

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 20 FEB 2015 DAY: THURSDAY

OF

TABLED BY: Hon. Naomi Wago
Deputy Majority Whip
CLERK AT THE TABLE: Imogen Mwale

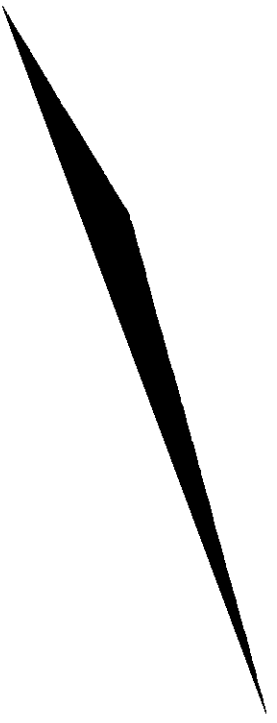
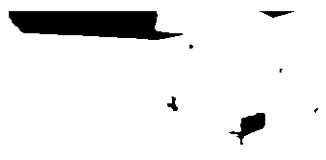
THE AUDITOR-GENERAL

ON

COULSON SECONDARY SCHOOL

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

NAKURU CO



Revised 30th June 2023.



Coulson Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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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 Nakuru County, Gilgil Sub-County.

The school was registered in March/2021 under registration number 32S30000248 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 225 number of students as at 30th June 2023. It has One stream and 10 teachers of which 3 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. George Kimiti K	Chairman	27/6/2022
2	Mr. Peter Ng'ang'a	Secretary - Principal	"
3	Mrs. Maximillah Indimu	Member	"
4	Mr, Dominic Mbugua	Member	"
5	Mr. John Muira	Member	"
6	Mrs. Alice W, Kariuki	Member	"
7	Mr. John Kiruri M.	Member	"
8	Eng. Edgar sirima	Member – Rep CEB	"
9	Mr. Fred Obegi	Member Rep Teachers	"
10	Bishop Patrick Kiiru	3 Members - Sponsor	"
11	Mr. John Muriu	"	"
12	Mrs. Celine m. salaash	"	"
13	Mrs. Jane Njeri	Member - Community	"
14	Ms. Beth W. Maina	Member Special Needs	"
15	Lemagiri olesaranja	Rep Students	"

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.Mr.George Kimiti 2.Mr, peter Ng'ang'a 3. Mrs.maximillah Indimu 4. Bishop Patrick kiiru	Chairman secretary treasurer PA	3 out of 4
2	Audit Committee	Mr. George Kimiti Ms. Beth W Maina Mr. Peter Ng'ang'a Mr. John M. Kiruri		3 out of 4
3	Finance,procurement and general purposes Committee	Mr. George Kimiti Mrs. Maximillah Idimu		

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

		Mr. Peter Ng'ang'a		
4	Academic Committee	Mr. Peter Ng'ang'a Mrs. Celine salaash Mr.Dominic Mbugua Mr. Fred obegi Lemagiri Olesaranja		
5	Development Committee	Eng. Edgar sirima Bishop Patrick Kiiru Mr. Peter Ng'ang'a Mrs Alice W. Kariuki		
6	Discipline and welfare Committee	Mr. George kimiti Mrs. Jane Njeri Mr. Dominic Mbugua Mr.John Muira Mr. Peter Ng'ang'a		
7	Adhoc Committee (if any during the year)	Mr. John muira Mrs maximillah Indimu Eng. Edgar sirima Mrs. Celine salaash Mr. George Kimiti Mr. Peter Ng'ang'a		

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr. Peter Ng'ang'a	TSC No.375620
2	Deputy Principal	Mr. Duncan W. Maina	TSC No.240584
3	School Bursar	Ms. Eunice W. Kamau	ICPAK No.
4	Other (specify)		

(e) Schools contacts

Post Office Box: 29- 20116 Gilgil
Telephone: 0742060472/ 0722689279
E-mail: coulsonss@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The following four bank accounts were operated by the school;

1. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account No. 1139705091.
2. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account No. 1139704575.
3. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account No. 1139704303.
4. Name of Bank: Kenya Commercial Bank
Branch: Gilgil
Account No. 1279957190.

(g) Independent Auditors

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

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

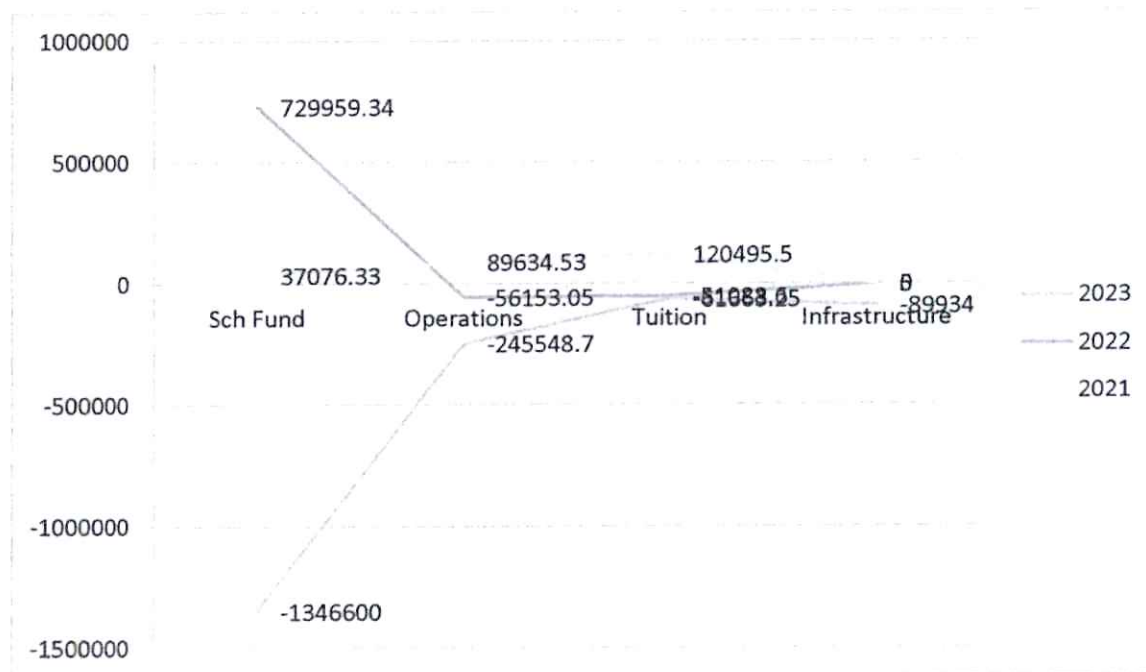
3. Summary Report of Performance of the School

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

a) Financial performance:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
SNO	ACCOUNTS	2023	2022	2021
		Kshs	Kshs	Kshs
1	School Fund Account	(1,346,600)	729,959.34	37,076.33
2	Operations Account	(245,548.70)	(56,153.05)	89,634.53
3	Tuition Account	(61,663.25)	(51,088.60)	120,495.50
4	Infrastructure Account	(89,934.00)	-	-
	TOTAL	(1,743,745.95)	622,717.69	247,206.36

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS

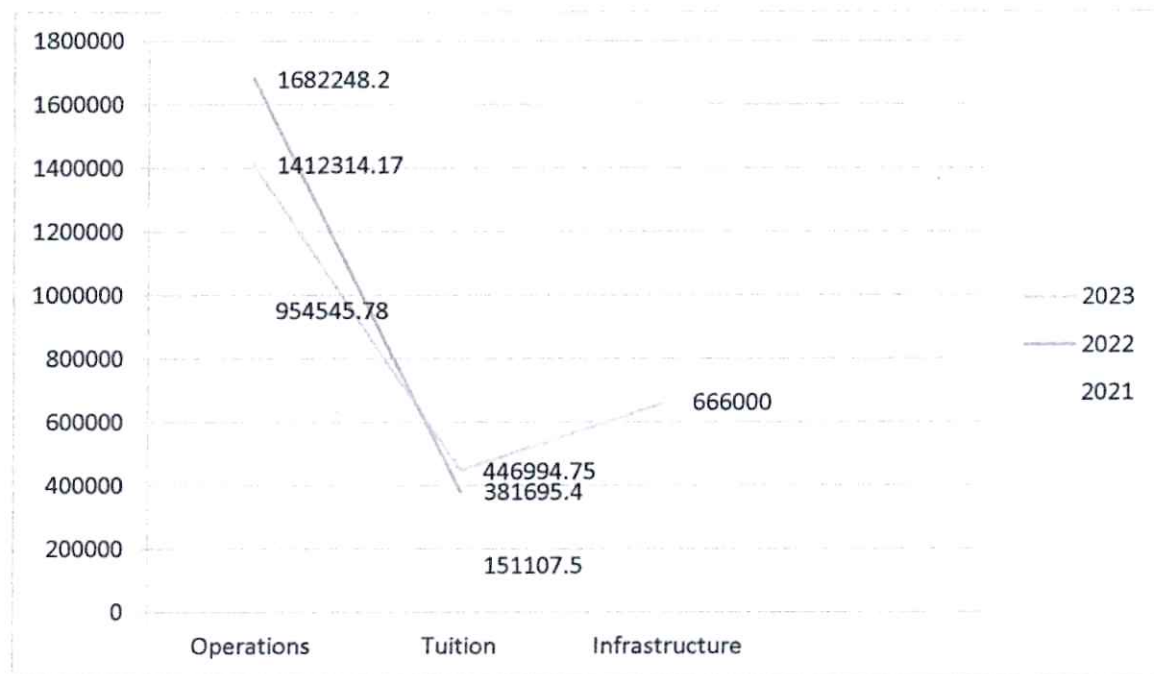


CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

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

SNO	ACCOUNTS	2023 KSHS	2022 KSHS	2021 KSHS
1	Operations Account	1,412,314.17	1,682,248.20	954,545.78
2	Tuition Account	446,994.75	381,695.40	151,107.50
	Infrastructure Account	666,000.00		
	Total	2,525,308.92	2,063,943.60	1,105,653.28

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

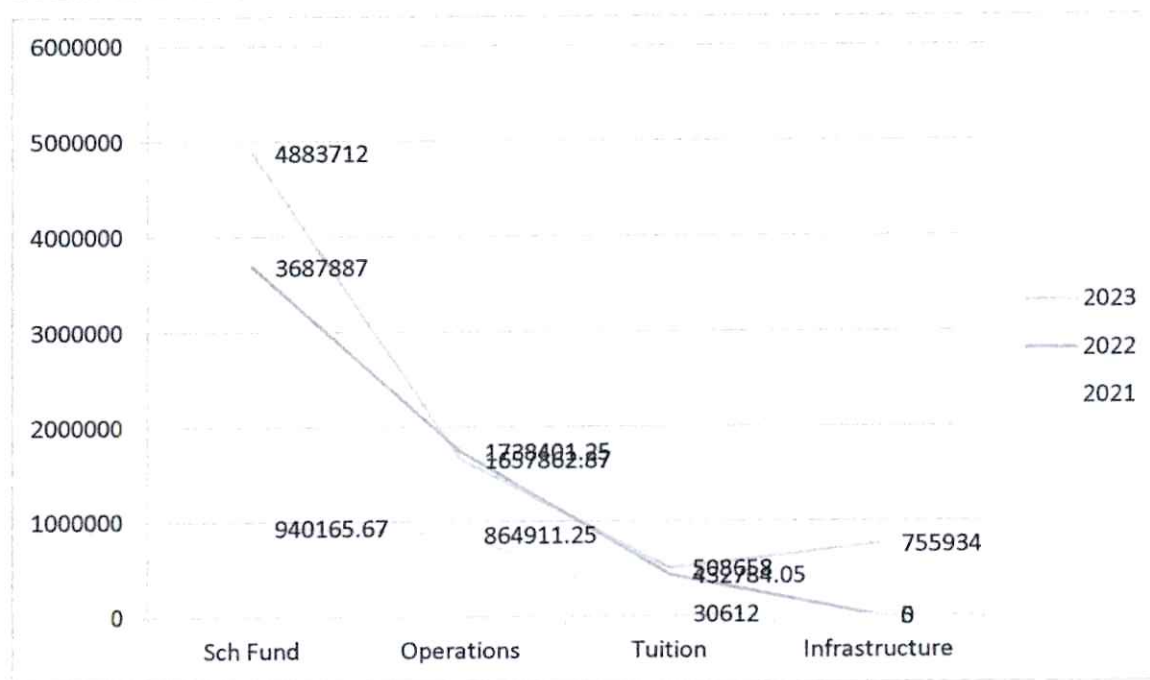


OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

SNO	ACCOUNTS	2023 Kshs	2022 Kshs	2021 Kshs
1	School Fund Account	4,883,712.00	3,687,887.00	940,165.67
2	Operations Account	1,657,862.87	1,738,401.25	864,911.25
3	Tuition Account	508,658.00	432,784.005	30,612.00
4	Infrastructure Account	755,934.00		
	Total	7,806,166.87	5,859,072.25	1,835,688.92

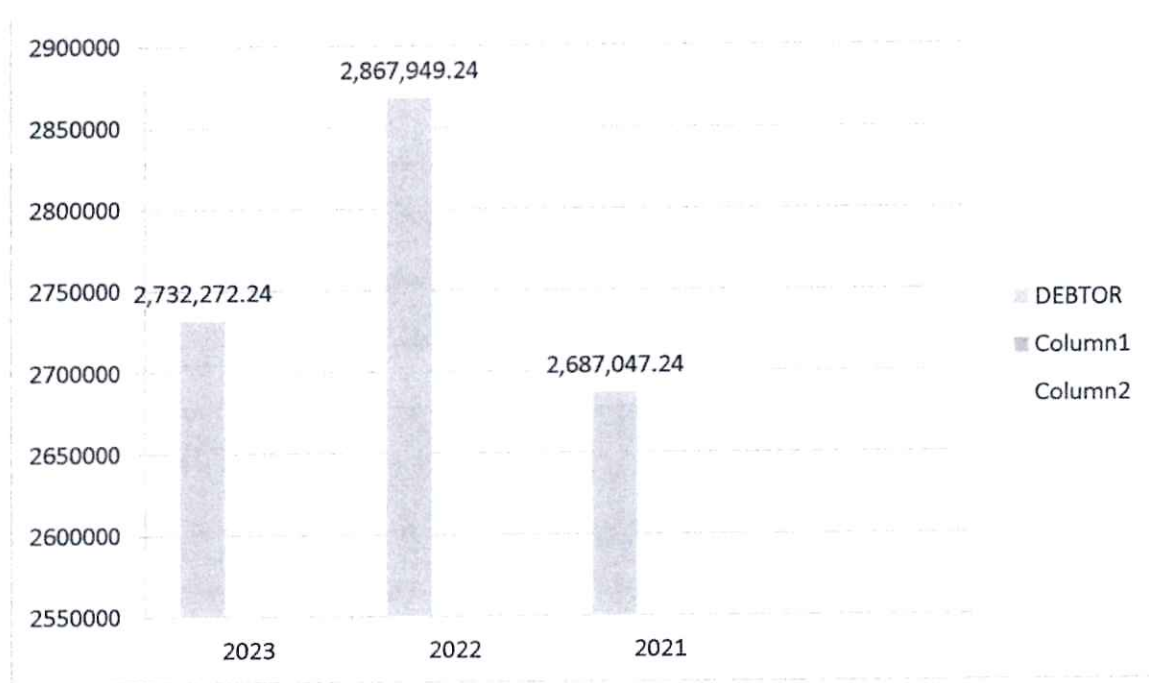
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL



MOVEMENT OF DEBTORS OF THE SCHOOL

SNO	ACCOUNTS	2023	2022	2021
1	School Fund	KSHS	KSHS	KSHS
a	Debtors	2,732,272.24	2,867,949.24	2,687,047.24
	Total	2,732,272.24	2,867,949.24	2,687,047.24

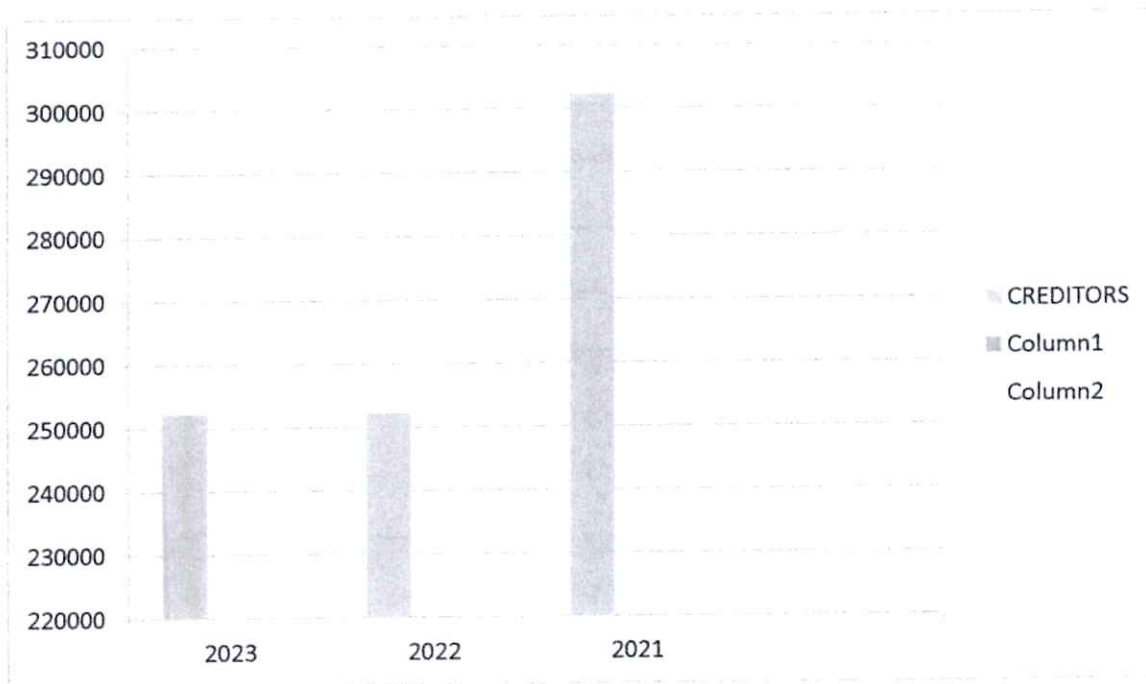
MOVEMENT OF DEBTORS OF THE SCHOOL



MOVEMENT OF CREDITORS OF THE SCHOOL

SNO	ACCOUNTS	2023	2022	2021
1	Description	KSHS	KSHS	KSHS
a	Creditors	252,359.00	252,359.00	302,359.00
	Total	252,539.00	252,359.00	302,359.00
	Increase/Decrease	0	(50,000)	(372,453)

MOVEMENT OF CREDITORS OF THE SCHOOL



b) Teacher Student ratio:

The teacher to student ratio is 23:1. The number of teachers recruited in the year ending 31/6/2023 is zero. The teaching staff was 7(seven) which was a total of 3 (three) males and 4 (four) female. The school has 3 (three) BOM teachers.

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

S/ No.	SUBJECT	No. OF TEACHERS
1	ENGLISH	1
2	KISWAHILI	1
3	MATHEMATICS	1
4	BIOLOGY	2
5	PHYSICS	2
6	CHEMISTRY	2
7	C.R.E	0
8	HISTORY	1
9	GEOGRAPHY	1
10	AGRICULTURE	1
11	BUSINESS STUDIES	1

The subjects with shortages are as follows;

S/No.	SUBJECT
1	CRE
2	MATHEMATICS
3	ENGLISH

c) Mean score in the 2023 KCSE:

YEAR	No. OF CANDIDATES	MEAN SCORE	TRANSITION	REMARKS
2020	14	3.43	8	Performance was below school target of 4.0. The decline was due to indiscipline issues
2021	20	3.55	12	The performance was slightly below school target of 4.00. this was attributed to low entry mark for some students.
2022	36	3.86	21	There was an improvement in performance which was due to the hard work and cooperation of students and teachers.

d) Number of Candidates in the 2023 KCSE:

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

YEAR	2020	2021	2022
BOYS	14	16	27
GIRLS	0	5	9
TOTAL	14	20	36

e) Capacity of the school:

<i>FACILITY</i>	<i>CAPACITY</i>	<i>ACTUAL NO. OF STUDENTS</i>	<i>RATIO TO STUDENTS</i>	<i>SHORTFALL</i>
CLASSROOM	5	222	1:45	0
LABORATORY	3			
COMPUTER LAB	0			
LIBRARY	0			
BOYS LATRINES	8	152	1:20	1
GIRLS LATRINES	4	70	1:15	2

CQULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
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f) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
COMPLETION OF DEPARTMENTAL OFFICES AND PART OF DINING HALL	MOEST	COMPLETED	750,000.00	750,000.00	

PETER NG'ANG'A(Mr)

School Principal




4. Statement of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 20XX, and of the school's financial position as at that date.


.....

Name: George Kimiti
Designation: Chairman, School Board of Management
Date:

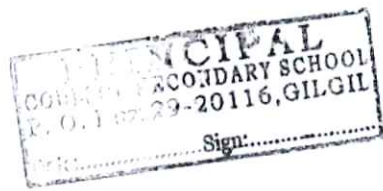

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Name: Peter Ng'ang'a
Designation: School Principal & Secretary to Board of Management
Date: 20/5/24



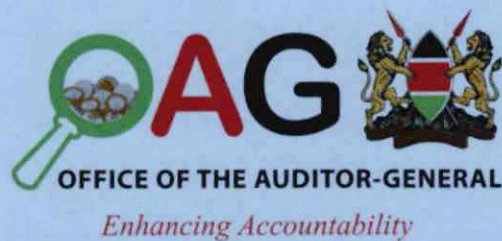

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Name: Eunice W. Kamau
Designation: Bursar/ Finance Officer
Date:



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 COULSON SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NAKURU COUNTY

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Coulson Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows, statement

of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Coulson Secondary School as at 30 June, 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. Inaccuracy of Cash and Cash Equivalents

The statement of financial assets and liabilities reflects a negative cash and cash equivalents balance of Kshs.478,746 as disclosed in Notes 10 and 11 to the financial statements. However, the following discrepancies were made: -

1.1 Tuition Account

Note 10 reflects tuition account balance of Kshs.21,088. However, the cashbook was not updated as at 30 June, 2023 and was therefore incomplete. It was therefore not possible to confirm the cashbook bank balance. The closing balances had not been ruled and checked for accuracy.

1.2 Infrastructure Account

Note 10 reflects infrastructure account balance of Kshs.383,016. However, the cashbook balance was incomplete and therefore it was not possible to confirm the cashbook bank balance as at 30 June, 2023.

1.3 Overdrawn (Negative) Cashbook Balances

The statement of assets and liabilities reflects negative Kshs.485,932 and Kshs.7,186 in respect to bank balances and cash balances as disclosed in Note 10 to the financial statements. This balance includes a negative cashbook balance of Kshs.1,151,391 in respect to school fund account. The overdrawn cashbook balance recorded as an asset represents incorrect offsetting of assets and liabilities.

1.4 Non-Disclosure of Cash in Hand Bank Details

Note 11 reflects cash in hand balance of Kshs.7,186. However, the name of the bank account that relates to the cash in hand balance was not disclosed for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of negative Kshs.478,746 could not be confirmed.

2. Inaccuracy in the Statement of Budgeted Versus Actual Amounts

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

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

	Original Budget (Kshs.)	Final Budget (Kshs.)	Actual on Comparable (Kshs.)	Budget Utilization (Kshs.)	Correct Amount (Kshs.)	Variance (Kshs.)
Receipts						
Capitation Grants on Tuition (Subtotal)	N/A	N/A	N/A	140,007	139,707	(300)
Capitation Grants on Operations (Subtotal)	N/A	N/A	1,412,314	N/A	1,322,314	(90,000)
Fees Charged on Parents (Subtotal)	N/A	N/A	3,254,749	N/A	3,537,112	282,363
Fees Charged on Parents (Subtotal)	N/A	N/A	1,738,389	N/A	3,452,052	1,713,663
Grand Total Income	N/A	N/A	6,062,421		5,780,058	282,363
Grand Total Income	N/A	N/A	N/A	4,408,354	2,694,354	1,714,000
Expenditure						
Tuition (Subtotals)	N/A	N/A	N/A	78,344	65,464	(12,880)
Expenditure for School Fund (Subtotals)	6,711,301	N/A	N/A	N/A	6,989,501	278,200
Expenditure for School Fund (Subtotals)	N/A	6,711,301	N/A	N/A	6,989,501	278,200
Expenditure for School Fund (Subtotals)	N/A	N/A	4,704,959	N/A	4,883,712	178,753

Expenditure for School Fund (Subtotals)	N/A	N/A	N/A	2,006,342	2,105,789	99,447
Total Expenditure	N/A	0	N/A	N/A	10,192,575	10,192,575

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

	Budget Utilization Difference	Correct Amount	Variance
	(Kshs.)	(Kshs.)	(Kshs.)
Receipts			
Lab Equipment	2,236	2,536	300
Local Transport/ Travelling	(11,663)	78,333.12	89,996
Fees Charged on Parents (Subtotal)	1,738,389	3,734,752	1,996,363
Expenditure			
Internal Exams	1,860	(16,500)	(18,360)
Chalks	0	12,880	12,880
Total Expenditure	2,566,865	(7,625,710)	(10,192,575)

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

3. Failure to Prepare Bank Account Reconciliations

The statement of financial assets and financial liabilities reflects a negative cash and cash equivalents balance of Kshs.478,746 as disclosed in Notes 10 and 11 to the financial statements. Review of records revealed that the school did not prepare the standard bank reconciliation statements for operation, infrastructure, boarding and school fund and tuition accounts. The school prepared reconciliation on the face of the cash book and did not attain the threshold of a bank reconciliation statement. The school did not prepare board of cash survey certificate to confirm the reported cash balances. Further, the school did not provide bank confirmation certificates to enable confirmation of bank balances

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of negative Kshs.478,746 could not be confirmed.

4. Non-Disclosure of Inventory in the Financial Statement

Other important disclosures in the notes to the financial statements include stock/inventory, for which no monetary value was provided. This is despite the school having well-documented stock list reports for stationeries, foodstuffs, and lab consumables. Non-disclosure of stock balances contradicts Section 81(3) of the Public Finance Management Act, 2012 which states that the Accounting Officers for a national government entity should prepare the financial statements in a form that complies with

the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

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

5. Long Outstanding Receivables

The statements of financial assets and financial liabilities reflects accounts receivables balance of Kshs.2,732,272 as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.1,673,441 which have been outstanding for more than (3) three years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the outstanding receivables balance of Kshs.2,732,272 could not be confirmed.

6. Incomplete Assets Register

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

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects a final receipts budget and actual on a comparable basis of Kshs.10,470,775 and Kshs.6,062,421 respectively, resulting to an under-funding of Kshs.4,408,354 or 42 % of the budget. However, the School spent a balance of Kshs.4,704,959 against actual receipts of Kshs.6,062,421, resulting to an under-utilization of Kshs.1,357,462 or 22% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Basis for Conclusion

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

During the year under review, Management submitted the financial statements to the Auditor-General on 23 May 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, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. Blank pages were noted on pages labeled Roman IV, VIII, and 1 of the financial statements;
- ii. The page labeled Roman IX is not visible as it has been overwritten;
- iii. The table header on page Roman X, titled "Overview of Growth in Expenditure of the School," is detached from the table content in the next page;
- iv. The page numbers from the statements of receipts and payments to annexes are arranged out of sequence.
- v. On page 20, the title "Annual Report and Financial Statements for the Year Ended 30 June, 2022" is incorrect. The financial year end is 30 June, 2023; and
- vi. The amounts and balances are not rounded off to the nearest shilling.

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

3. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.252,359. However, included in the balance are trade payables balance of Kshs181,999 which had been outstanding for more than two (2) years. This was 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, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

4. Lack of Procurement Plan

The statement of receipts and payments reflects Kshs.6,062,421 and Kshs.7,806,167 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a

procurement plan for each financial year as part of the annual budget preparation process'.

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

5. Lack of an Approved Budget

The statement of receipts and payments reflects Kshs.6,062,421 and Kshs.7,806,167 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual budget as part of the annual budget preparation process. This was contrary to Section 68(2)(h) of the Public Finance Management Act, 2012 which states that 'an accounting officer shall prepare estimates of expenditure and revenues of the entity in conformity with the strategic plan'.

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

6. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments of operations amount of Kshs.1,657,863 and payments of boarding and school fund amount of Kshs.4,883,712 respectively as disclosed in Note 7 and 9 to the financial statements. Included in the expenditure is an amount of Kshs.378,300 from operations and Kshs.262,500 from boarding and school fund, totaling Kshs.640,800 transferred to the Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in the Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by the schools.

In the circumstances, value for the money transferred to KESSHA amounting to Kshs.640,800 could not be confirmed.

7. Lack of a Fixed Assets Register

Annex 2 to the financial statements reflects a summary of fixed assets register which includes land. However, the School did not maintain a fixed assets registers during the year under review, contrary to Regulation 143(1) of the Public Management (National Government) Regulations of 2015 which states 'that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws'. Further, Annex 2 to the financial statements did not have monetary values under historical cost brought forward, additions, disposals and historical cost.

In the circumstances, the ownership and valuation of the fixed assets could not be confirmed. Further, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, and 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. Lack of internal Audit Function and Audit Committee

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

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

2. Lack of Ownership Documents

Annex 2 to the financial statements reflect a summary of fixed assets register. However, the School did not possess the title deed for the land it occupies.

In the circumstances, the ownership of the land occupied by the School could not be confirmed

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the School's policies and procedures may deteriorate.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

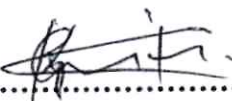
20 December, 2024

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

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

Description Of Vote Head	Note	2022 - 2023	2021 -2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	446,994.75	381,695.40
Government grants for operations	2	1,412,314.17	1,682,248.20
Government Grants for infrastructure	3	660,000.00	
School fund income- parents' contributions	4	3,537,112.00	4,417,846.34
Miscellaneous incomes	5		
Total Receipts		6,062,420.92	6,481,789.94
Payments			
Tuition	6	508,658.00	432,784.00
Operations	7	1,657,862.87	1,738,401.25
Infrastructure	8	755,934.00	
Boarding and school fund	9	4,883,712.00	3,687,887.00
Total Payments		7,806,166.87	5,859,072.25
Surplus/Deficit		(1,743,745.95)	622,717.69

The school financial statements were approved on _____ 2023 and signed by:


.....

Name: George Kimiti

Chair BOM

Date:

20/5/24


.....

Name: Peter Ng'ang'a (Mr)
School Principal/ Secretary to
BOM

Date:

20/5/24


.....

Name: Eunice W. Kamau
(Ms)

Bursar/ Finance Officer

Date:




COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

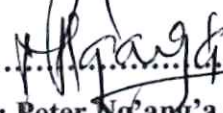
7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022 - 2023	2021 -2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	(485,932.09)	1,116,194.86
Cash balances	11	7,185.67	13,127.67
Short term investments	12		
Total cash and cash equivalent		(478,746.42)	1,129,322.53
Account's receivables	13	2,732,272.24	2,867,949.24
Total financial assets		2,253,525.82	3,997,271.77
Financial liabilities			
Accounts payables	14	252,359.00	252,539.00
Net financial assets		2,001,166.82	3,744,912.77
Represented by			
Accumulated fund b/fwd	15	3,744,912.77	3,122,195.08
Surplus/deficit for the year		(1,743,745.95)	622,717.69
Net financial position		2,001,166.82	3,744,912.77


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


 Name: George Kimiti

Chair BOM
 Date: 20/5/24


 Name: Peter Ng'ang'a (Mr)
 School Principal/ Secretary to
 BOM

Date: 20/5/24


 Name Eunice W. Kamau (Ms)
 Bursar/ Finance Officer

Date:

PRINCIPAL
 COULSON SECONDARY SCHOOL
 P. O. Box 29-20116, GILGIL
 Date: _____ Sign: _____

CÓULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

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

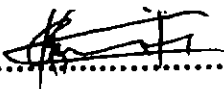
Description	Note	2022 - 2023	2021 -2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		446,994.75	381,695.40
Government grants for operations		1,412,314.17	1,045,248.20
Government grants for infrastructure		666,000.00	637,000
School fund income- parents contributions/ fees		3,672,789.00	4,417,846.34
Other income			
Total receipts		6,198,097.92	6,481,786.54
Payments			
Cash outflows for tuition		508,658.00	432,784.00
Cash outflows for operations		1,657,862.87	1,220,426.25
Cash outflows Boarding/lunch and school fund payments		4,883,712.00	3,687,887.00
Total payments		7,050,232.87	5,341,097.25
Net cash inflow/outflow from operating activities		(852,134.95)	1,140,689.29
Cash flow from investing activities			
Acquisition of assets		(755,934.00)	748,873.69
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(755,934.00)	748,873.69
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(1,608,068.95)	391,815.69
Cash and cash equivalent at beginning of the FY		1,129,322.53	737,506.84
Cash and cash equivalent at end of the FY		(478,746.42)	1,129,322.53

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

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

The school's financial statements were approved on _____ 2023 and signed by:

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023



.....

George Kimiti

**Chair,
Board of Management**

Coulson Sec School

Date: 20/5/24

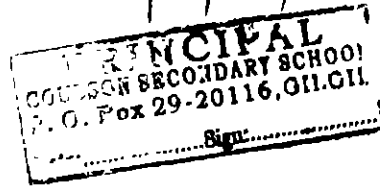

.....

Peter Ng'ang'a (Mr)

**Secretary,
Board of Management
/Principal**

Coulson Sec School

Date: 20/5/24




.....

Eunice Waithera Kamau (Ms)

Bursar

Coulson Sec School

Date:

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization Difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Reference Materials						
Exercise Books	211,200.00		211,200.00	105,651.70	105,548.30	50.02%
Laboratory Equipment	95,862.00		95,862.00	93,325.67	2,236.33	97.35%
Internal Exams	193,000.00		193,000.00	184,450.27	8,549.73	95.57%
Teaching / Learning Materials	74,060.00		74,060.00	63,567.11	10,492.89	85.83%
Dusters	12,880.00		12,880.00	0.00	12,880.00	0.00%
	587,002.00		587,002.00	446,994.75	140,007.25	76.15%
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	570,624.00		570,624.00	599,126.90	(28,502.90)	105.00%
Repairs And Maintenance	310,000.00		310,000.00	27,000.00	283,000.00	8.71%
Local Transport / Travelling	314,242.00		314,242.00	235,904.88	(11,662.88)	103.71%
Electricity And Water	206,000.00		206,000.00	47,336.88	158,663.12	22.98%
Medical	6,000.00		6,000.00	2,832.69	3,167.31	47.21%
Administration Costs	310,960.00		310,960.00	195,078.90	115,881.10	62.73%
Activity	278,200.00		278,200.00	215,033.92	63,166.08	77.29%
Gratuity						
	1,996,026.00		1,996,026.00	1,412,314.17	583,711.83	70.76%

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization Difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure						
Maintenance &Improvement MoE	898,246.00		898,246.00	666,000.00	232,246.00	74.14%
M&I parents' contribution	-		-	-	-	-
Economic Stimulus Programs	-		-	-	-	-
Transition Infrastructure Grants	-		-	-	-	-
	898,246.00		898,246.00	666,000.00	232,246.00	74.14%
(4) Fees Charged on Parents						
Personnel Emoluments	570,624.00		570,624.00	63,284.00	507,340.00	11.09%
Repairs And Maintenance	310,000.00		310,000.00	60,102.00	249,898.00	19.39%
Local Transport / Travelling	314,242.00		314,242.00	12,862.00	301,380.00	4.09%
Electricity And Water	206,000.00		206,000.00	108,673.00	97,327.00	52.75%
Medical	6,000.00		6,000.00	0.00	6,000.00	0.00%
Administration Costs	310,960.00		310,960.00	31,182.00	279,778.00	10.03%
Activity	278,200.00		278,200.00	6,260.00	271,940.00	2.25%
SMASSE						
Fee On Boarding Equipment and Stores	4,993,475.00		4,993,475.00	3,254,749.00	1,738,389.00	65.18%
	6,989,501.00		6,989,501.00	3,254,749.00	1,738,389.00	50.61%
5) Miscellenous Income						
Loans / Borrowing						
Rent income						
Income From Farming Activities						

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization Difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground and Equipment						
Interest Income						
Income From Any Other Investment						
Total Income	10,470,775.00		10,470,775.00	6,062,420.92	4,408,354.08	57.90%
<i>(6) Expenditure For Tuition</i>						
Textbooks						
Reference Materials						
Exercise Books	211,200.00		211,200.00	120,000.00	91,200.00	56.82%
Laboratory Equipment	95,862.00		95,862.00	106,000.00	(10,138.00)	110.58%
Internal Exams	193,000.00		193,000.00	209,500.00	1,860.00	97.49%
Teaching / Learning Materials	74,060.00		74,060.00	72,200.00	(16,500.00)	108.55%
Chalks	12,880.00		12,880.00	0	0	0.0%
Exams And Assessment						
Teachers Guides						
Administration Costs						
Bank Charges				958.00	(958.00)	0.0%
	587,002.00		587,002.00	508,658.00	78,344.00	86.65%
<i>(7) Expenditure For Operations</i>						
Personnel Emoluments	570,624.00		570,624.00	717,000.00	(146,376.00)	125.65%

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization Difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Repairs, Maintenance & Improvements	310,000.00		310,000.00	0.00	310,000.00	0.00%
Local Transport / Travelling	314,242.00		314,242.00	390,023.87	(75,781.87)	124.12%
Electricity, Water and Conservancy	206,000.00		206,000.00	56,650.00	149,350.00	27.50%
Medical	6,000.00		6,000.00	3,390.00	2,610.00	56.50%
Administration Costs	310,960.00		310,960.00	233,459.00	77,501.00	75.08%
Activity Expenses	278,200.00		278,200.00	257,340.00	20,860.00	92.50%
Gratuity						
SMASSE						
	1,996,026.00		1,996,026.00	1,657,862.87	338,163.13	83.06%
<i>(8) Expenditure For infrastructure</i>						
Completion of offices and hall	898,246.00		898,246.00	754,230.00	144,016.00	83.97%
Construction of LAB						
Construction of DORMS						
Purchase of furniture						
Purchase of equipment						
	898,246.00		898,246.00	754,230.00	144,016.00	83.97%
<i>(9) Expenditure For school fund/lunch/boarding</i>						
Personnel Emoluments	570,624.00		570,624.00	416,000.00	154,624.00	72.90%
Repairs, Maintenance and Improvements	310,000.00		310,000.00	171,270.00	138,730.00	55.25%
Local Transport / Travelling	314,242.00		314,242.00	538,400.00	(224,158.00)	171.33%

COULSON SECONDARY SCHOOL- PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization Difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	206,000.00		206,000.00	363,850.00	(157,850.00)	176.63%
Medical Expenses	6,000.00		6,000.00	0.00	6,000.00	0.00%
Administration Costs	310,960.00		310,960.00	282,938.00	28,022.00	90.99%
Activity	278,200.00		278,200.00	178,753.00	99,447.00	64.25%
Gratuity						
Lunch Programme	4,993,475.00		4,993,475.00	2,932,501.00	2,060,974.00	58.73%
Boarding Equipment and Stores						
Expenditure For Income Generating Activity						
Insurance Costs						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
	6,711,301.00		6,711,301.00	4,704,959.00	2,006,342.00	70.11%
Totals	10,192,575.00			7,625,709.87	2,566,865.13	74.82%

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

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 30th June 2023.

11. Notes to The Financial Statements

1 Government Grants for Tuition

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Reference Materials		42,943.39
Exercise Books	105,651.70	174,639.98
Laboratory Equipment	93,235.67	107,491.16
Internal Exams	184,450.27	34,503.34
Teaching / Learning Materials	63,567.11	22,117.53
Others (<i>specify</i>)*		
Total	446,994.75	381,695.40

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Personnel Emoluments	599,126.90	608,885.09
Repairs And Maintenance	27,000.00	637,000.00
Local Transport / Travelling	325,904.88	121,553.22
Electricity And Water	47,336.88	30,342.87
Medical	2,832.69	3,408.03
Administration Costs	195,078.90	111,358.66
Activity	215,033.92	160,200.33
Direct deposit		9,500.00
Total	1,412,314.17	1,682,248.20

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Maintenance & Improvement	666,000.00	
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (<i>specify</i>)(NGCDF and County govt.		
Total	660,000.00	

4 School Fund Income - Parents Contribution/Fees

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Personnel emoluments	63,284.00	131,393.00
Repairs and maintenance	60,102.00	89,373.00
Local transport / travelling	12,862.00	27,397.00
Electricity and water	108,673.00	185,988.00
Medical	-	
Administration costs	31,182.00	102,527.00
Activity	6,260.00	16,273.00
Fee on Boarding Equipment and stores	3,254,749.00	3,864,895.34
PA Levies*		
Others (specify)		
Total	3,537,112.00	4,417,846.34

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

5 Miscellaneous Incomes

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (specify)*		
Total		

(Include an explanation on the kind and source of grants/ donations received by the school.)

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

Notes to the Financial Statements (continued)

6 Tuition

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Exercise Books	120,000.00	197,400.00
Textbooks		48,540.00
Reference materials		
Laboratory Equipment	106,000.00	121,500.00
Teaching / Learning Materials	72,200.00	39,000.00
Exams And Assessment	209,500.00	25,000.00
Teachers Guides		
Bank Charges	958.00	1,344.00
Others (<i>specify</i>)		
Total	508,658.00	432,784.00

7 Operations

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Personnel Emoluments	717,000.00	535,985.00
Service Gratuity	-	
Administration Cost	233,459.00	98,026.45
Repairs And Maintenance & Improvements	-	306500.80
Local Transport / Travelling	390,023.87	107,000.00
Electricity And Water	56,650.00	26,710.00
Medical	3,390.00	3,000.00
Activity Expenses	257,340.00	141,020.00
Acquisition of Assets		517,975.00
Bank charges		2,184.00
Total	1,657,862.87	1,738,401.25

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Completion of hall and offices	754,230.00	
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Bank charges	1704.00	
Others (specify)		
Total	755,934.00	

9 Boarding and School Fund

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Personnel Emoluments	416,000.00	502,531.00
Service Gratuity	-	
Repairs And Maintenance & Improvements	171,270.00	99,465.00
Local Transport / Travelling	538,400.00	633,880.00
Electricity And Water	363,850.00	291,787.00
Medical Expenses	-	
Administration Costs	282,938.00	446,710.00
Lunch Programme	2,932,501.00	1,688,534.00
Activity	178,753.00	24,980.00
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others (specify)		
Total	4,883,712.00	3,687,887.00

(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

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Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022 - 2023	2021 - 2022
	Active/Dormant		Kshs	Kshs
Tuition Account			21,088.15	82,751.40
Operations Account			261,354.55	6,022.25
School Fund Account/Boarding			(1,151,390.79)	554,471.21
Savings Account			-	
Parent Association Development Account			-	
Income Generating Activities Account			-	
Infrastructural Account			383,016.00	472,950.00
Total			(485,932.09)	1,116,194.86

11 Cash In Hand

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Notes and Coins	7,185.67	13,127.67
Total	7,185.67	13,127.67

12 Short Term Investments

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

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Fees Arrears	2,732,272.24	2,867,949.24
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	2,732,272.24	2,867,949.24

13 b Ageing Analysis of Accounts Receivable

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	355,390.00	13.01%	437,442.00	%
Between 1- 2 years	437,442.00	16.01%		%
Between 2-3 years	262,998.50	9.74%		%
Over 3 years	1,673,440.74	61.24%	2,430,507.24	%
Total (should tie to note 13 a)		100.00%	2,867,949.24	%

14 Accounts Payable

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	252,359.00	252,359.00
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	252,359.00	252,359.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years	252,359.00		252,359.00	
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	252,359.00		252,359.00	

15 Fund Balance Brought Forward

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Bank Balances	1,116,194.86	767,075.26
Cash Balances	13,127.67	(29,568.42)
Short Term Investments	-	
Receivables	2,867,949.24	2,687,047.24
Payables	252,359.00	(302,359.00)
Total	3,744,912.77	3,122,195.08

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

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

17 Biological assets

Description	Numbers	2022 - 2023	2021 - 2022
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

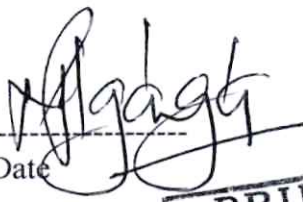
(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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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.

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


 Sign and Date
 Principal

PRINCIPAL
 COULSON SECONDARY SCHOOL
 P. O. Box 29-20116, GILGIL
 Date: 20/5/24

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12. 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	
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
2. Stan Bookshop				179,349.00		
3. Bendac Enterprise				2,650.00		
4. Shepherd Butchery				22,000.00		
5. Njomoki Enterprise				28,105.00		
6. Grace W. Kimani				6,790.00		
Sub-Total				238,894.00		
Supply Of Services						
7. Stima support				2,965.00		
8. Gilco Supplies co. ltd				10,500.00		
Sub-Total				13,465.00		
Grand Total				252,359.00		

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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	1			
Buildings And Structures	20			
Motor Vehicles	0			
Office Equipment, Furniture And Fittings	250			
Textbooks	400			
ICT Equipment	4			
Tools And Apparatus	500			
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

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