REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

WERU SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

NYANDARUA COUNTY

Revised 30th June 2023

WERU SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2023

Prepared in accordance with the CashBasis of Accounting Method under the International Public Sector Accounting Standards (IPSA)

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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

FY: Financial Year

FDSE :Free Day Secondary Education

2. Key School Information And Management

WERU SECONDARY SCHOOLSCHOOL

Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in **Nyandarua County, Nyandarua west Sub-County.**

The school was registered in **March(03)/2016**under registration number **18-S-0030-0359** and is currently categorized as a **Sub County school** established, owned or operated by the Government.

The school is a Mixed Day school and had **891 student year 2023.**

It has**5** streams and **33 TSC** teachers, 10 teachers employed by the School Board of Management. A total of 43 teachers

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. Kariuki Njung'e	Chairman-Rep Parents local community	11/05/2022
2	Mr. Francis G. Kamau	Secretary - Principal	11/05/2022
3	Mrs. Jane Kathure Muthuri	Teacher	11/05/2022
4	Mr. Peter Ithondeka	Member – Rep Parents/Local community	11/05/2022
5	Mrs. Josephine T.Nditrangu	Member – Rep Parents/Local community	11/05/2022
6	Mr. Simon Gachigua	Member – Rep Parents/Local community	11/05/2022
7	Mrs. Serah Waithanji	Member – Rep Parents/Local community	11/05/2022
8	Mr. Titus Karoki	Member – Co-opted	11/05/2022
9	Mrs.Ann Wangari M.	Member – Rep persons with special needs	11/05/2022
10	Mrs. Margaret M. Mungai	Member – Rep CEB	11/05/2022
11	Mr. George Mwangi M	Member – Rep Sponsor	11/05/2022
12	Mrs. Rose Gachogu	Member – Rep Sponsor	11/05/2022
13	MR. Peter Kariuki King'ai	Member – Rep Special Interest group	11/05/2022
14	Mr. Peter N. Gicheru	Member - Co-opted	11/05/2022
15	Mrs. Ann Wanyiri Kahiga	Member - Co-opted	11/05/2022
16	Ms. Ann Wairimu Kihoi	Member – Co-Opted	11/05/2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

Promote the best interests of the school and ensure its development.

Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013

Ensure and assure the provision of proper and adequate facilities for the school

Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.

Advise the County Education Board on the staffing needs of the school.

Determine cases of students' discipline and make reports to the CEB

Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB

Administer and manage the resources of the school

Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule paragraph 21 and 23 of the Basic Education Act, 2013.

Committees of the Board

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Kariuki Njung'e	Chairman	4 OUT OF 6
		Mr. Francis G. Kamau	Secretary/Principal	
		Mr. Peter Kariuki	Member	
		Mr. Simon Gachigua	Member	
		Mr. Josphine Ndirangu	Member	
3	Finance, procurement and general-purpose Committee	Mr. Francis Maina D/P	Chairman	1 OUT OF6
		Mr. J. Kimani Bursar	Bursar	
		Ms. Esther Wabhui	Store	
		Mr. Paul Njuguna	H.O.D Games Master	
		Mrs. Lucy Wangui	H.O.D Humanities	
		Mr. Jackson Macharia	H.O.D Sciences	

4	Development Committee	Mr. Simon Gachigua	Chairman	
		Mr. Francis G. Kamau	Sec./Principal	
		Mr. Kariuki Njung'e	BOM Chairman	3 OUT OF 6
		Mr. Peter kariuki	PTA Chairman	
		Mr.Karoki Wachira	Member	
		Mrs. Josphine Ndirangu	Member	
5	Academic Committee	Mr. Kariuki Njung'e	Chairman	
		Mr. Francis G. Kamau	Secretary	
		Mrs. Jane Kathure	Member	
		Dr. Peter Ithondeka	Member	3 OUT OF 6
		Mrs. Rose Gachogu	Member	
		Mrs. Damaris Mwai	Member	
		Mr. Francis Maina	Member	
		Mr. Peterson Kariuki	Member	
		Mrs Peninnah Waigwa	Member	
6	Discipline and Human Rights	Mr. Kariuki Njung'e	Chairman	
		Mr. Francis G. Kamau	Secretary	
		Mr. Francis Maina	D/Principal	
		Mr. Ann Wanjiru K	Member	3 OUT OF 6
		Ms. Srah Waithanji	Member	
		Mr. Peter Ng'ang'a	Member	
		Mr.Francis Maina	Member	
		Mrs. Damaris Mwai	Member	
		Mr.Jackson Macharia	Member	

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

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	TSC Number
1	Chief Principal	Francis G. Kamau	254522
2	Deputy Principal-Administration	Francis Maina	361216
3	Deputy Principal-Academics	Damaris Mwai	347249
4	School Finance Officer	J. K. Kimani	I.D 6438823

Schools contacts

Post Office Box: 262 Oljoro Orok

Mobile Number: 0759600040

E-mail: Werusecondaryschool@gmail.com

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

School Bankers

The school operated 5 number of bank accounts and 1 pay bill number as follows.

Name of Bank:	KCB
Branch	OL KALOU
Account	1102149098

Name of Bank:	Equity
Branch	Nyahururu
Account	0160299069324

Name of Bank:	KCB
Branch	OL KALOU
Account	1254709886

Name of Bank:	KCB
Branch	OL KALOU
Account	1204995060
Name of Bank	KCB
Branch	OLKALOU
Account	1102152056

Mpesa Pay Bill No. Business Number 522123

Account Number 28633K

Attached to bank account

1102149098

Independent Auditor

Office of the Auditor General

Anniverary Towers, University Way

P.O Box 30084

GPO 00100

Nairobi, Kenya

3. Summary Report Of Performance Of The School

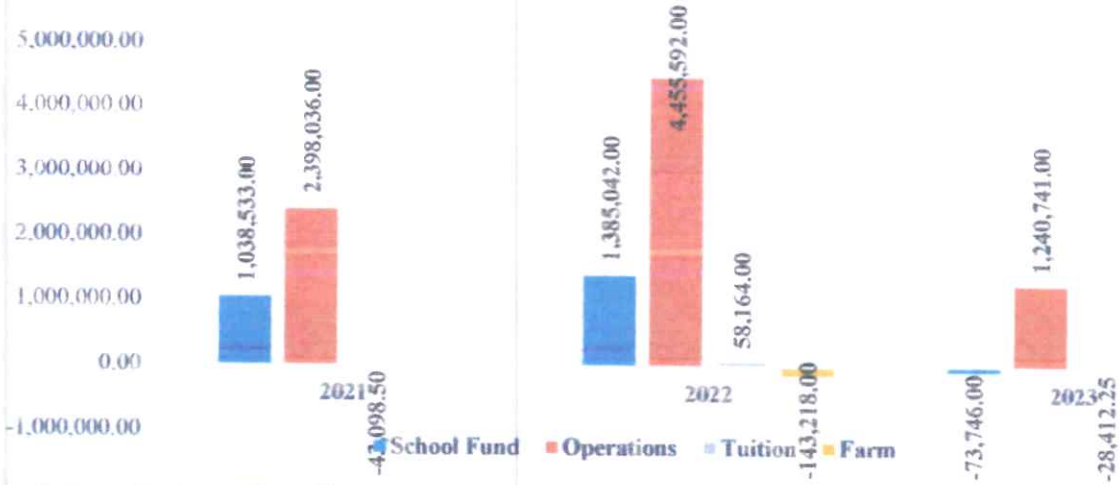
The following is a summary report of the performance of the school against the set performanceevaluation criteria:

Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st June 2022 to 30th June 2023 which covers a period of 12 months and other previous years.

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

SNO	ACCOUNTS	2023	2022	2021
		Kshs	Kshs	Kshs
1	School Fund Account	(73,746)	1,385,042	1,038,533
2	Operations Account	1,240,741	4,455,592	2,398,096
3	Tuition Account	(28412.25)	58,164	(43,099)
4	Farm Account	-	(143,218)	-
	TOTAL	1,138,582.75	5,755,580	3,393,470.50



Trend Over the Last Three Years

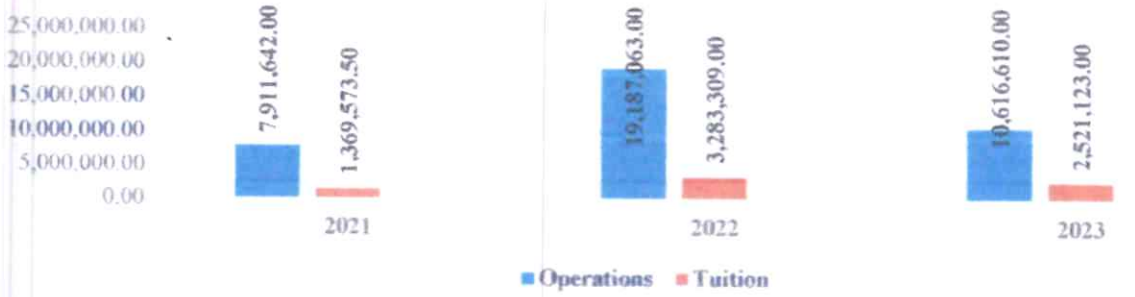
The surplus for the current year decreased as compared to 2022-2021 financial year.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

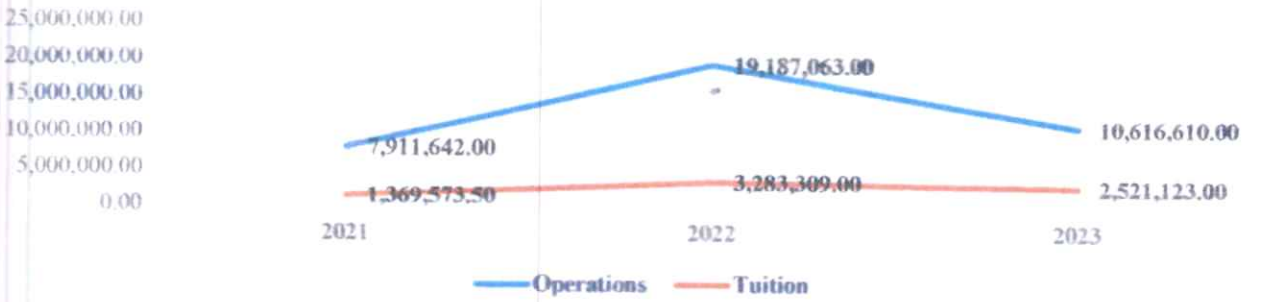
CAPTITATION GRANTS FOR YEAR 2023

SNO	ACCOUNTS	2023	2022	2021
			KSHS	KSHS
1	Operations Account	7,069,610	9,016,103	7,911,642
2	Tuition Account	2,521,123	3,283,309	1,369,574
	Total	**13,137,733**	**22,470,372**	**9,281,216**
	Increase/Decrease	**(9,332,639)**	**13,189,157**	**(3,426,886)**
	No of Students	891	926	948
	Ratio of Capitation per student	**1:14745**	**1:24266**	**1:9790**

Trend Over the Last Three Year



Trend Over the Last Three Years



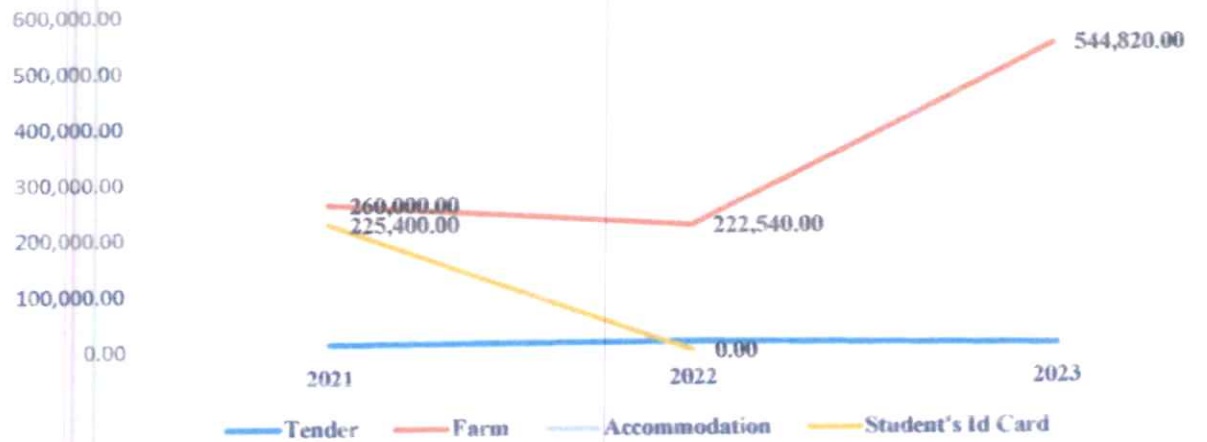
The total capitation grants for Financial year 2023 was 13,137,733 as compared to 22,470,372 in 2022 representing decrease of 9,332,599 .

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

SNO	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1	Tender	10,000	16,000	12,000
2	Farm	544,820	222,540	260,000
3	Accommodation		-	-
4	Students' Id card		-	225,400
	Total	**554,820**	**238,540**	**497,400**
	Increase/Decrease	**316,280**	**258,460**	**134,565**

Trend Over the Last Three Years

Trend Over the Last Three Years

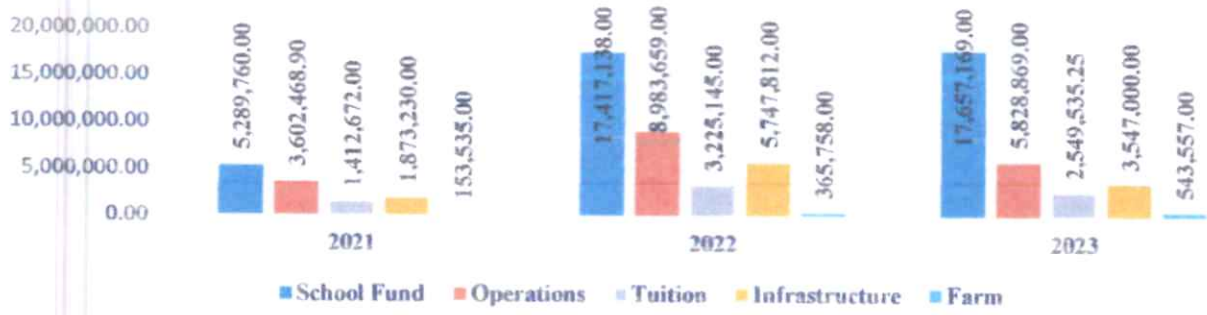


The net growth of other income generating activities for the financial year 2023 was Kshs316.280 as compared to Kshs 258,460 in the financial year 2022 .

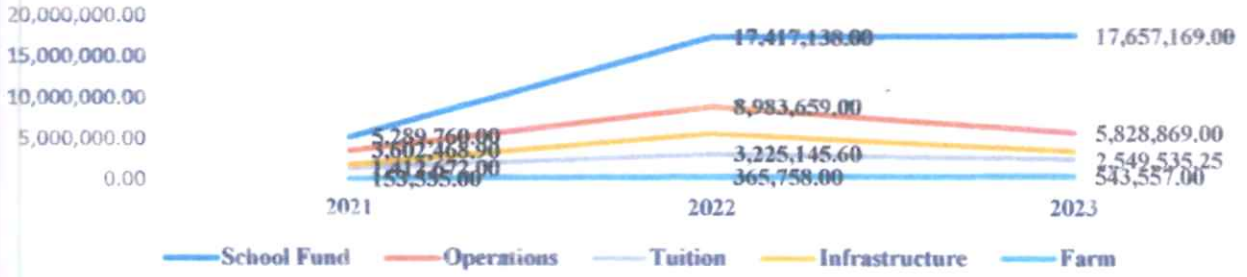
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

SNO	ACCOUNTS	2023	2022	2021
		Kshs.	Kshs	Kshs
1	School Fund Account	17,657,169	17,417,138	5,289,760
2	Operations Account	5,828,869	8,983,659	3,602,469
3	Tuition Account	2,549,535.	3,225,146	1,412,672
4	Infrastructure Account	3,547,000	5,747,812	1,873,230
5	Farm Account	543,557	365,758	153,535
	Total	**30,126,130**	**35,739,513**	**12,331,666**
	Increase/Decrease	**(5,613382.11)**	**23,407,847**	**(11,165,681)**

Trend Over the Last Three Years



Trend Over the Last Three Years

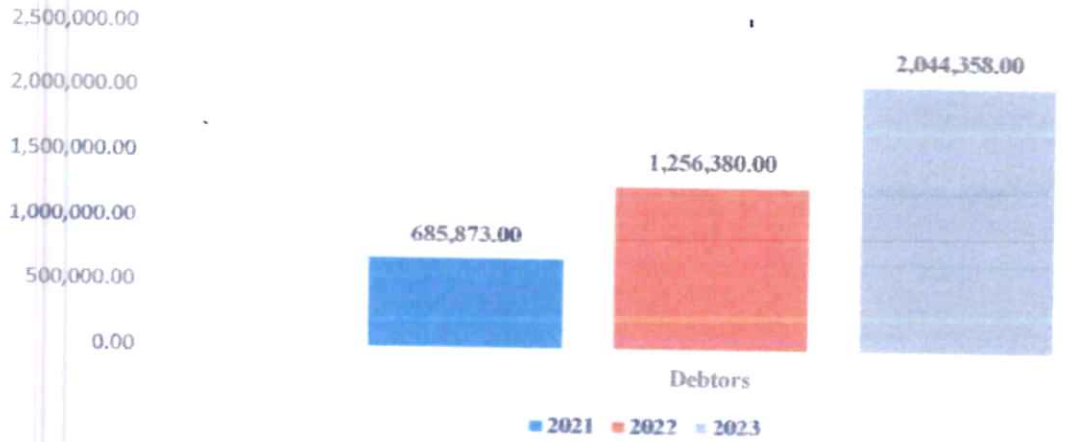


In the financial year 2023 shows a decrease in expenditure as compared to year 2022 except school fund account.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

SNO	ACCOUNTS	2023	2022	2021
1	**School Fund Account**			
a	Debtors	2,044,358	1,256,380	685,873
	Total	**2,044,358**	**1,256,380**	**685,873**
	Increase/Decrease	**767,978**	**(570,507)**	**(162,404)**

Trend Over the Last Three Years



Totaldebtorsas at 30th June 2023 increased as compared to 2022 and 2021 financial year. There has been a challenge in school fee payment.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOI

MOVEMENT OF CREDITORS OF THE SCHOOL

SNO	ACCOUNTS	2023	2022	2021
1	School Fund Account	Kshs	Kshs	Kshs
a	Creditors	663,880	696,802	149,200
	Total	**663,880**	**696,802**	**149,200**
	Increase/Decrease	**32,922**	**(309,142)**	**387,600**

Trend Over the Last Three Years

Total creditors as at 30th June 2023 decreased slightly as compared to previous year.

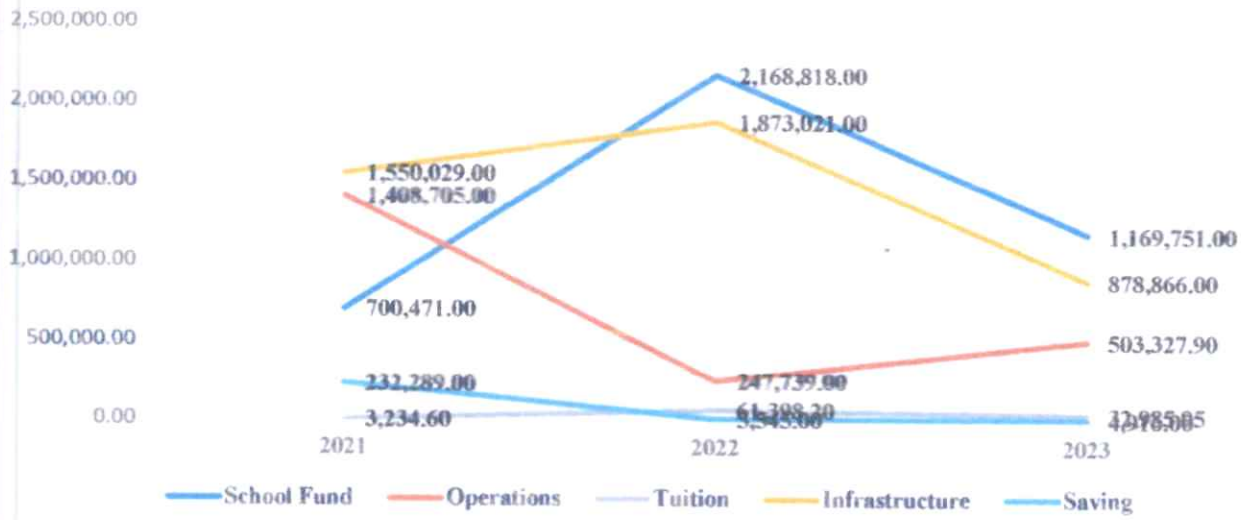
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

MOVEMENT OF CASH AND BANK BALANCES

SNO	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1	School Fund Account	1,169,751	2,168,818	700,471
2	Operations Account	593,328	247,739	1,408,705
3	Tuition Account	32,986	61,398.20	3,234
4	Infrastructure Account	878,866	1,873,021	1,550,029
5	saving Account	4,916	5,545	18,340
	Total	**2,679,847**	**4,356,521**	**3,894,729**
	Increase/Decrease	**(1,676,675)**	**461,793**	**3,378,771**

Trend Over the Last Three Years

Trend Over the Last Three Years



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Teacher Student ratio:

Between the month of July 2022 and June 2023, the status of the teaching staff is as follows:

There are 33 teachers posted by the Teachers Service Commission and10 recruited by the Board of Management. . We have a shortage of 19 teachers from the given CBE.

Mean score in the year 2021, 2022 and 2023 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2023	251	4.126	251	100%	4.1066	
2022	243	3.600	243	100%	5.1	
2021	198	4.331	243	81.5%	5.2	

Development projects carried out by the school:

Sno.	Project	Year	Status	Amount	Fund Source
1	1 Classroom units 2. Boys/Girls toilet 3.Roof painting and classrooms renovation. 4 .Teachers sanitations	2019-2020	COMPLETE	5,198,000	MAINTAINANCE/IMPROVEMENTS. G.O.K
2	Science lab and classrooms renovation.	2020	COMPLETE	3,600,000	MAINTAINANCE/IMPROVEMENT. G.O.K
3	Laboratory Water/gas system	2020-2022	COMPLETE	3,500,000	MAINTAINANCE/IMPROVEMENTS. G.O.K

	Library construction	2021-2022 2022-2023	NOT COMPLETE COMPLETE	3,500,000 4,540,000	MAINTAINANCE /IMPROVEMENT. G.O.K
5	2 Classes (CBC)	2021-2022	COMPLETE	1,600,000	MAINTAINANCE/ IMPROVEMENTS. G.O.K

.....	.....	.....
Kariuki Njung'e	**Francis G. Kamau**	**J.K. Kimani**
Chair,	**Secretary,**	
Board of Management /Principal	**Board of Management**	**Finance Officer**
Date: 11/9/24	**Date:** 11/9/24	**Date:** 11/9/24

4. Statement Of School Management Responsibility

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

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

The Board of Management of **Weru 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, 2022, and of the school's financial position as at that date.

.....	.....	.....
Kariuki Njung'e	**Francis G. Kamau**	**J. Kimani**
Chair,	**Secretary,**	
Board of Management	**Board of Management**	**Finance Officer**
/Principal		
Date: 11/9/24	**Date:** 11/9/24	**Date:** 11/9/24

REPUBLIC OF KENYA

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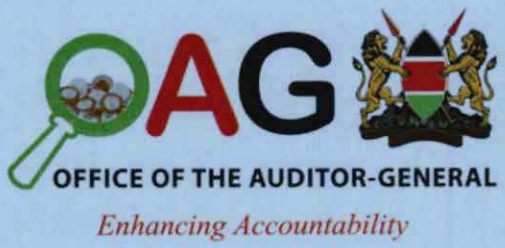

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WERU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NYANDARUA 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 the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Weru Secondary School - Nyandarua County set out on pages 1 to 29, which comprise of the statement of financial assets and liabilities as at 30 June, 2023 and the statement of receipts and payments,

statement of cash flows and statement of comparison of budget and 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 possible 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 Weru Secondary School - Nyandarua County 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. Variances between the Financial Statements and the Supporting Schedules

Review of the financial statements revealed components amounts were at variance with the corresponding amounts reflected in supporting schedules as detailed below;

Audit Components	Statement of Receipts and Payments (Kshs.)	Supporting Schedule (Kshs.)	Variance (Kshs.)
Receipts			
Capitation Grants for Tuition	2,521,123	2,421,123	100,000
Capitation Grants for Operations	7,069,610	10,616,612	(3,547,002)
Payments			
Payment for Infrastructure	4,541,173	1,659,884	2,881,289

Further, review of records in National Education Management Information System (NEMIS) revealed that Management expected to receive capitation from the Ministry of Education totalling Kshs.13,126,634. However, review of the bank statements revealed that Kshs.13,037,735 was receive in the bank resulting into un-explained variance of Kshs.88,899.

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

2. Inaccuracies in the Financial Statements

The financial statements presented for audit had the following inaccuracies;

(i) The statement of receipts and payments reflects comparative balance of Kshs.9,016,103 in respect to Government grants for operations which differed with corresponding balance of Kshs.6,043,642 disclosed in Note 2 to the financial

statements. The resulting variance of Kshs.2,972,461 has not been explained or reconciled.

(ii) Recalculation of Notes to the financial statements amounts revealed errors in two (2) Notes to the financial statements that have not been reconciled as detailed below;

Item	Note	Balance (Kshs.)	Re-casted Balance (Kshs.)	Variance (Kshs.)
Tuition	6	2,549,535	2,721,821	172,286
Boarding and School Fund	9	18,200,741	18,191,741	9,000

(iii) The statement of budgeted versus actual amounts reflects income final budget amount of Kshs.43,755,180 and actual of Kshs.32,258,901. However, a recast of the statement revealed income final budget of Kshs.30,949,040 and actual of Kshs.25,966,623, resulting to a variance of Kshs.12,806,140 and Kshs.6,292,278 which have not been reconciled. Similarly, the statement reflects expenditure final budget and actual of Kshs.36,454,360 and Kshs.31,120,318 respectively. However, a recalculation of the statement reflects final expenditure budget of Kshs.36,474,360 and actual of Kshs.30,913,736 resulting to a variance of Kshs.20,000 and Kshs.206,582 that have not been reconciled or explained.

(iv) The statement of assets and liabilities reflects accounts payable balances of Kshs.3,090,853 which as disclosed in Note 14 to the financial statements includes trade creditors balance of Kshs.2,129,997. However, review of Annex 1 to the financial statement reflects pending accounts payables balance of Kshs.663,880. The resulting difference of Kshs.1,466,117 has not been reconciled or explained.

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

3. Unsupported Cash and Cash Equivalents Balance

The statement of asset and liabilities reflects cash and cash equivalents balance of Kshs.2,680,127 which includes bank balances of Kshs.2,679,847 and cash in hand balances of Kshs.280 as disclosed in Note 10 and 11 to the financial statements respectively. However, the balances were not supported by the respective bank reconciliation statements and board of survey reports. Further, a recalculation of the statement of cashflows revealed a cash and cash equivalents balance of Kshs.3,838,210 resulting to unreconciled variance of Kshs.1,158,083.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.2,680,127 could not be confirmed.

4. Unsupported Student Accounts Receivables

The statement of asset and liabilities reflects account's receivables balance of Kshs.8,810,388 which as disclosed in Note 13 to the financial statements represents fee

arrears. However, no aging analysis and ledger details were provided to support the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the long outstanding accounts receivables – student debtors balance of Kshs.8,810,388 could not be confirmed

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Weaknesses in Stock Management

Review of store ledger and registers revealed an inventory totalling Kshs.101,790 were purchased during the year but were not received in the store ledger registers or taken on charge before issued to the respective user departments. This was contrary to Regulation 168 of the Public Procurement and Asset Disposal Regulations, 2020 states that, an Accounting Officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets by ensuring that they are received and taken on charge and that they are consumed in the course of public business and a record of the same is maintained.

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

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

The School transferred co-curricular funds totalling Kshs.1,640,420 to Kenya Secondary School Heads Association a private entity that is not subject to Public Finance Management Act, 2012 or any other public finance regulations. This was contrary to

Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 requires that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

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

3. Inaccuracies in Text books Records

Review of records revealed that the School expected to receive one thousand two hundred and ninety-two (1,292) text books and teachers guide during the financial year under review. However, the actual number of set books and teachers guide confirmed received was one thousand one hundred and thirty-six (1,136), the resulting variance of one hundred and fifty-six (156) books has not been explained or reconciled. This was contrary to Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer of a National Government entity to take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse and that movement and conditions of assets can be tracked and stock levels are at an optimum and economical level.

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

4. Inaccuracies of Students' Enrollment Data

The data regarding the number of students in the National Education Management Information System (NEMIS) against the enrolment record provided by the School revealed that one hundred and eighty-three (183) students were in school registers but were not enrolled in NEMIS, which resulted into underfunding of the school by an amount of Kshs.689,582 for the period ended 30 June, 2023. This is contrary to Ministry of Education Circulars dated 07 February, 2022 and 16 June, 2021 issued guidelines on implementation of Free Day Secondary Education (FDSE) requires that all learners to be registered in NEMIS the principals to ensure their records are accurate.

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 THE 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 matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weaknesses in Information Technology Internal Control System

Review of the School Information Technology (IT) Systems revealed that the School did not have an approved IT Policy for governance and management of its IT resources. Further, there was no ICT Steering Committee in place to assist in the development of IT Policy framework to enable the School to realize long-term IT strategic goals.

In the circumstances, existence of effectiveness of control measures for the IT System could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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 responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

27 September, 2024

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	2,521,123	3,283,309
Government grants for operations	2	7,069,610	9,016,103
Government Grants for infrastructure	3	4,541,173	5,156,000
School fund income- parents' contributions	4	17,582,175	18,592,293
Miscellaneous incomes Farm	5	544,820	222,540
Total Receipts		**32,258,901**	**36,270,245**
Payments			
Tuition	6	2,549,535	3,225,145
Operations	7	5,828,869	8,983,659
Infrastructure	8	4,541,173	4,853,500
Boarding and school fund	9	18,200,741	17,417,138
Total Payments		**31,120,318**	**34,479,442**
Surplus/Deficit		**1,138,583**	**1,790,803**

The school financial statements were approved on 11/09/23 2023 and signed by:

WERU SECONDARY SCHOOL
P.O. Box 262-20302,
SONGO-OROK
Tel: 0759 600040

.....	.....	.....
Name:	**Name:**	**Name:**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:**	**Date:**

7. Statement ofAssets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,679,847	4,356,521
Cash balances	11	280	896
Short term investments	12	-	-
Total cash and cash equivalent		**2,680,127**	**4,357,417**
Account's receivables	13	8,810,388	7,436,515
Total financial assets		**11,490,515**	**11,793,932**
Financial liabilities			
Accounts payables	14	(3,090,853)	(1,874,199)
Net financial assets		**8,399,662**	**9,919,733**
Represented by			
Accumulated fund b/fwd	15	7,261,079	8,128,930
Surplus/deficit for the year		1,138,583	1,709,803
Net financial position		**8,399,662**	**9,919,733**

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

WERU SECONDARY SCHOOL
P. O. Box 262-20302,
JOBO-OROK
Tel: 0759 600040

.....	.....	.....
Name:	**Name:**	**Name:**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:**	**Date:**

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	1	2,521,123	3,283,309
Government grants for operations	2	7,069,610	9,016,103
Government grants for infrastructure	3	4,541,173	5,156,000
School fund income- parents contributions/ fees	4	17,582,175	18,592,293
Other income farm	5	544,820	222,540
Total receipts		**32,258,901**	**36,270,245**
Payments			
Cash outflows for tuition	6	2,549,535	3,225,145
Cash outflows for operations	7	5,828,869	8,983,659
Cash outflow for infrastructure	8	4,541,173	4,833,500
Cash outflows Boarding/lunch and school fund payments	9	18,200,741	17,417,138
Total payments		**31,120,318**	**34,459,442**
Net cash inflow/outflow from operating activities	a	**1,138,583**	**1,790,803**
Cash flow from investing activities			
Acquisition of assets		(1,677,790)	(1,070,949)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	**719,854**

Cashflow from Financing activities		-	-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
		-	-
Net increase/decrease in cash and cash equivalents	c	**(1,677,790)**	**719,854**
Cash and cash equivalent at beginning of the FY		4,357,917	3,637,563
Cash and cash equivalent at end of the FY		**2,680,127**	**4,357,917**

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:

.....	.....	.....
Name:	**Name:**	**Name:**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 17/9/24	**Date:** 11/9/24	**Date:** 11/9/24

(Comparative FY refers to the financial year preceding the current Financial year.)

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	4,365,360.00	-	4,365,360.00	2,421,123.00	57.75%
Exams And Assessment	-	-	-	-	-
(2) Capitation Grant on Operations					
Personnel Emoluments	-		-	-	-
Repairs And Maintenance	996,400.00	-	996,400.00	468,900.00	47.06%

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
Local Transport / Travelling	997,600.00		997,600.00	518,900.00	53.08%
Electricity And Water	893.000.00		893.000.00	408,900.00	45.7%
Medical	1,316,000.00		1,316,000.00	90,900	6.9%
Administration Costs	913,680.00		913,680.00	458,900.00	50.20%
Activity	1,222,000.00		1,222,000.00	469,825.00	38.45%
Gratuity					
3) FDSE for infrastructure		-			
Maintenance &ImprovementMoE	4,735,000		4,735,000	3,547,000.00	74.91%
M&I parents' contribution	-		-	-	-
Economic Stimulus Programs	-		-	-	-
Transition Infrastructure Grants	-		-	-	-
Administration Block	-		-	-	-
(4) Fees Charged on Parents	-		-	-	-
Personnel Emoluments	-	-	-	-	-

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
Repairs And Maintenance	-				
Local Transport / Travelling	-				
Electricity And Water	-				
Medical	-				
Administration Costs	-				
Activity					
SMASSE					
Fee On Boarding Equipment and Stores	15,510,000	-	15,510,000	17,582,175	113.4%
5) Miscellenous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities	544,820.00				
Insurance Compensation					

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
Income From Posho Mill	xxx	xxx	xxx	xxx	x
Income From Bus Hire	xxx	xxx	xxx	xxx	x
Fee For Hire of Ground and Equipment	xxx	xxx	xxx	xxx	x
Interest Income	xxx	xxx	xxx	xxx	x
Income From Any Other Investment	xxx	xxx	xxx	xxx	x
Total Income	43,755,180.00	-	43,755,180.00	32,258,901	74%
(6) Expenditure For Tuition		-			
Textbooks	xxx	xxx	xxx	xxx	x
Reference Materials	xxx	xxx	xxx	xxx	x
Exercise Books	xxx	xxx	xxx	xxx	x
Laboratory Equipment	xxx	xxx	xxx	xxx	x
Internal Exams	xxx	xxx	xxx	xxx	x
Teaching / Learning Materials	4,365,360.00	-	4,365,360.00	2,549,535. 25	58.40%
Chalks	xxx	xxx	xxx	xxx	x

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
Exams And Assessment	xxx	xxx	xxx	xxx	x
Teachers Guides	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	xxx	x
(7) Expenditure For Operations					
Personnel Emoluments	5,525,320.00	-	5,525,320.00	3,994,894.00	72.30%
Repairs, Maintenance & Improvements	996,400.00	-	996,400.00	339,660.00	34.09%
Local Transport / Travelling	997,6000	-	997,6000	230,831.00	23.61%
Electricity, Water and Conservancy	893,000.00	-	893,000.00	249,545.00	27.94%
Medical	1,316,000.00	-	1,316,000.00	9,815.00	0.75%
Administration Costs	913,680.00	-	913,680.00	230,957.00	25.28%
Activity Expenses	1,222,000.00		1,222,000.00	566,585.00	46.37%
Gratuity	xxx	xxx	xxx	xxx	x

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
SMASSE	xxx	xxx	xxx	xxx	x
(8) Expenditure For infrastructure	4,735,000.00	-	4,735,000.00	4,541,173	74.91%
Construction of classrooms	xxx	xxx	xxx	xxx	x
Construction of LAB	xxx	xxx	xxx	xxx	x
Construction of DORMS	xxx	xxx	xxx	xxx	x
Purchase of furniture	xxx	xxx	xxx	xxx	x
Purchase of equipment	xxx	xxx	xxx	xxx	x
Purchase of machinery	xxx	xxx	xxx	xxx	x
(9) Expenditure For school fund/lunch/boarding	15,510,000.00		15,510,000.00	18,200,741.00	117.4%
Personnel Emoluments	xxx	xxx	xxx	xxx	x

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
Repairs, Maintenance and Improvements	xxx	xxx	xxx	xxx	x
Local Transport / Travelling	xxx	xxx	xxx	xxx	x
Electricity, Water and Conservancy	xxx	xxx	xxx	xxx	x
Medical Expenses	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	x
Activity	xxx	xxx	xxx	xxx	x
Gratuity	xxx	xxx	xxx	xxx	x
Lunch Programme	xxx	xxx	xxx	xxx	x
Boarding Equipment and Stores	xxx	xxx	xxx	xxx	x
Expenditure For Income Generating Activity	xxx	xxx	xxx	xxx	x
Insurance Costs	xxx	xxx	xxx	xxx	x
Other Expenses On Investments	xxx	xxx	xxx	xxx	x
Rent Expenses	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	xxx	x

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
Loan Interest Repayment	xxx	xxx	xxx	xxx	x
Loan Principal Repayment	xxx	xxx	xxx	xxx	x
Acquisition Of Assets	xxx	xxx	xxx	xxx	x
Totals	**36,454,360.00**	**-**	**36,454,360.00**	**31,120,318**	**82.07%**

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

-

i. Xxxx
ii. Xxxx

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 complywith 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 variousfinancial 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 yearare 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 20XX.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021- 2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	250,000
Internal Exams	-	-
Teaching / Learning Materials	2,421,123	3,033,309
Others *(specify)*A/C III*	100,000	-
Total	**2,521,123**	**3,283,309**

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	4,653,285	3,028,244
Repairs And Maintenance	468,900	612,380
Local Transport / Travelling	518,900	629,540
Electricity And Water	408,900	528,600
Medical	90,900	63,832
Administration Costs	458,900	756,346
Activity	469,825	424,700
Total	**7,069,610**	**6,043,642**

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs.	Kshs
Maintenance &Improvement	4,541,173	5,156,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other *(specify)(NGCDF and County govt.*	-	-
Total	**4,541,173**	**5,156,000**

4 School Fund Income -Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,782,980	1,842,295
Repairs and maintenance	499,690	-
Local transport / travelling	1,120,185	501,595.00
Electricity and water	-	-
Medical	-	-
Administration costs	699,405.00	455,615
Activity	-	-
Fee on Boarding Equipment and stores	10,386,500	12,651,557
PA Levies*	2,422,930	2,907,436
Others (specify) Sundry debtors	670,485	233,795
Total	**17,582,175**	**18,592,293**

**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
Farm Income	544,820	222,540
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income FromPosho Mill	-	-
Income FromBus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income *(specify)**	-	-
Total	**544,820**	**222,540**

(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

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	216,000.00	346,500
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	897,455	1,432,055
Teaching / Learning Materials	1,185,570	1,023,716
Exams And Assessment	199,270	196,310
Teachers Guides	49,500	73,890
Bank Charges	1,74,026	2,675
Others *(specify) A C III*	-	150,000
Total	**2,549,535**	**3,225,146**

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,994,894	4,996,744
Administration Cost	230,957	811,099
Repairs And Maintenance & Improvements	339,660	787,567
Local Transport / Travelling	230,831	746,270
Electricity And Water	249,545	593,997
Medical	9,815	24,362
Activity Expenses	566,585	587,370
Others (specify)Sundry creditor	206,582	436,250
Total	**5,828,869**	**8,983,659**

Notes to the Financial Statements

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify) infrastructure Account	4,541,173	4,853,500
Total	**4,541,173**	**4,853,500**

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,284,734	1,482,613
Boarding Equipment	8,841,478	8,766,936
Repairs And Maintenance &Improvements	1,807,035	655,670
Local Transport / Travelling	720,410	1,062,084
Electricity And Water	263,190	58,140
Medical Expenses	-	-
Administration Costs	650,146	861,416
Lunch Programme	-	-
Bank Charges	-	-
Expenses On Income Generating Activities**	-	-

Fee On Boarding Equipment and Store		
Activity	367,700	905,520
Insurance Cost (*Life Property*)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	
School Farm	543,572	365,758
PA expenses	3,527,186	2,950,085
Sundry creditors	186,290	309,916
Total	**18,200,741**	**17,417,138**

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneousreceipts 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).*

Notes to the Financial Statements (continued)

10 Bank Accounts

AccountName& Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	active		32,986	61,398
Operations Account	active		593,328	247,739
School Fund Account/Boarding	active		1,169,751	2,168,818
Savings Account	active		4,916	5,545
Parent Association Development Account	-		-	-
Income Generating Activities Account	-		-	-
Infrastructural Account	active		878,866	1,873,021
Total			**2,679,847**	**4,356,521**

11 CashIn Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins		
Total	**280**	**1,396**

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	8,810,388	7,436,515
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears(list/schedule attached)	-	-
Total	8,810,388	7,436,515

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		*Kshs*	
	Current 2023	**% of the total**	**Comparative 2022**	**% of the total**
Less than 1 year	2,044,358	23%	1,256,380	17%
Between 1- 2 years	1,256,380	15%	685,833	9%
Between 2-3 years	5,509,650	62%	5,494,302	74%
Total (should tie to note 13 a)	**8,810,388**	**100%**	**7,436,515**	**100%**

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,129,997	1,585,479
Prepaid Fees	960,856	288,720
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables *(specify)*	-	-
Total	**3,090,853**	**1,874,199**

Notes to the Financial Statements

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current 2023	% of the total	Comparative 2022	% of the total
Less than 1 year	683,880	32%	408,082	26%
Between 1- 2 years	408,082	19%	780,681	49%
Between 2-3 years	1,058035	49%	396,716	25%
Total (should tie to note 14)	**2,129,997**	**100%**	**1,585,479**	**100%**

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	2,679,847	4,356,521
Cash Balances	280	896
Short Term Investments	-	-
Receivables	8,810,388	7,436,515
Payables	(3,090,853)	(1,874,199)
Total	**8,399,662**	**9,919,733**

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	xxx	xxx

17 Biological assets

Description	Numbers		2022-2023	2021-2022
	2022-2023	2021 2022	Kshs	Kshs
Cattle	11	9	550,000	450,000
Goats	-	-	-	-
Trees	100	140	150,000	210,000
Coffee Or Tea Plantation	-	-	-	-
Poultry	-	-	-	-
Total			**700,000**	**660,000**

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments during the year	(xxx)	(xxx)
Balance at the end of the year	**xxx**	**xxx**

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	4,865,500	4,364,283
Lab consumables	606,610	955,246
Farm produce	705,230	618,500
Medication	92,764	85,000
Construction Materials	648,310	660,540
Others (specify)	-	-
	6,918,414	**6,683,569**

(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)

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier OfGoods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023	Outstanding Balance Comparative 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Lucy wambui	10,800	30/6/2023		10,800	-	
5. Charma sup	185,680	30/6/2023		185,680	-	
6. Kipsidi enterprise	25,240	30/6/2023		25,240	--	
7. Njuru butchery	18,000	30/6/2023		18,000	-	
8. Margret njeri	29,400	30/6/2023		29,400	-	
Sub-Total	**269,120**			**269,120**	-	
Supply Of Services					-	
9. Bom salaries	367,560	30/6/2023		367,560	-	
10. Weru water project	27,200	30/6/2023		27,200	-	
Sub-Total	**394,760**			**394,760**	-	
Grand Total	**663,880**			**663,880**	-	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 202023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land	81,900,000	-	-	78,000,000
Buildings And Structures	26,000,000	-	-	18,000,000
Motor Vehicles	6,137,000	-	-	6,460,000
Office Equipment, Furniture And Fittings	1,306,107	-	-	1,374,850
Textbooks	5,486,780	-	-	5,486,780
ICT Equipment	1,418,000	-	-	1,418,000
Tools And Apparatus	1,200,000	-	-	1,200,000
Other Machinery And Equipment	200,000	-	-	200,000
Heritage And Cultural Assets		-	-	-
Intangible Assets- Soft Ware	500,000	-	-	500,000
Total	124,147,887	-	-	112,639,630

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