS) and School records relating to the enrolment of students.

During the financial year 2022/2023, the NEMIS reported a total number of one thousand two hundred and eighty-eight (1288) of students while the records from The enrolment record provided by the Kipsigis Girls High School indicated a total of one thousand three hundred and sixty-four (1364) students, which resulted in variance as analyzed below:

Month	Capitation per Student	No. of Students per NEMIS	No. of Students as per Register	Enrolment Variance	Unrealized Capitation Variance
7.25.2022	3,602.74	1513	1605	-92	-331,452
10.3.2022	4,010.49	1493	1605	-112	-449,175
2.9.2023	3806.42	1493	1605	-112	-426,319
6.9.2023	3381.85	1198	1605	-407	-1,376,413
				<b>Total</b>	<b>-2,583,359</b>

The school was under/over funded by Kshs. -2,583,359 for the period ended 30 June, 2023.

## 6. Lack of a Board Work Plan

During the year under review, management did not provide Board calendar and annual work plan for audit review. This is contrary to Section 1.9 of Chapter 1 of Mwongozo code of governance for state corporations issued in January, 2015 which requires Board members to ensure development of an annual Board Work Plan.

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

## 7. 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 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 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**

#### **Lack of Approved ICT Policy**

Review of the school ICT environment revealed that there was no formal approved ICT policy in place. Further, the School does not have a data security and disaster recovery plan in place. In addition, Management did not provide an ICT organization structure for audit review.

In the circumstances, the security and reliability of the School's data including the management information system could not be confirmed.

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

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

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to 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 control that are identified during the audit.

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

**22 January, 2025**

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
For the year ended **30<sup>TH</sup> June 2023**

**V. Statement of Receipts and Payments for the Period to 30<sup>th</sup> June 2023**

Description of Vote Head	Note	Jul-June 2023	Jul-June 2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	3,958,550.50	4,594,194.40
Government grants for operations	2	17,234,582.60	20,264,430.55
Government Grants for infrastructure	3	-	-
School fund income- parents' contributions	4	141,393,990.15	124,060,908.75
Miscellaneous incomes	5	13,072,318.55	12,034,178.15
<b>Total Receipts</b>		<b>175,659,441.80</b>	<b>160,953,711.85</b>
<b>Payments</b>			
Tuition	6	3,935,658.00	4,835,741.00
Operations	7	10,728,650.00	13,269,877.00
Infrastructure	8	30,035,040.70	16,144,760.00
Boarding and school fund	9	134,896,409.00	104,158,961.88
<b>Total Payments</b>		<b>179,595,757.70</b>	<b>138,409,339.88</b>
<b>Surplus/Deficit</b>		<b><u>-3,936,315.90</u></b>	<b><u>22,544,371.97</u></b>

The school financial statements were approved on 21/08/2023 and signed by:

  
.....

**Name:** Mr. Nixon Sigey

**Chair BOM**

**Date:** 21/08/2023

  
.....

**Name:** Mrs. Christine Chumba  
**School Principal/ Secretary to BOM**

**Date:** 21/08/2023

  
.....

**Name:** Mr. Erick Rotich

**Bursar/ Finance Officer**

**Date:** 21/08/2023


**KIPSIGIS GIRLS HIGH SCHOOL**  
P.O Box 194-20200, KERICHO  
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**KIPSIGIS GIRLS HIGH SCHOOL**  
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**VI. Statement of Financial Assets and Financial Liabilities as at 30<sup>th</sup> June 2023**


Description	Note	Jul-June 2023	Jul-June 2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	24,283,921.33	28,128,679.23
Cash balances	11	23,965.00	115,523.00
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>24,307,886.33</b>	<b>28,244,202.23</b>
Account's receivables	13	8,683,768.25	7,217,562.80
<b>Total financial assets</b>		<b>32,991,654.58</b>	<b>35,461,765.03</b>
<b>Financial liabilities</b>			
Accounts payables	14	1,656,948.80	7,954,567.00
<b>Net financial assets</b>		<b><u>31,334,705.78</u></b>	<b><u>27,507,198.03</u></b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	35,271,021.68	4,962,826.06
Surplus/deficit for the year		-3,936,315.90	22,544,371.97
<b>Net financial position</b>		<b><u>31,334,705.78</u></b>	<b><u>27,507,198.03</u></b>
			-

The school's financial statements were approved on 21/08/2023 and signed by:


  
 Name: Mr. Nixon Sigey

Chair BOM

Date: 21/08/2023

  
 Name: Mrs. Christine Chumba  
 School Principal/ Secretary to  
 BOM

Date: 21/08/2023

  
 Name: Mr. Erick Rotich

Bursar/ Finance Officer

Date: 21/08/2023

KIPSIGIS GIRLS HIGH SCHOOL  
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**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>TH</sup> June 2023**

**VII. Statement of Cash Flows for the Period Ended 30<sup>th</sup> June 2023**

<b>Description</b>	<b>Note</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition	1	3,958,550.50	4,594,194.40
Government grants for operations	2	17,234,582.60	20,264,430.55
School fund income- Parents contributions/ fees	4	141,393,990.15	124,060,908.75
School fund income- other receipts	5	13,072,318.55	12,034,178.15
<b>Total receipts</b>		<b>175,659,441.80</b>	<b>160,953,711.85</b>
<b>Payments</b>			
Cash outflows for tuition	6	3,935,658.00	4,835,741.00
Cash outflows for operations	7	10,728,650.00	13,269,877.00
Cash outflows Boarding/lunch and school fund payments	9	134,896,409.00	104,158,961.88
<b>Total payments</b>		<b>149,560,717.00</b>	<b>122,264,579.88</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>26,098,724.80</b>	<b>38,689,131.97</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets	8	(30,035,040.70)	(16,144,760.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>(30,035,040.70)</b>	<b>(16,144,760.00)</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(3,936,315.90)</b>	<b>22,544,371.97</b>
Cash and cash equivalent at beginning of the FY		<b>28,244,202.23</b>	<b>5,699,830.26</b>
<b>Cash and cash equivalent at end of the FY</b>		<b>24,307,886.33</b>	<b>28,244,202.23</b>

**KIPSIGIS GIRLS HIGH SCHOOL**  
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**VIII. Statement of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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
<b>Receipts</b>					
<i>(1) Capitation Grant on Tuition</i>					
Tuition	5,664,848.00	0	5,664,848.00	3,958,550.50	70%
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	5,139,920.00	0	5,139,920.00	4,625,384.00	90%
Local Transport / Travelling	1,927,470.00	0	1,927,470.00	1,541,548.00	80.0%
Electricity And Water	2,569,960.00	0	2,569,960.00	1,513,664.00	59%
Medical	2,734,000.00	0	2,734,000.00	298,600.00	11%
Administration Costs	3,212,450.00	0	3,212,450.00	2,597,127.00	81%
Activity	2,050,500.00	0	2,050,500.00	791,875.00	39%
Grant (S.N.E)		169,385.00	169,385.00	169,384.60	100.0%
<i>3) FDSE for infrastructure</i>					

**KIPSIGIS GIRLS HIGH SCHOOL**  
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**For the year ended 30<sup>TH</sup> June 2023**

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Maintenance & Improvement MoE	6,835,000.00	0	6,835,000.00	5,697,000.00	83%
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	9,440,502.00	3,557,454.00	12,997,956	13,738,300.00	106%
Repairs And Maintenance	2,734,000.00	490,000.00	3,224,000	3,872,636.00	120%
Local Transport / Travelling	3,540,530.00	1,334,482.00	4,875,012	5,612,381.00	115.0%
Electricity And Water	4,720,251.00	1,778,727.00	6,498,978	8,985,056.90	138%
Administration Costs	5,902,706.00	2,221,960.00	8,124,666	9,278,010.40	114%
Activity	1,090,866.00	195,510.00	1,286,376	1,572,665.00	122%
Fee On Boarding Equipment and Stores	41,078,350.00	14,294,975.00	55,373,325	53,432,727.20	96%
Fee on University Registration	208,600.00		208,600	200,303.00	96.0%
Fee on Uniforms	1,249,500.00	4,418,400.00	5,667,900	5,027,954.00	89%
P.A Charges	24,606,000.00	4,410,000.00	29,016,000	29,902,840.05	103%
Fee Arrears		8,809,973.60	8,809,973.60	9,771,116.60	111.0%
<b>5) Miscellenous Income</b>					
Rent Income	393,984.00		393,984.00	267,946.00	68%
Income From Farming Activities	12,635,837.00		12,635,837.00	12,797,092.55	101.3%
Income from Tenders		6,000.00	6,000.00	6,000.00	100.0%
Clubs		1,280.00	1,280.00	1,280.00	100.0%
<b>Total Income</b>	<b>137,735,274.00</b>	<b>41,688,146.60</b>	<b>179,423,420.60</b>	<b>175,659,441.80</b>	<b>98%</b>

**KIPSIGIS GIRLS HIGH SCHOOL**  
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For the year ended *30<sup>TH</sup> 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
<b>(6) Expenditure For Tuition</b>					
Tuition	12,764,876		12,764,876	3,935,658	30.8%
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	4,842,802		4,842,802	4,577,553	94.5%
Repairs, Maintenance & Improvements	6,835,000		6,835,000	5,697,000	83.4%
Local Transport / Travelling	2,011,100		2,011,100	162,508	8.1%
Electricity, Water and Conservancy	2,574,592		2,574,592	1,548,257	60.1%
Medical	2,378,247		2,378,247	320,586	13.5%
Administration Costs	2,378,247		2,378,247	2,609,219	109.7%
Activity Expenses	2,005,973		2,005,973	697,840	34.8%
Grant (S.N.E)		21,600	21,600	21,600	100.0%

**KIPSIGIS GIRLS HIGH SCHOOL**  
**Annual Report and Financial Statements**  
For the year ended *30<sup>TH</sup> 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
Creditors		791,087	791,087	791,087	100.0%
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	21,872,000.00	-	21,872,000.00	21,047,602.70	108.5%
Construction of Dormitory	3,290,438.00	-	3,290,438.00	3,290,438.00	100.00%
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	8,894,786	3,557,454.00	12,452,240	8,204,002	65.9%
Maintenance and Improvements	2,734,000	490,000.00	3,224,000	6,184,836	191.8%
Local Transport / Travelling	3,694,150	1,334,482.00	5,028,632	5,586,364	111.1%
Electricity, Water and Conservancy	4,728,758	1,778,727.00	6,507,485	6,946,377	106.7%
Administration Costs	4,369,903	2,221,960.00	6,591,863	10,553,970.00	160.1%
Activity	1,067,177	195,510.00	1,262,687	2,429,629	192.4%
P.A Charges	13,670,000	2,450,000.00	16,120,000	13,426,940.00	83.3%
Expenditure For Income Generating Activity	2,500,364	7,045,350	9,545,714	10,069,300.00	105.5%
Boarding Equipment and Stores	38,350,425	14,294,975.00	52,645,400	58,828,156	111.7%
Rent Expenses	393,984	-	393,984	346,520.00	88.0%
Tender	-	15,000.00	15,000.00	15,000	100.0%
Fee on University Registration	208,600	-	208,600	152,500	73.1%
Uniforms	1,249,500.00	4,418,400.00	5,667,900	6,131,403	108.2%
Bank charges	-	3,570.00	3,570	3,570.00	100.0%
Creditors		6,017,842.00	6,017,842.00	6,017,842.00	100.0%
<b>Totals</b>	<b>142,814,922.00</b>	<b>44,635,957.00</b>	<b>187,450,879.00</b>	<b>179,595,757.70</b>	<b>96.0%</b>

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*[Provided below is commentary on significant underutilization (below 90% of utilization) and overutilization above 100%]*

- i. *The School received fewer funds against the budgeted in Tuition Account. This resulted in underutilization of fund receipts.*
- ii. *The School also was under funded in operation account which resulted in underutilization of fund receipts in the respective vote heads.*
- iii. *There was growth of enrolment during the year under review hence increase in payment of fees by the parents which resulted in overutilization of fund receipts.*
- iv. *The School was under funded in Tuition account which resulted in underutilization of funds in terms of meeting its obligation.*
- v. *There was also under funding in Operations account which resulted in underutilization of funds in terms of meeting its obligation.*
- vi. *There was growth of enrolment during the year under review hence increase in payment of fees by the parents which resulted in overutilization of fund payments.*

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**IX. Significant Accounting Policies**

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

**1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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 cents (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.

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**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 30<sup>th</sup> June 2023.

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**X. Notes to the Financial Statements**

**1 Government Grants for Tuition**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise books	1,583,419.00	1,653,665.00
Laboratory equipments and apparatus	1,583,419.00	2,113,695.00
Teaching/learning materials	277,097.00	413,416.40
chalks	118,757.00	124,028.00
Internal exams	395,858.50	289,390.00
<b>Total</b>	<b>3,958,550.50</b>	<b>4,594,194.40</b>

**2 Government Grants for Operations**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	4,625,384.00	5,603,422.00
Repairs And Maintenance	5,697,000.00	7,286,750.00
Local Transport / Travelling	1,541,548.00	1,913,546.00
Electricity And Water	1,513,664.00	2,198,481.00
Medical	298,600.00	-
Administration Costs	2,597,127.00	3,059,306.30
Activity	791,875.00	-
Grant (S.N.E)	169,384.60	202,925.25
<b>Total</b>	<b>17,234,582.60</b>	<b>20,264,430.55</b>

**3 Government Grants for infrastructure**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**Notes to the Financial Statements (continued)**

**4 School Fund Income -Parents Contribution/Fees**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	13,738,300.00	14,734,816.00
Repairs and maintenance	3,872,636.00	4,624,036.00
Local transport / travelling	5,612,381.00	5,397,916.00
Electricity and water	8,985,056.90	8,446,026.80
Administration costs	9,278,010.40	8,353,241.00
Activity	1,572,665.00	1,722,662.00
Fee on Boarding Equipment and stores	53,432,727.20	43,606,785.05
Fee on University Registration	200,303.00	359,506.00
Fee on Uniforms	5,027,954.00	3,706,012.00
P.A Charges	29,902,840.05	21,908,700.50
Fee Arrears	9,771,116.60	11,201,207.40
<b>Total</b>	<b>141,393,990.15</b>	<b>124,060,908.75</b>

**5 Miscellaneous Incomes**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Rent Income	267,946.00	323,486.00
Income From Income Generating Activities	12,797,092.55	5,546,957.15
Income from Tenders	6,000.00	87,000.00
Clubs	1,280.00	25,465.00
Income from Bus Hire	-	26,260.00
Income from grants and donations*	-	6,025,010.00
<b>Total</b>	<b>13,072,318.55</b>	<b>12,034,178.15</b>

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**Notes to the Financial Statements (continued)**

**6 Tuition**

Description	Jul-June 2023	Jul-June 2022
	Kshs	Kshs
Exercise books	1,150,000.00	2,106,640.00
Laboratory equipments and apparatus	873,410.00	1,957,172.00
Teaching/learning materials	-	82,300.00
chalks	87,000.00	-
Internal exams	677,000.00	87,500.00
Reference books	-	10,000.00
Bank charges	2,610.00	2,637.00
Creditors	1,145,638.00	589,492.00
<b>Total</b>	<b>3,935,658.00</b>	<b>4,835,741.00</b>

**7 Operations**

Description	Jul-June 2023	Jul-June 2022
	Kshs	Kshs
Personal Emoluments	4,577,553.00	8,068,479.00
Administration Cost	2,609,219.00	1,892,897.00
Repairs and maintenance & improvements	-	-
Local transport / travelling	162,508.00	474,244.00
Electricity and water	1,548,257.00	2,829,717.00
Medical & Insurance Cost	320,586.00	-
Activity Expenses	697,840.00	-
Grant (S.N.E)	21,600.00	-
Bank Charges	-	4,540.00
Creditors	791,087.00	-
<b>Total</b>	<b>10,728,650.00</b>	<b>13,269,877.00</b>

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**Notes to the Financial Statements (continued)**

**8 Infrastructure**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Acquisition of Assets Tower tank	-	1,835,010.00
Construction of dormitory -New Dormitory	3,290,438.00	14,309,750.00
Construction of classrooms -New Tuition Block	26,744,602.70	-
<b>Total</b>	<b>30,035,040.70</b>	<b>16,144,760.00</b>

**9 Boarding and School Fund**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	8,204,002.00	5,119,152.00
Fee on Boarding Equipment and Stores	58,828,156.00	48,228,789.00
Electricity and water	6,946,377.00	6,538,407.00
Local transport / travelling	5,586,364.00	5,418,073.00
Maintenance & Improvements	6,184,836.00	851,720.00
Administration costs	10,553,970.00	9,406,302.88
Activity	2,429,629.00	1,476,614.00
Income from Tenders	15,000.00	72,500.00
Uniform Fees	6,131,403.00	4,171,600.00
Expenses On Income Generating Activities**	10,069,300.00	4,993,910.00
P.A Charges	13,426,940.00	17,336,113.00
Rent Expenses	346,520.00	372,300.00
Bank Charges	3,570.00	4,681.00
Fee on University Registration	152,500.00	156,500.00
KCSE Examination	-	12,300.00
Creditors	6,017,842.00	-
<b>Total</b>	<b>134,896,409.00</b>	<b>104,158,961.88</b>

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**Notes to the Financial Statements (continued)**

**10 Bank Accounts**

<b>AccountName&amp; Currency</b>	<b>Status</b>	<b>Bank Account Number</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Active/Dormant</b>		<b>Kshs</b>	<b>Kshs</b>
Tuition Account			25,903.40	3,010.90
Operations Account			1,221,844.54	412,911.94
School Fund Account/Boarding			8,409,432.93	10,541,963.78
CDF Account			566,781.00	1,717,684.00
Income generating activities Account			2,237,087.96	443,099.41
Infrastructural Account			11,822,871.50	15,010,009.20
<b>Total</b>			<b>24,283,921.33</b>	<b>28,128,679.23</b>

**11 Cash In Hand**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Notes and Coins	23,965.00	115,523.00
<b>Total</b>	<b>23,965.00</b>	<b>115,523.00</b>

**12 Short Term Investments**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**Notes to the Financial Statements (continued)**

**13 a. Accounts Receivable**

Description	Jul-June 2023	Jul-June 2022
	Kshs	Kshs
Fees Arrears	8,683,768.25	7,217,562.80
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears(list/schedule attached)	-	-
<b>Total</b>	<b>8,683,768.25</b>	<b>7,217,562.80</b>

**13 b. Ageing Analysis of Accounts Receivable**

Description	Jul-June 2023		Jul-June 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,427,348.45	27.9%	1,892,332.00	26.2%
Between 1- 2 years	969,059.00	11.1%	-	0%
Between 2-3 years	-	0%	1,480,508.50	20.5%
Over 3 years	5,287,360.80	61%	3,844,722.30	53.3%
<b>Total (should tie to note 13 a)</b>	<b>8,683,768.25</b>	<b>100%</b>	<b>7,217,562.80</b>	<b>100%</b>

**14 Accounts Payable**

Description	Jul-June 2023	Jul-June 2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,108,000.00	7,954,567.00
Prepaid Fees	-	-
Retention Monies	548,948.80	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
<b>Total</b>	<b>1,656,948.80</b>	<b>7,954,567.00</b>

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**Notes to the Financial Statements (continued)**

**14a. Ageing Analysis of Accounts Payable**

Description	Jul-June 2023		Jul-June 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	<b>1,656,948.80</b>	100%	<b>7,954,567.00</b>	100%
Between 1 - 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (should tie to note 14)</b>	<b>1,656,948.80</b>	<b>100%</b>	<b>7,954,567.00</b>	<b>100%</b>

**15 Fund Balance Brought Forward**

Description	Jul-June 2023	Jul-June 2022
	Kshs	Kshs
Bank Balances	28,128,679.23	5,495,670.26
Cash Balances	115,523.00	204,160.00
Short Term Investments	-	-
Receivables	8,683,768.25	7,217,562.80
Payables	(1,656,948.80)	(7,954,567.00)
<b>Total</b>	<b>35,271,021.68</b>	<b>4,962,826.06</b>

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**Other important disclosure notes**

IPSAS Cash Standard encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

**16 Non-current Liabilities Summary**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle		1,990,000.00	1,880,000.00
Goats		-	-
Trees		1,050,000.00	1,162,500.00
Tea Plantation		5,658,800.00	5,658,800.00
Poultry		-	-
<b>Total</b>		<b>8,698,800.00</b>	<b>8,701,300.00</b>

**18 Borrowings**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

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**Other important disclosure notes**

**19 Stock/ Inventory**

<b>Description</b>	<b>Jul-June 2023</b>	<b>Jul-June 2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Rice	39,528	6,344.00
Sugar	169,568	1,204.00
Maize	299,948	193,822.00
Beans	438,300	101,111.00
Cooking Oil	178,125	46,305.00
Baking Flour	24,500	47,000
Tea leaves	-	24,300.00
Farm Produce	29,619.00	22,677.20
<b>Total</b>	<b>1,179,588.00</b>	<b>442,763.20</b>

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**20 Progress On Follow Up of Auditor Recommendations**

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

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

-----  
 Sign and Date  
 Principal

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**XI. Annexes**

**Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.	-					
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
2. Guaca Stationers Limited				492,600.00		
3. Remo Chemicals and Lab Equipment				207,700.00		
4. Dominic Rotich				407,700.00		
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
5.						
<b>Sub-Total</b>						
<b>Grand Total</b>				<b>1,108,000.00</b>		

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**Annex 2 – Summary of Fixed Assets Register**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2023</b>
Land	40,050,000.00	0	0	40,050,000.00
Buildings And Structures	256,336,765.00	0	0	256,336,765.00
Motor Vehicles	7,260,000.00	0	0	7,260,000.00
Office Equipment, Furniture And Fittings	21,187,500	1,695,000.00	0	22,882,500.00
Textbooks	24,760,850.00	1,731,870	0	26,492,720.00
ICT Equipment	4,057,000.00	316,000.00	0	4,373,000.00
Tools And Apparatus	4,747,260.00	1,107,450.00	110,350.00	5,744,360.00
Other Machinery And Equipment	9,813,950.00	222,500.00	74,300.00	9,962,150.00
Intangible Assets- Soft Ware	490,588.00	386,052.00	0	876,640.00
Biological Assets	8,701,300.00	230,000.00	232,500.00	8,698,800.00
<b>Total</b>	<b><u>377,405,213.00</u></b>	<b><u>5,688,872.00</u></b>	<b><u>417,150.00</u></b>	<b><u>382,676,935.00</u></b>