

REPUBLIC OF KENYA



Enhancing Accountability

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DATE: 24 FEB 2015 DAY: Thursday

TABLED BY:	Hon. Naomi Wago Deputy Majority Whip
CLERK AT THE TABLE:	Imoge Mwalu

REPORT

OF

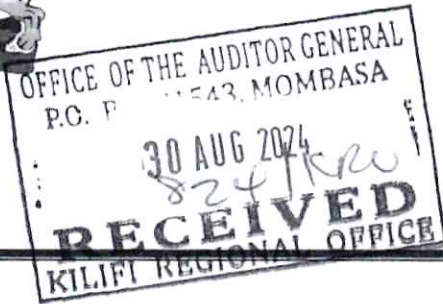
THE AUDITOR-GENERAL

ON

**DR. KRAPF MEMORIAL SECONDARY
SCHOOL**

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

KILIFI COUNTY



DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023

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

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1. 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	

2. 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 KILIFI County, RABAI Sub-County.

The school was registered in 13/05/1969 under registration number BUN/KISIMANI/995 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 630 number of students as at 30 June 2023. It has 5 streams and 31 teachers of which 10 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	Dr J.Majimbo	Chairman	05/09/2019
2	Patrick Mwacharo	Secretary - Principal	05/09/2019
3	Margaret Baraka	Member	05/09/2019
4	Andrew Simba	Member -PA	05/09/2019
5	Raphael Bosso Mrinzi	Member	05/09/2019
6	Fauzia Omar	Member	05/09/2019
7	Jonathan B Masha	Member-Rep CEB	05/09/2019
8	Gladys Kariuki	Member Rep Teachers	05/09/2019
9	Rev Willian Katama	Member Sponsor	05/09/2019
10	Irine Randu	Member	05/09/2019
11	Athman Malingi	Member -PA	05/09/2019
12	Mariam Ngome	SCD	05/09/2019
13	Josphine Mwanzui	Member	05/09/2019

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. Dr J.Majimbo 2.Patrick Mwacharo 3.Andrew Simba	Chairman Secretary/principal P.A Chairman	3/3
2	Audit Committee	Jonathan Masha Dr Daniel Munga Margaret Katembo Athman Malingi	Chairperson Member Secretary Member	3/3
3	Finance,procurement and general purposes Committee	Jonathan Masha Dr Daniel Munga Margaret Katembo Athman Malingi	Chairperson Member Member Secretary	3/3
4	Academic Committee	Margaret Katembo	Chairperson	

		Samuel Kumbe	Member	
		Dr Daniel Mumba	Member	
		Mercy Mwembe	Secretary	3/3
5	Development Committee	Rashid Saburi	Chairperson	
		Andrew Simba	Member	
		Phenny Koki	Secretary	
		Jonathan Masha	Member	3/3
6	Discipline and welfare Committee	Rev Nguma	Chairperson	
		Mercy Mwembe	Member	
		Abdalla Mkuzi	Secretary	
		Samuel Kumbo	Member	3/3
7	Adhoc Committee (if any during the year)	Andrew Simba	Chairperson	
		Athman Malingi	Member	
		Rashid Saburi	Member	3/3

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Patrick W Mwacharo	TSC No.336435
2	Deputy Principal	Katana Kapombe	TSC No.322688
3	School Bursar	Adam Heba	ID No. 11265581
4	School Accounts Clerk	Sudi Chimwenga	ID No.29653833

(e) Schools contacts

Post Office Box: 40-80114 Mazeras
Telephone: +254705521569
E-mail: dr.krapf@yahoo.com
Website: N/A
Facebook: Dr Krapf Memorial Secondary School-Rabai
Twitter: N/A

(f) School Bankers

Provide details of the school bankers.

Name of Bank: KCB
Branch Mvita

They include:

*Tuition account 110-891-1749
*Operation account 110-891-5280
*School fund account 110-847-6058
*Infrastructure account 110-646-8708
*P.A account 110-646-8775

2.Mpesa pay bill no.522123 A/C no.63587kadm.name attached to 110-847-6058 bank account.

(g) Independent Auditors

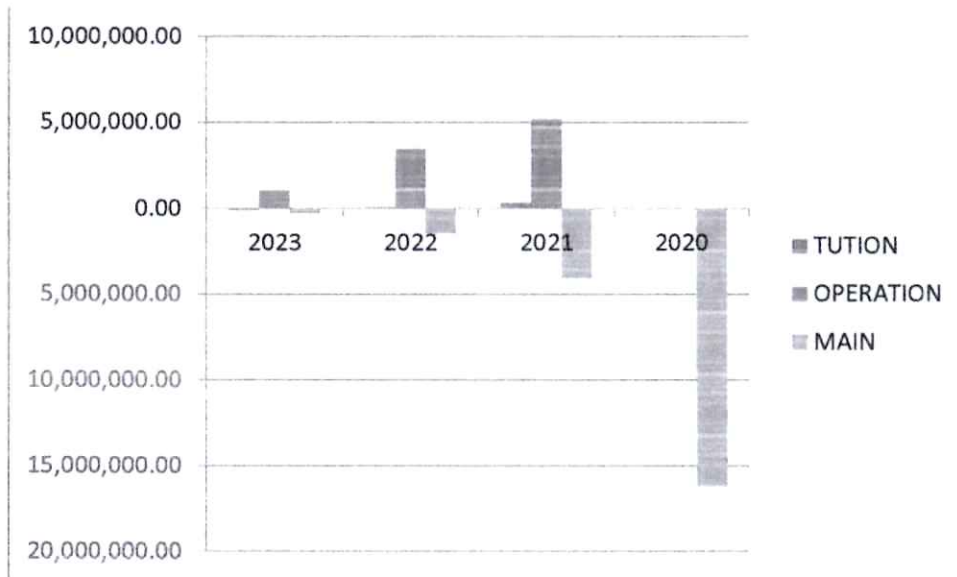
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3. Summary Report of Performance of The School

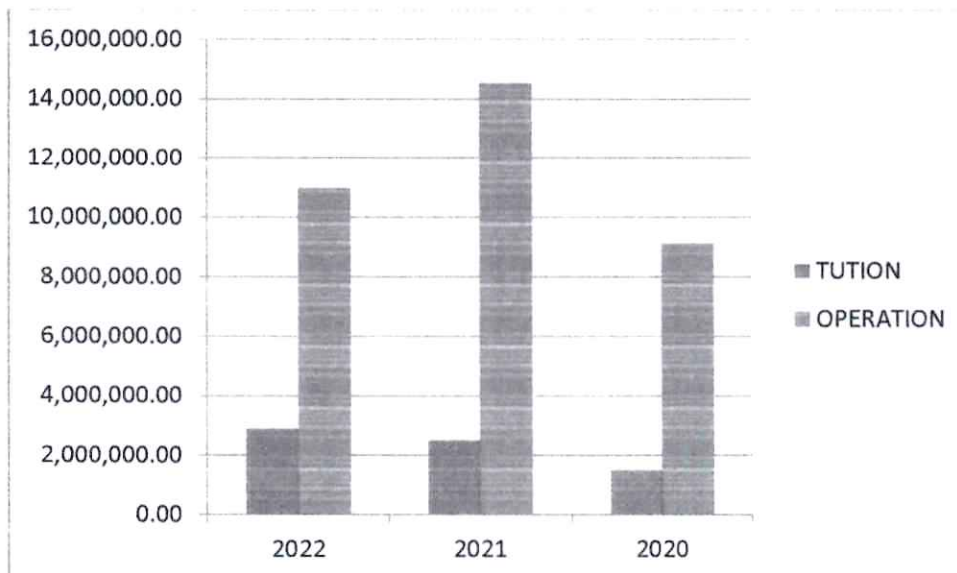
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

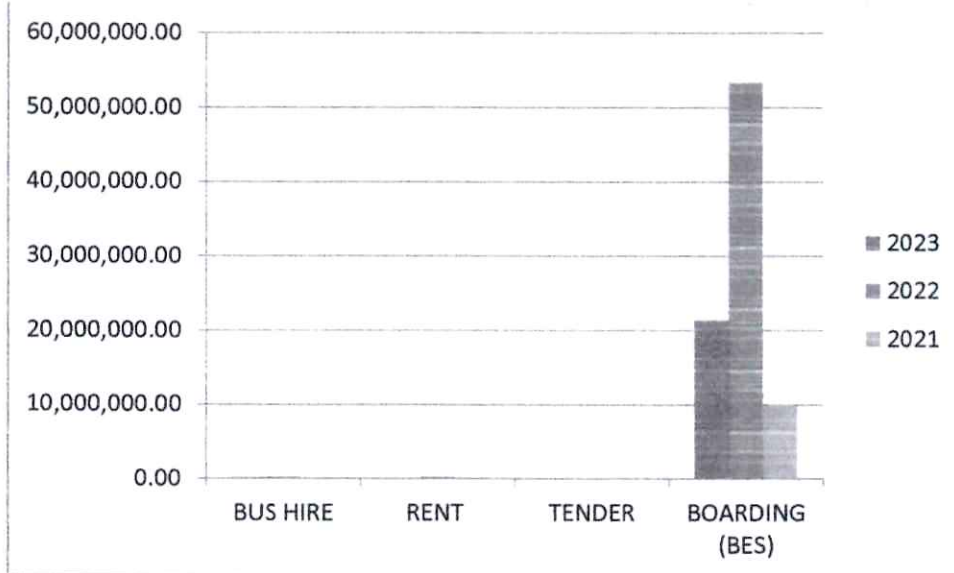
- Surplus/ deficit for the year and a comparison of the same for the last three years



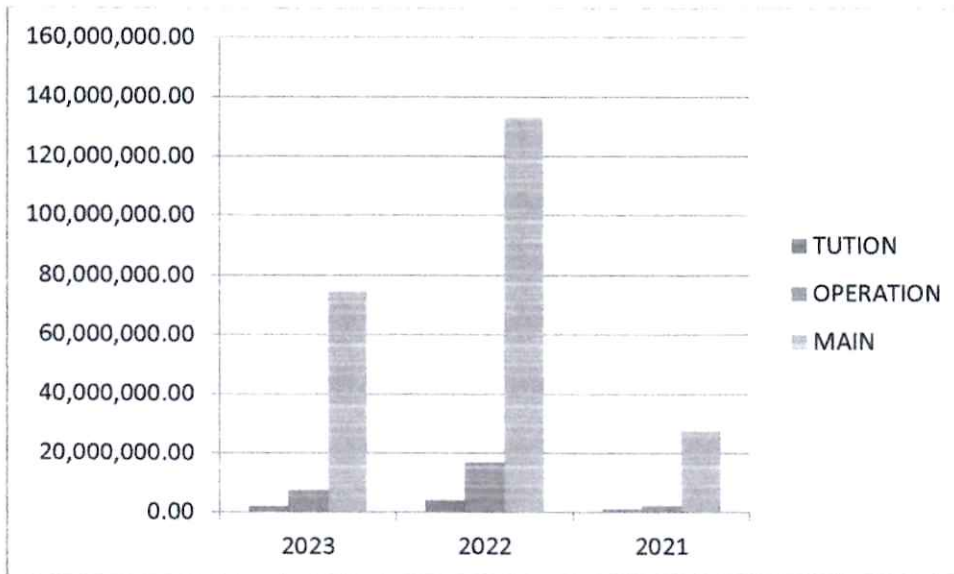
- Capitation grants from the Ministry of Education for the last three years



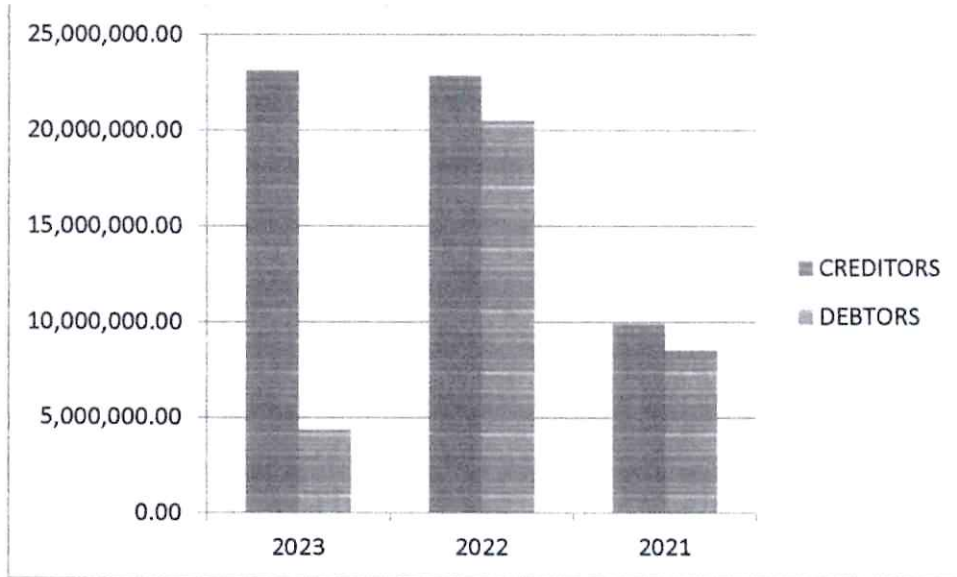
- A three-year overview of growth of other income(s) earned by the school.



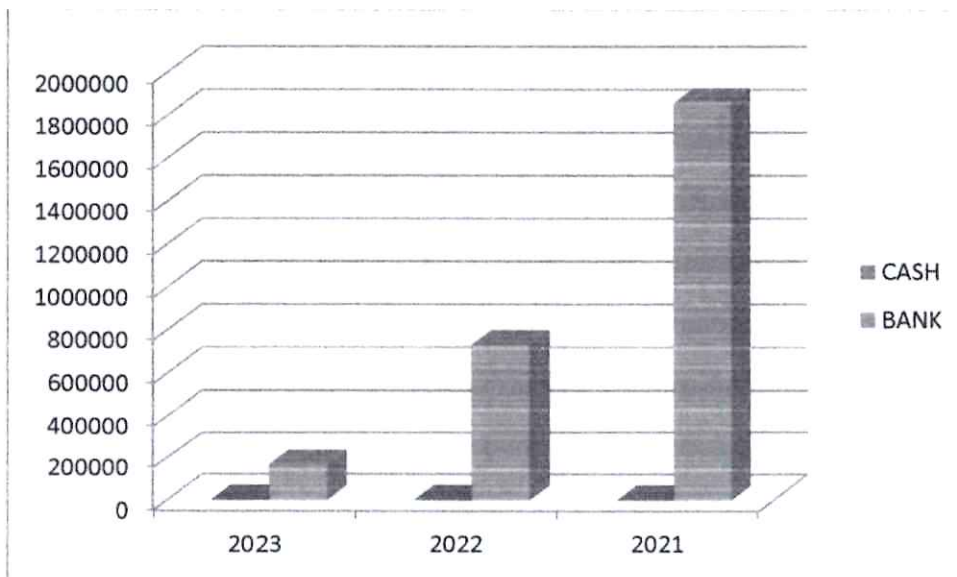
- A three-year overview of growth in expenditure of the school



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



-Movement of cash and bank balances over the last three years



b) Teacher Student ratio:

**Teacher student ratio 1:21*

**Number of teachers recruited and posted within the year 6*

**Number of teachers transferred 6*

**Number of teachers that retired during the year 0*

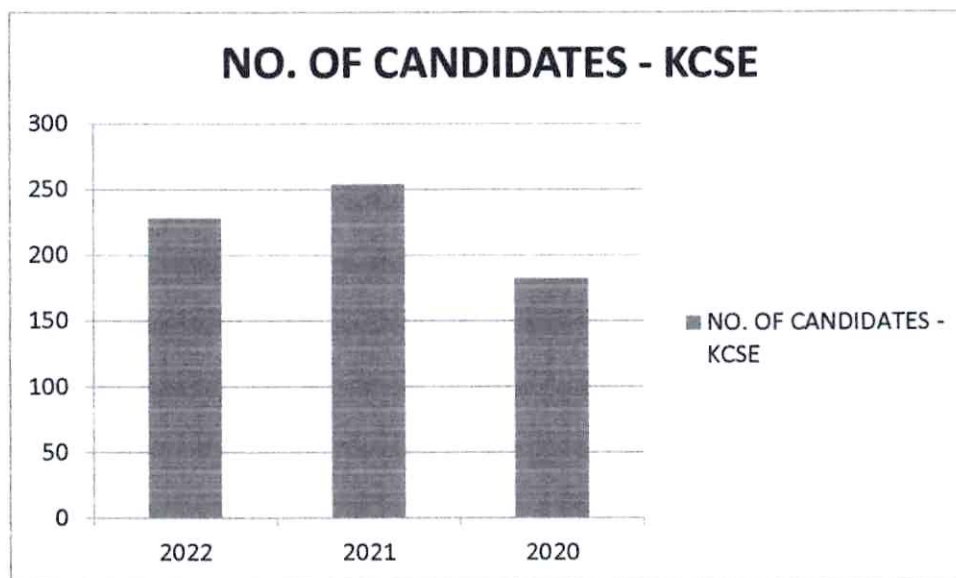
**Number of teachers employed by TSC 21*

*Number of teachers employed by BOM 11

c) Mean score in the 2022 KCSE:

YEAR	TARGET	MEAN SCORE	TRANSITION	COMMENT
2022	6.5	4.67	25	NEGATIVE DEV
2021	6.5	4.39	19	NEGATIVE DEV
2020	6.5	4.59	23	NEGATIVE DEV

d) Number of Candidates in the 2022 KCSE:



e) Capacity of the school:

	2023	2022	2021
NO. OF STUDENTS	676	887	854
DORMITORIES	4	4	4
DINING HALL	1	1	1
TOILETS	25	25	25
CLASSROOMS	22	20	20
LABORATORY	3	3	2
LIBRARY	1	1	1

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 *Dr Krapf Memorial Sec School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30 June, 2023, and of the school's financial position as at that date.

.....


Name: Margaret N Baraka

Designation: Chairman, School Board of Management

Date: 28-8-2024

.....


Name: Warra Mangi

Designation: School Principal & Secretary to Board of Management

Date:

SENIOR PRINCIPAL
DR. KRAPF SEC. SCHOOL
P. O. Box 40, MAZEA S.S.

.....


Name: Adam Heba

Designation: Bursar/ Finance Officer

Date: 28-8-2024

REPUBLIC OF KENYA

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



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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON DR. KRAPF MEMORIAL SECONDARY SCHOOL FOR THE FOR THE YEAR ENDED 30 JUNE, 2023 – KILIFI 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 Dr. Krapf Memorial Secondary School - Kilifi County set out on pages 1 to 22, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts

Report of the Auditor-General on Dr. Krapf Memorial Secondary School for the year ended 30 June, 2023 – Kilifi County

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 the Dr. Krapf Memorial Secondary School – Kilifi 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. Inaccuracies in the Financial Statements

The statement of budgeted versus actual amounts reflects total actual expenditure on comparable basis amounting to Kshs.37,636,611. However, recasting of the actual expenditure items' amounts yielded Kshs.31,484,370 resulting to a variance of Kshs.6,152,241. The variance was not explained or reconciled.

In the circumstances, the completeness and accuracy of the actual expenditure on a comparable basis of Kshs.37,636,611 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.52,411,768 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.35,937,740 which had been outstanding for more than three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy and full recoverability of the receivables balance of Kshs.52,411,768 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.56,037,000 and Kshs.41,316,748 respectively, resulting to under-funding of Kshs.12,720,252 or 24% of the budget. However, the School spent a balance of Kshs.31,484,370 against actual receipts of Kshs.41,316,748, resulting to an under-utilization of Kshs.9,832,378 or 24% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution Kenya, 2010, 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. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 19 June, 2024, instead of the statutory deadline of

30 September, 2023. This was contrary to the Ministry of Education circular Ref: MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,956,084 and Kshs.8,362,246, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year 2022/2023 the School records differed with NEMIS records as tabulated below:-

Table 1: Capitation Variance as a Result of Variances in Enrollment Data

Month (Operation and Tuition Capitation)	Capitation per Student (Kshs)	No. of Students per NEMIS	No. of students as per Register	Variance (Kshs)
July, 2022	3,602.7	743	749	(21,616.2)
September, 2022	4,010.49	759	749	(40,104.90)
January, 2023	3,706.42	766	627	515,192.38
April, 2023	3,381.85	517	627	(372,003.5)
Total				81,467.78

As a result of the variances, the School was over funded by an amount of Kshs.81,467.78. This was contrary to the Ministry of Education Circular Ref: MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate

In the circumstances, net over-funded amounts could have been effectively used to enhance students service delivery to the under-funded Schools.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects Operations Grants amount of Kshs.8,362,246 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.2,785,000 in respect of infrastructure grants which were to be transferred to the infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.2,200,000 was transferred to infrastructure account, leaving a balance of Kshs.585,000 as at 30 June, 2023. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be

transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account

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

4. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.32,606,324 as disclosed in Note 12 to the financial statement. However, included in the balance are trade payables balance of Kshs.1,700,900 which had been outstanding for more than three (3) years. This is contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates

In the circumstances, Management was in breach of the law

5. Lack of a Procurement Plan

The statement of receipts and payments reflects total receipts and total payments amounting to Kshs.52,216,985 and Kshs.63,562,149 respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

6. Procurement from Non-Registered Suppliers

The statement of receipts and payments reflects total receipts and total payments amounting to Kshs.52,216,985 and Kshs.63,562,149 respectively. However, procurement of items was not informed by prequalified list of suppliers as the School did not maintain an approved list of prequalified suppliers. This is contrary to Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 that states that the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs

In the circumstances, the School was in breach of the Law

7. Failure to Establish Procurement Contracts

The statement of receipts and payments reflects payments amounting to Kshs.63,562,149. However, the School did not have valid contracts with supplies of goods, works and service. This is contrary to; Section 135(1) of the Public Procurement

and Asset Disposal Act, 2015 that states that the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer.

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 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 overall governance, were not effective.

Basis for Conclusion

1. Inadequate Representation in the Composition of Board of Management

Review of the Board of Management records revealed that the Board was underrepresented. The Board Members did not include a representative of the students' council, as an ex-official member. This is contrary to Section 56(1)(g) of Basic Education Act, 2013 which requires that the Board of Management established under Section 55 of the Act include an ex-official member from the students' council.

In the circumstances, Management risks having un-balanced and non-inclusive decision as students views and needs are not considered in decision making process that is geared towards achieving the School's strategic objectives

2. Inadequate Frequency of Board of Management and Board of Committees Meetings held in the Year

The statement of receipts and payments reflects receipts and payment amount of Kshs.32,487,738 and Kshs.31,019,104 respectively. However, the Board of Management and Board of Committees that is supposed to meet and deliberate on the achieving of the School's strategic objectives including development and expenditure matters failed to

meet at least once every four months. This is contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 that states that a Board of Management shall meet at least once every four (4) months.

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

3. Lack of Internal Audit Function and Audit Committee

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

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

inadequate because of changes in conditions, or that the degree of compliance with the School policies and procedures may deteriorate.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 September, 2024

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

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,956,084	4,050,283
Government grants for operations	2	8,362,246	20,231,582
School fund income- parents' contributions	3	13,992,454	34,711,545
Miscellaneous incomes	4	27,906,200	108,553,952
Total Receipts		52,216,985	167,547,363
Payments			
Tuition	5	2,033,622	3,977,450
Operations	6	7,317,557	16,789,995
Boarding and school fund	8	54,210,970	144,430,603
Total Payments		63,562,149	165,198,048
Surplus/Deficit		(11,345,164)	2,349,315

The school financial statements were approved on ^{28/8}28/8/2024 and signed by:



Name: Margaret N Baraka


Chair BOM

Date: 28-8-2024



Name: Warra Mangi
 School Principal/ Secretary to
 BOM

Date: 28/8/24.



Name: Adam Heba

Bursar/ Finance Officer

Date: 28-8-2024

7. Statement of Assets and Liabilities As At 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	167,132	730,966
Cash balances	10	800	377
Total cash and cash equivalent		167,932	731,343
Account's receivables	11	52,411,768	56,452,044
Total financial assets		52,609,700	57,183,387
Financial liabilities			
Accounts payables	12	32,606,324	25,545,081
Net financial assets		20,003,376	31,638,306
Represented by			
Accumulated fund b/fwd	13	31,348,540	29,288,991
Surplus/deficit for the year		(11,345,164)	2,349,315
Net financial position		20,003,376	31,638,306

The school's financial statements were approved on 28/8/2024 and signed by:

.....
Name: Margaret N Baraka

Chair BOM

Date: 28-8-2024

.....
Name: Warra Mangi

School Principal/ Secretary to BOM

Date: 28/8/24

.....
Name: Adam Heba

Bursar/ Finance Officer

Date: 28-8-2024

SENIOR PRINCIPAL
DR. KRAPF SEC. SCHOOL
P. O. Box 40, MAZERAS
Date:
Sign:

8. Statement of Cash Flows for the Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,956,084	4,050,283
Government grants for operations		8,362,247	20,231,583
School fund income- parents contributions/ fees		13,992,454	34,711,545
Other income		58,891,373	58,243,329
Total receipts		83,202,159	117,236,741
Payments			
Cash outflows for tuition		2,033,622	3,977,450
Cash outflows for operations		7,317,556	11,469,006
Cash outflows Boarding/lunch and school fund payments		74,414,392	98,008,510
Total payments		83,765,570	113,454,966
Net cash inflow/outflow from operating activities		(563,411)	3,781,775
Cash flow from investing activities			
Acquisition of assets		0	(4,909,620)
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		0	4,909,620
Cash flow from Financing activities			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		0	0
Net increase/decrease in cash and cash equivalents		(563,411)	(1,127,845)
Cash and cash equivalent at beginning of the FY		731,34	1,859,188
Cash and cash equivalent at end of the FY		167,932	731,343

The school's financial statements were approved on 28-8-2023 and signed by:

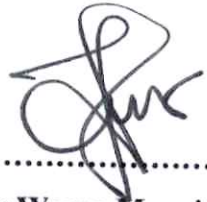
DR KRAPF MEMORIAL MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



Name: Margaret N Baraka

Chair BOM

Date: 28-8-2024



Name: Warra Mangi
School Principal/ Secretary to
BOM

Date: 28/8/24



Name: Adam Heba

Bursar/ Finance Officer

Date: 28-8-2024

SENT BY
DR. KRAPF
P. O. Box 40, M...
Date: Sign:

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 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					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	70,000	0	70,000	-	0.0%
Exercise Books	1,456,000	0	1,456,000	1,300,000	89.3%
Laboratory Equipment	764,000	0	764,000	400,000	52.4%
Internal Exams	199,000	0	199,000	190,000	95.5%
Teaching / Learning Materials	113,000	0	113,000	66,084	58.5%
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	3,400,000	0	3,400,000	2,681,010	78.9%
Repairs And Maintenance	5,000,000	0	5,000,000	2,268,000	45.4%
Local Transport / Travelling	1,500,000	0	1,500,000	-	0%
Electricity And Water	2,000,000	0	2,000,000	525,331	35.6%
Medical	2,000,000	0	2,000,000	1,291,102	64.6%
Administration Costs	2,000,000	0	2,000,000	1,291,102	64.6%
<i>(4) Fees Charged on Parents</i>					
Personnel Emoluments	8,400,000	0	8,400,000	5,856,981	69.73%
Repairs And Maintenance	2,000,000	0	2,000,000	1,675,432	83.77%
Local Transport / Travelling	650,000	0	650,000	491,655	75.64%
Electricity And Water	2,000,000	0	2,000,000	1,587,793	79.39%

DANANG I MEMORIAL MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 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
Administration Costs	1,850,000	0	1,850,000	1,846,406	99.81%
Activity	250,000	0	250,000	172,135	68.85%
Fee On Boarding Equipment and Stores	20,385,000	0	20,385,000	19,673,717	96.51%
Total Income					
(6) Expenditure For Tuition					
Textbooks	1,337,000	0	1,337,000	-	0%
Reference Materials	70,000	0	70,000	-	0%
Exercise Books	1,456,000	0	1,456,000	1,222,000	84%
Laboratory Equipment	764,000	0	764,000	655,902	86%
Internal Exams	199,000	0	199,000	97,500	49%
Teaching / Learning Materials	113,000	0	113,000	57,500	51%
Chalks	5,000	0	5,000	-	0%
(7) Expenditure For Operations					
Personnel Emoluments	3,400,000		3,400,000	1,671,010	49.15%
Repairs, Maintenance & Improvements	5,000,000	0	5,000,000	854,800	17.10%
Local Transport / Travelling	1,500,000	0	1,500,000	498,700	33.25%
Electricity, Water and Conservancy	2,000,000	0	2,000,000	983,891	49.19%
Medical	2,000,000	0	2,000,000	-	0%
Administration Costs	2,000,000	0	2,000,000	930,076	46.50%
Activity Expenses	2,000,000	0	2,000,000	651,400.	32.57%

DANANGI I MEMORIAL MEMORIAL SEC UNDAKI SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 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
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	0	0	0	0	0
Repairs, Maintenance and Improvements	2,000,000	0	2,000,000	1,011,003	92.58%
Local Transport / Travelling	650,000	0	650,000	311,380	47.90%
Electricity, Water and Conservancy	2,000,000	0	2,000,000	1,634,500	81.73%
Medical Expenses	0	0	0	0	0
Administration Costs	1,850,000	0	1,850,000	1,840,000	99.48%
Activity	250,000	0	250,000	192,600	77.04%
Boarding Equipment and Stores	20,385,000	0	20,385,000	18,872,108	92.585%
Totals	51,179,000		51,179,000	37,636,611	73.54%

- i. The zero percent under the Text books, Reference materials and Chalks vote head in Tuition account did not receive funds and the students population was also below 1,000
- ii. Exercise books, Lab material, Internal exams and teaching and learning materials vote heads in Tuition account received below capitation allocations and the students population was also below 1,000.
- iii. In Operation accounts, Personal Emolument, Local travel and transport, Electricity water and conservation, administration costs and activity expenses vote heads are under utilised because main account was used most, student population was below 1,000.
- iv. Medical vote head in operation account did not receive any capitation allocation.
- v. Repair, Maintenance and Improvement (Infrastructure) vote head in operation account is under utilised because we did not was only used for Lab improvements, land scape improvement and repair of beds and furniture.
- vi. Local travel and transport and electricity water and consumption vote head in boarding account were under utilised because student population was below 1,000 which affected collection.

DEANRY 1 MEMORIAL MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

vii. *Activity vote held in boarding account was under utilised because games played did not proceed to county level and the student population was also below 1,000.*

10. 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 30 June 2023.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	0	39,741
Exercise Books	1,300,000	2,670,867
Laboratory Equipment	400,000	433,745
Internal Exams	190,000	215,448
Teaching / Learning Materials	66,084	687,643
Others (Chalks) *	0	2,839
Total	1,956,084	4,050,283

2 Government Grants for Operations

Description	2022-2023	2022-2023
	Kshs	Kshs
Personnel Emoluments	2,681,010	5,193,668
Repairs And Maintenance	2,268,000	7,219,081
Local Transport / Travelling	525,331	1,544,700
Electricity And Water	1,291,104	2,299,835
Medical	152,500	1,044,722
Administration Costs	1,291,102	2,279,085
Activity	153,200	650,491
Total	8,362,247	20,231,583

3 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	6,426,950	21,282,788
Repairs and maintenance	2,697,788	3,915,933
Local transport / travelling	626,155	1,263,805
Electricity and water	1,979,710	3,909,393
Administration costs	2,068,911	3,858,331

Description	2022-2023	2021-2022
	Kshs	Kshs
Activity	192,940	481,295
Total	13,992,454	34,711,545

**Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

4 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	131,500	227,000
BES	21,365,494	53,366,937
Infrastructure	2,526,045	8,218,623
Income From Bus Hire	142,400	233,000
Adjusted Sundry creditors		22,874,137
Other Income (Smase) *	1,663,000	0
Bom teachers	2,042,761	0
Tenders	35,000	29,500
Sundry creditors	0	2,263,740
Fess arrears	0	17,049,936
Dorm damages	0	4,291,079
Total	27,906,200	108,553,952

Notes to the Financial Statements (continued)

5 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	1,222,000	2,207,103
Textbooks	0	585,277
Reference materials	0	28,000
Laboratory Equipment	655,902	903,550
Teaching / Learning Materials	57,500	71,000
Exams And Assessment	97,500	178,200
Bank Charges	719.95	4,320
Others (<i>specify</i>)	0	0
Total	2,033,621	3,977,450

6 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,198,690	6,249,300
Administration Cost	930,076	1,122,975
Repairs And Maintenance & Improvements	854,800	7,337,737
Local Transport / Travelling	498,700	599,800
Electricity And Water	983,891	841,631
Medical	0	47,552
Activity Expenses	651,400	591,000
Others (acquisition of assets)	2,200,000	0
Total	7,317,557	16,789,995

Notes to the Financial Statements (continued)

7 Infrastructure

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Construction of classrooms	0	0
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
Others (specify)	0	0
Total	0	0

8 Boarding And School Fund Payments

Description	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Personnel Emoluments	6,959,030	15,325,522
Repairs And Maintenance & Improvements	1,011,003	6,194,833
Local Transport / Travelling	311,380	674,510
Electricity And Water	1,634,500	3,287,526
Medical Expenses	50,000	366,432
Administration Costs	1,840,304	5,646,258
Prepaid fees	0	2,407,956
Fee On Boarding Equipment and Stores	39,185,729	56,107,323
Rent Expenses	76,000	0
Acquisition Of Assets	1,809,882	0
Others (Bus hire)	1,110,542	843,062
Tender	30,000	0
Debtors	4,348,257	20,740,500
Activity	192,600	274,000
Creditors	0	21,476,274
Dormitory damages		3,157,550
Infrastructure	0	7,928,857
Total	54,210,970	144,430,603

Notes to the Financial Statements (continued)

9. Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	110-891-1749	10,131	87,668
Operations Account	Active	110-891-5280	12,843	146,916
School Fund Account/Boarding	Active	110-847-6058	126,900	383,286
Parent Association Development Account	Active	112-579-9137	9,760	9,760
Income Generating Activities Account	Active	110-646-8775	5600	101,072
Infrastructural Account	Active	110-646-8708	1,898	2,264
Total			167,132	730,966

10. Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	800	377
Total	800	377

Notes to the Financial Statements (continued)

11.Accounts Receivable

Description	2022-2023	Insert Comparative FY
	Kshs	Kshs
Fees Arrears	52,411,768	56,409,544
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	0	42,500
Total	52,411,768	56,452,044

11 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	4,348,257	8.7%	20,514,668	36.4%
Between 1- 2 years	12,155,771	24.35%	6,829,553	12.1%
Over 3 years	35,937,740	66.93%	29,065,323	51.5%
Total (should tie to note 12 a)	52,411,768	100%	56,409,544	100%

12.Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	31,838,091	24,575,037
Prepaid Fees	768,233	1,259,810
Total	32,606,324	25,834,847

Notes to the Financial Statements (continued)

12a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2023	% of the total	2022	% of the total
Less than 1 year	23,118,219	72.6%	22,874,137	93.1%
Between 1- 2 years	7,018,972	22%	642,784	2.6%
Over 3 years	1,700,900	5.2%	1,058,116	4.3%
Total (should tie to note 13)	31,838,091	100%	24,575,037	100%

13. Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	730,966	1,858,410
Cash Balances	377	788
Receivables	56,452,044	53,014,933
Payables	(25,834,847)	(25,585,130)
Total	31,348,540	29,288,991

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. Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		160,000	160,000
Trees		80,000	80,000
Total		240,000	240,000

Other important disclosure notes

15. Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	150,000	1,339,549
Lab consumables	500,000	700,000
Farm produce	0	20,000
Medication	5,000	0
	655,000	2,059,549

16. 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.


Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1.1	Late submission of financial statements.	Observation made by the auditor are correct. Going forward the statement will be submitted timely	Resolved	11/07/24
4.1.3	Inaccuracies in the financial statements and trial balances	Observations made by the auditors are correct. The inaccuracies have been corrected and going forward the errors wont occur.	Resolved	11/07/24
4.1.3.2	Ledger amounts not supporting figures in fincial statements	Observation made by the auditors was correct. The errors were identified and corrected as guided by the auditors. Going forward the errors wont happen again.	Resolved	11/07/24
4.2.2	Failure to transfer infrastructure funds from the operations bank accounts.	We agree with the observation made. the funds were not transferd early enough because when the funds were received, the school was facing serious cashflow challenges but were later transferred to the infrastructure account. Going forward the school will never delay in transferring the funds.	Resolved	11/07/24
4.2.2.1	Budget and procurement plan	We agree with the observation made. Going forward the school will	Resolved	11/07/24

DR KRAPF MEMORIAL MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		prepare a procurement plan and adhere to it.		
4.5.1	Failure to maintain PTA, Saving accounts cashbooks	We agree with the observations made. Going forward the accounts will be operated separately and each will have a cash book	Resolved	11/07/024
4.5.2	Failure to prepare bank reconciliation statements	Its true the PTA and Saving account did not have reconciliations because they were operated as savings in the school main accounts. going forward the accounts will have their reconciliations	Resolved	11/07/024
4.6.1	Long outstanding accounts receivables	Observation made by the auditor is accurate. Many students who finished school never come back to pay or collected their certificates. The school will write to the ps to write off the arrears, but also the PA chair has mobilized all parents class rep as point people in remittance of fees invarious classes.	Resolved	11/7/024
4.7.1	Long outstanding Trade payables	We agree with the observation made by the auditor. student enrolment dropped, delay in FDSE in some cases causing strain. going forward the school will comply with the regulations by ensuring collections are banked	Resolved	11/7/024

DR KRAPF MEMORIAL MEMORIAL SECONDARY SCHOOL
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		promptly and non essential expenses removed.		
4.9.1	Inadequate representation of composition of BOM	The school will ensure student representative is equally coopted as board member .	Resolved	11/7/024
4.9.2	Frequency of BOM meetings and Board committees to be held each year.	We agree with observation made.Board has had regular meetings but we had challenges in filings.we have since taken care of the filings and minutes will be provided as required.	Resolved	11/7/024
4.9.4	Ineffective audit committee	We concur with observation made however the committee needed capacity building.going forward the administration will liase with SCDE in capacity building of the committee	Resolved	11/7/024



 Sign and Date
 Warra Mangs
 Principal
 SENIOR PRINCIPAL
 DR. KRAPF SEC. SCHOOL
 P. O. Box 40, MAZERAS
 Date: 22/6/24

17. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Naldeco enterprises	3,941,054		3,462,285	478,769	478,769	
2. Chimu enterprises	3,791,875	1.07.021	3,791,875	0	626,045	
Sub-Total	3,941,054		3,462,285	478,769	478,769	
Supply Of Goods						
3. Jukalu enterprises	5,658,230	1.07.021	0	6,298,900	7,243,015	
4. Tawakal wholesalers	2,399,950	1.07.021	300,000	2,089,950	2,089,950	
6. Oghil investment	460,200	1.07.021	460,200	169,000	0	
7. Mbodza general supplies	728,500	1.07.021	454,610	273,890	273,890	
8. Dzek enterprises	340,000	1.07.021	180,000	640,420	160,000	
9. Kulmis trading co ltd	3,059,300	1.07.021	0	4,926,300	4,696,300	
10. Kitondawa investments	534,080	1.07.021	534,080	0	258,620	
11. Rlc services	67,960	1.07.021	0	753,931	92,451	
12. Hilkath ventures	808,000	1.01.021	293,000	900,000	515,000	
13. Gentrade supplies ltd	2,057,224	1.01.021	0	1,953,685	1,755,685	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
14.Kalmar Marketing	972,640	1.01.021	299,591	673,049	950,000	
15.Jaglad printers	260,000	1.01.021	260,000	93,300	0	
16.Watsa Munga	146,450	01.01.021	146,450	96,800	0	
17.Premier cutts	552,000	1.01.021	59,000	493,000	552,000	
18.Tawakal generation	367,700	1.01.021	0	367,000	367,000	
19.Liam lab supplies	486,462	1.01.021	0	486,462	486,462	
20.Gichan	288,250	1.01.021	200,000	88,250	288,250	
22.Tsetsetse enterprises	31,000		0	31,000	0	
23.Godana butchery	613,580	01.07.022	0	613,580	0	
24.Asol printers	892,520	01.07.022	0	892,520	0	
25.Rakesi	474,000	01.07.022	0	474,000	0	
26.Ushirikiano	355,413	01.07.022	0	355,413	0	
Sub-Total	21,553,459		3,186,931	22,670,180	19,859,323	
Supply Of Services						
5. P.E	4,775,000		2,865,000		1,910,000	
Sub-Total						
Grand Total	29,286,388		10,919,860	23,118,219.00	22,874,137.00	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	5,000,000	0	0	5,000,000
Buildings And Structures	27,000,000	0	0	27,000,000
Motor Vehicles(1 Bus kbj 495U 51 seater)	6,000,000	0	0	2,850,000
Office Equipment, Furniture And Fittings	1,600,000	0	0	1,600,000
Electricity generator	1,600,000	0	0	1,200,000
Borehole	700,000	0	0	700,000
Water Tanks(3)	1,800,000	0	0	1,800,000
Plastick Water tanks(8)	528,000	0	0	528,000
Deep freezer(1)	45,000	0	0	45,000
Student television	70,000	0	0	70,000
Water Dispensors(8)	200,000	0	0	200,000
Slashers	10,000	0	0	10,000
Copy printer	450,000	0	0	450,000
ICT Equipment	250,000	0	0	250,000
Intangible Assets- Soft Ware	250,000	0	0	250,000
Total				

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