

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL


PARLIAMENT
OF KENYA
LIBRARY

ON

ELBURGON SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

NAKURU COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2025	
DAY: WEDNESDAY	
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	FINLAY

Revised 30th June 2022.



ELBURGON SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

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ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

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ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

I. Key School Information And Management

ELBURGON SECONDARY SCHOOL

(a) Background information

ELBURGON SECONDARY SCHOOL is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Molo Sub-County

The school was registered in 23/1/2015 under registration number 32s30000012 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had 642 number of students as at 30th June 2022. It has 3 streams and 30 teachers of which 9 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	Alfred Waithaka Maingi	Chairman	23/5/2022
2	Francis N Muriuki	Secretary- Principal	23/5/2022
3	Stanley Wangombe	Member	23/5/2022
4	Ephraim Thumbi	Member	23/5/2022
5	Rachael Mugure	Member	23/5/2022
6	Alice Nungari	Member	23/5/2022
7	Solome Wangui	Member	23/5/2022
8	Kariuki Joram	Member – Rep CEB	23/5/2022
9	Samuel Waweru	Member Rep Teachers	23/5/2022
10	Alfred waithaka maingi	3 Members - Sponsor	23/5/2022
	Wairimu Kanyiri	Member	23/5/2022
	Dr. Kamuri Muya	Member	23/5/2022
11	Joram Kariuki	Member - Community	23/5/2022
12	Betty Chelangat	Member Special Needs	23/5/2022
13	John Alier Thon	Rep Students	23/5/2022

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 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 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	Alfred Waithaka maingi	Chairperson	3 times
		Wairimu Kanyiri	Deputy Chair	
		Francis N Muriuki	Secretary	
		Joram Kariuki	Member	
		Susan Mwangi	P.A. Chair	
2	Audit Committee	Susan Mwangi	Chair	1
		Richardson Kanyoro	Vice chair	
		Betty Chelangat	Member	
3	Finance, procurement and general purposes Committee	Kariuki Joram	Chairperson	1 times
		Lilian Machau	Member	
		Salome Wangui	Member	
		Stanley Wangombe	Member	
		Alfred Waithaka	Member	
4	Academic Committee	Stanley Wangombe	Member	3 times
		Rachael Mugure	Member	
		Samuel Waweru	Member	
5	Development Committee			2

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Reports and Financial Statements For the year ended 30th June 2022

		Joram Kariuki	Chair	
		Alfred Waithaka	Member	
		Samuel Waweru	Member	
		Susan mwangi	Member	
6	Discipline and welfare Committee	Wairimu Kanyiri	Chair	
		Njuguna Karengo	Member	
		Kamuri Muya	Member	
			Member	
7	Welfare committee	Rachael Nungari	Chairperson	1
		Francis N Muriuki	Secretary	
		Ephraim Thumbi	Member	
		Isaac Yatich	Member	

(a) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Francis N Muriuki	367552
2	Deputy Principal	Susan Moraa Moraa	334745
3	School Bursar	Zipporah Kamau	001

(b) Schools contacts

Post Office Box: 52-20102
Telephone: 0793-900-235
E-mail: elburgonsec@gmail.com
Website: WWW.elbursec.com
Facebook:
Twitter:
Twitter:

(c) School Bankers

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Kenya Commercial Bank
Branch: Njoro
Account Number: 1101633581

2. Name of Bank: Kenya Commercial Bank
Branch: Njoro
Account Number: 1101866829

3. Name of Bank: Kenya Commercial Bank
Branch: Njoro
Account Number: 1101865911

4. Name of Bank: Kenya commercial Bank
Branch: Njoro
Account Number: 1271506637

5. Name of Bank : Equity Bank
Branch: Molo
Account Number: 0230277243961
CDF Account

(d) Independent Auditors

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

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

II. 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:

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

a) Financial performance:

(Under this section, the following information should be given:

-surplus/deficit for the year in comparison to the last three years

ACCOUNT	2022	2021	2020
	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT
Boarding Account	(13,773,148.70)	(719,063.00)	(4,836,376.30)
Tuition a/c	(9,585.00)	(89,126.00)	(124,189.00)
Operations a/c	(1,035,201.00)	(1,356,439.00)	(1,048,243.66)
Infrastructure	0	(118,500.00)	
TOTAL	(14,817,934.70)	(2,283,128.00)	(6,008,808.96)

-capitation grant from ministry of education for the last three years

ACCOUNT	2022	2021	2020
Tuition a/c	2,065,413.00	818,227.00	1,149,479.00
Operations a/c	6,184,300.00	5,833,777.00	4,491,600.00
Infrastructure	3,113,000.00	2,516,000.00	955,000.00
TOTAL	11,362,713.00	9,168,004.00	6,596,079.00

-Ratio of capitation grant per student over the last three years

YEAR	2022	2021	2020
MOE	11,362,713.00	9,168,004.00	6,596,079.00
NO STUDENTS	664	654	667
RATIO	1:17,139.00	1:14,018.00	1:9,889.00

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

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

YEAR	2022	2021	2020
SCHOOL FEES	36,169,507.30	13,817,084.00	16,891,458.00
HOUSE RENT	8,500.00	5,400.00	2,375.00
TOTAL	36,178,007.3	13,822,484.00	16,893,833.00

-three years' overview of growth in expenditure of the school

YEAR	2022	2021	2020
TUITION	2,074,998.00	907,353.00	1,025,290.00
OPERATION	6,187,501.00	5,799,216.00	4,398,356.00
INFRASTRUCTURE	4,145,000.00	3,907,000.00	506,992.00
LUNCH PROGRAMME	49,407,014.00	14,541,547.00	12,057,457.00
TOTAL	61,814,513.00	25,155,116.00	17,988,095.00

-Movement creditors of the school over the last three years

YEAR	2022	2021	2020
DEBTORS	6,489,797.00	6,097,441.00	4,530,752.00
CREDITORS	10,457,681.00	7,099.00	847,895.00

r-Movement of cash and bank balances over the last three year

YEAR	2022	2021	2020
BANK	133,330.00	1,605,912.00	2,333,220.00
CASH	500.00	663.00	4,529.00
TOTAL	133,830.00	1,606,575.00	2,337,749.00

a) **Teacher Student ratio:**

b)

S/N O	SUBJECT	NUMBE R OF TEACHE RS	EMPLOYED BY T.S.C / B.O.M	HEAD TEACHERS REMARKS

ELBURGON SECONDARY SCHOOL

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1.	ENGLISH/LIT	4	TSC 3 BOM 1	SHORTAGE
2.	MATHS/PHYSI CS	4	TSC 1 BOM 3	SHORTAGE
3.	MATHS/CHEM	1	BOM 1	SHORTAGE
4.	MATHS /BUSINESS	2	TSC 2	SHORTAGE
6.	BIOLOGY/CHE M	3	TSC 2 BOM 1	SHORTAGE
7.	BIOLOGY/AGR IC	3	TSC 2 BOM 1	SHORTAGE
8.	HISTORY/CRE	2	TSC1BOM 1	SHORTAGE
9.	GEO/HISTORY	0	TSC 0	SHORTAGE
10.	GEO/MATHS	0	TSC 0	SHORTAGE
11	PHYSICS/CHE M	0	TSC 0	SHORTAGE
12.	KISWAHILI/CR E	2	TSC 1 BOM 1	SHORTAGE
13.	KISWAHILI/B USINES	0	TSC 0	SHORTAGE
14.	BUSINESS/ECO N	1	TSC 1	SHORTAGE
15.	HOME SCIENCE	0	TSC 0	SHORTAGE
16.	COMPUTER STUDIES	1	TSC 1	SHORTAGE
17.	KISW/GEO	3	TSC 3 BOM1	SHORTAGE

c) Mean score in the 2020KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

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Reports and Financial Statements For the year ended 30th June 2022

KCSE 2020

ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M/SCORE 2020
145	0	6	16	26	36	36	31	15	14	1	0	0	7.790

KCSE 2021

ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M/SCORE 2021
160	0	3	7	21	22	33	37	27	9	0	1	0	6.8375

KCSE 2022

ENTR Y	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M/SCORE	MEAN GRADE
166	0	2	8	5	15	31	57	35	12	1	0	0	6.337	C

The school mean score has depleted meaning more effort is needed so as to maintain the good history of the school. Mean.

d) Number of Candidates in the 2022 KCSE:

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

YEAR	ENTRY	MEAN	GRADE
2019	144	8.333	B-
2020	145	7.786	C+
2021	160	6.844	C+
2022	166	6.337	C+

e) Capacity of the school:

Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

Dormitories are urgently required so as to reduce congestion.

Laboratories are also needed to enable students do more Practicals before they sit for KCSE.

Toilets are major issue which needs to be addressed as first priority.

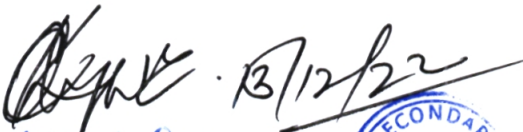
ELBURGON SECONDARY SCHOOL


Reports and Financial Statements For the year ended 30th June 2022

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

PROJECT	SOURCE OF FUNDS	STATUS	INITIAL COST	AMOUNT SPENT	EXPECTED COMPLETION TIME
DORMITORY	MOE	ONGOING	23 MILLION	8,028,000	


MAHYARA C.K.
.....
School Principal



ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, 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 (*Name of 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.

.....
Alfred Wathaka

Name: ALFRED WATHAKA

Designation: Chairman, School Board of Management

Date: 13/12/2022



.....
Manyara C.K.

Name: MANYARA C.K.

Designation: School Principal & Secretary to Board of Management

Date: 13/12/2022

.....
Zipporah

Name: ZIPPORAH

Designation: Bursar/ Finance Officer

Date: 13/12/2022

BURSAR
ELBURGON SEC. SCH.
P. O. Box 52 ELBURGON
Date.....

REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON ELBURGON SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – 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 funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Elburgon Secondary School - Nakuru County set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, the statement of receipts and

payments, statement of cash flows and the 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 Elburgon Secondary School – Nakuru County as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Payments for Operations

The statement of receipts and payments reflects payments for operations amount of Kshs.8,898,515 disclosed in Note 6 to the financial statements which differs from the supporting general ledger amount of Kshs.9,796,859. The variance has not been reconciled.

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

2. Inaccuracy and Unsupported Payments

The statement of cash flows reflects boarding and school fund payments amount of Kshs.49,407,014 which differs from Kshs.48,585,229 disclosed in Note 7 to the financial statements. The variance has not been reconciled.

Further, the statement of receipts and payments reflects an expenditure on payment for boarding and School funds balance of Kshs.49,407,014 as disclosed in Note 7 to the financial statements. However, examination of payment vouchers amounting to Kshs.3,258,780 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the operations and infrastructure amounting to Kshs.49,407,014 could not be confirmed.

3. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.6,489,797 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to

Kshs.5,464,605 which had been outstanding for more than two (2) 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 and full recoverability of the outstanding receivables balance of Kshs.6,487,797 could not be confirmed.

4. Unsupported Accounts Payable

The statement of financial assets and financial liabilities reflects payables balance of Kshs.10,460,055 as disclosed in Note 12 to the financial statements. However, examination of payment vouchers amounting to Kshs.10,460,055 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.10,460,055 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Elburgon 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 audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

Emphasis of Matter

Material Uncertainty Due to Deficit and Negative Net Financial Assets

The statement of receipts and payments reflects receipts of Kshs.49,057,953 against payments of Kshs.60,380,527 thereby incurring a deficit of Kshs.11,322,574. In addition, the statement of financial assets and financial liabilities reflects a negative net financial position of Kshs.3,618,551 thus casting doubt on sustainability of the services within the institution.

Management did not explain why the excess expenditure was incurred without adequate budgetary provision. In addition, there was no disclosure in the financial Statement indicating how the deficit was to be financed.

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.

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

During the year under review, Management submitted the financial statements to the Auditor-General on 17 February, 2023 instead of the statutory deadline of 30 September 2022. 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, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Lack of Prequalified List of Suppliers

During the year under review, Management procured several goods and services including groceries, stationery and firewood among others, from several suppliers using direct procurement. However, Management did not maintain a list of prequalified suppliers, and thus it was not clear how the suppliers were identified. This is contrary to Section 57 (1) of the Public Procurement and Asset Disposal Act, 2015.

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

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.8,898,515 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.460,500 transferred to 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 Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.460,500 could not be confirmed.

4. Unconfirmed Students Enrolment

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations totalling Kshs.11,362,714 Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year/period 2021/2022, NEMIS reflected six hundred and twenty-one (621) students while records from the County Director of Education had six hundred and fifty-four (654) students. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June,2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

5. Irregular Procurement Practices

Note 7 to the financial statements reflects an amount of Kshs.8,898,515 in respect to payments for operations. Included in the payment is an amount of Kshs.4,145,000 that was used for infrastructure project for construction of school dormitory.

An analysis on the expenditure records presented, revealed that Management did not and does not invite bids to suppliers of goods, services and works for prequalification. In addition, there were no appointment letters to both the tender opening and tender evaluation committees, no evidence of professional opinion and lack of notification of awards and regret letters.

In the circumstances, the value for money on the expenditure for the construction of dormitory could not be ascertained.

4. Inaccurate Computation of the Statutory Deductions

Examination of manual payroll maintained by the School, revealed that one employee qualified for Pay As You Earn (PAYE) deductions. However, the amount deducted and remitted to Kenya Revenue Authority (KRA) was erroneously calculated and remitted thus creating an under payment of PAYE to KRA of Kshs.67,912.

In the circumstances, the School was in breach of the law and risks paying more penalties for the under remittances.

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, 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. Inter Borrowing Between School Accounts

During the year under review of the bank statements provided for audit indicated that the School borrowed Kshs.667,500 from one account to another without approval from the Board and without proper controls to ensure the same was refunded to the correct account.

In the circumstances, the existence of an effective internal controls mechanism to safeguard cash and cash equivalents could not be ascertained.

2. Lack of Internal Audit Function and Audit Committee

During the year under review, 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.

3. Lack of Ownership of Documents

Annex 2 to the financial statements reflects summary of fixed assets register nil balance in respect of fixed assets which includes various assets. However, land ownership documents and motor vehicle logbooks were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

4. Lack of Information Technology Internal Controls

Review of the School's operations revealed that key functions such as finance and academics were automated whereby transactions and information was processed and

stored through an Information Technology (IT) system. In addition, the School had IT equipment comprising of computers, printers and other IT accessories. However, Management was yet to establish an IT Strategic Committee or formulate key policies such as IT Security Policy, Disaster Recovery Plan to regulate and guide access to IT environments.

In the circumstances, the existence and effectiveness of controls on transactions processed and stored in the IT systems could not be confirmed.

5. Lack of Risk Management Policy

During the year under review, the School did not have an approved Risk Management Policy in place to guide Management in identification, mitigation and response to risks that may arise. This policy also is key in providing in the achievement of School's objectives.

In the circumstances, in the event of a disruptive event occurring, the smooth operations of the school may take long to be restored back.

6. Lack of Fixed Asset Register

Review of records at the School revealed that it owned several assets including land, buildings, motor vehicles, furniture, fittings, computers, tools and biological assets among others. However, Management did not maintain an asset register for the assets to reflect the cost of the assets, date of acquisition, asset serial numbers, location and condition of the assets. In addition, the assets were not tagged for ease of identification.

In the circumstances, the existence of an effective internal controls mechanism to safeguard assets could not be ascertained.

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of the 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 continue 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.

The Board of Management is 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 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 policies and procedures may deteriorate.

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

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

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

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

29 October, 2024

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2021-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	2,065,413.60	818,227
Capitation grants for operations	2	9,297,300.05	8,349,777
School fund income- parents' contributions	3	34,735,521.60	2,404,934
School fund income- other receipts	4	2,959,718.00	11,417,550
Proceeds from borrowings		0.00	0.00
Total Receipts		49,057,953.25	22,990,488
Payments			
Payments for tuition	5	2,074,998.00	907,353
Payments for operations	6	8,898,515.00	9,706,216
Boarding and school fund payments	7	49,407,014.00	14,541,547
Total Payments		60,380,527.00	25,155,116
Surplus/Deficit		(11,322,573.75)	(2,164,628)

The school financial statements were approved on 13/12 2022 and signed by:

Alfred Waithaka
.....

Name: ALFRED WAI THAKA
Chair BOM

Date: 13/12/2022

Manya RA CK
.....

Name: MANYA RA CK
School Principal / Secretary to BOM

Date: 13/12/2022



BURSAR
ELBURGON SEC. SCH.
P.O. Box 52 ELBURGON
Zipporah Kamau
.....

Name: *Zipporah Kamau*
Bursar/ Finance Officer

Date: 13/12/2022

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022 Kshs	2021-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	351,206.30	1,605,912
Cash balances	9	500.00	663
Short term investment	10	0.00	0.00
Total cash and cash equivalent		<u>351,706.30</u>	<u>1,606,575</u>
Account's receivables	11	6,489,797.00	12,342,338.00
Total financial assets		6,841,503.30	13,948,913.00
Financial liabilities			
Accounts payables	12	10,460,055.00	0.00
Net financial assets		(3,618,551.70)	13,948,913.00
Represented by			
Accumulated fund b/fwd	13	7,704,022.35	16,113,541.00
Surplus/deficit for the year		(11,322,574.05)	(2,164,628.00)
Net financial position		(3,618,551.70)	13,948,913.00

The school's financial statements were approved on 13/12/2022 2022 and signed by:

Name: ALFRED WAITHAKA Name: MANYARA Name: ZIPPORAH IKAMAY
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
 Date: 13/12/2022 Date: 13/12/2022 Date: 13/12/2022

BURSAR
 ELBURGON SEC. SCH.
 P. O. Box 52 ELBURGON
 Date.....

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2021-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	2,065,413.60	818,227.00
Capitation grants for operations	2	9,297,300.05	8,349,777.00
School fund income- parents contributions/ fees	3	34,812,081.30	2,404,934.00
School fund income- other receipts	4	2,959,718.00	11,417,550.00
Adjustment:- increase/Decrease of debtors		(392,356.00)	0.00
Total receipts		48,742,156.95	22,990,488.00
Payments			
Payments for tuition	5	2,074,998.00	907,353.00
Payments for operations	6	9,796,860.00	9,706,216.00
Boarding and school fund payments	7	48,585,229.00	14,541,547.00
Adjustment:- increase/Decrease of creditors		(10,460,055.00)	(0.00)
Total payments		49,997,032.00	25,155,116.00
Net cash flow from operating activities		(1,254,875.05)	(2,164,628.00)
Cashflow from investing activities			
Proceeds from sale of assets		0.00	0.00
Acquisition of assets		(0.00)	(0.00)
Proceeds from investments		0.00	0.00
Purchase of investments		(0.00)	(0.00)
Net cash flows from investing activities		0.00	0.00
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash flow from financing activities		0.00	0.00
Net increase in cash and cash equivalents		(1,254,875.05)	(2,164,628.00)
Cash and cash equivalent at beginning of the year		1,606,581.35	3,771,547.00
Cash and cash equivalent at end of the year		351,706.30	1,606,575.00

(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).

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	0.00	0.00	0.00	0.00	0.00	0.00%
Exercise Books	280,000	0.00	280,000	245,678	34,322	87.70%
Laboratory Equipment	500,000	0.00	500,000	589,913	(89,913)	118.00%
Internal Exams	0.00	0.00	0.00	0.00	0.00	0.00%
Teaching / Learning Materials	1,544,784	0.00	1,544,784	1,229,822	314,962	79.60%
Chalks	0.00	0.00	0.00	0.00	0.00	0.00%
Exams And Assessment	0.00	0.00	0.00	0.00	0.00	0.00%
Teachers Guides	0.00	0.00	0.00	0.00	0.00	0.00%
(2) Capitation Grant on Operations						
Personnel Emoluments	1,917,000	0.00	1,917,000	2,802,113	(885,113)	146.20%
Repairs And Maintenance	3,195,000	0.00	3,195,000	3,356,000	(161,000)	105.00%
Local Transport / Travelling	958,500	0.00	958,500	1,101,745	(143,245)	114.90%
Electricity And Water	958,500	0.00	958,500	1,170,245	(211,745)	122.10%
Medical	0.00	0.00	0.00	14,025	(14,025)	-
Administration Costs	894,600	0.00	894,600	853,172	41,428	95.40%
Activity	958,500	0.00	958,500	0.00	958,500	0.00%

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

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	F=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	0.00	0.00	0.00	0.00	0.00	0.00%
Smasse	0.00	0.00	0.00	0.00	0.00	0.00%
(3) Fees Charged on Parents						
Personnel Emoluments	5,207,100.00	0.00	5,207,100.00	5,659,575	(452,475)	108.70%
Repairs And Maintenance	1,393,200	0.00	1,393,200	0.00	1,393,200	0.00%
Local Transport / Travelling	364,650	0.00	364,650	1,408,657	(1,044,007)	386.30%
Electricity And Water	2,834,700	0.00	2,834,700	2,602,632	232,068	91.80%
Medical	0.00	0.00	0.00	0.00	0.00	0.00%
Administration Costs	1,123,650	0.00	1,123,650	5,292,904	(4,169,254)	471.00%
Activity	138,750	0.00	138,750	201,940	(63,190)	471.00%
Smasse	0.00	0.00	0.00	0.00	0.00	0.00%
Fee On Boarding Equipment and Stores	17,896,380	0.00	17,896,380	21,003,798	(3,107,418)	117.40%
Other Income						
Rent Income	8,500	0.00	8,500	8,500	-	100%
Income From Farming Activities	0.00	0.00	0.00	0.00	0.00	0.00%
Insurance Compensation	0.00	0.00	0.00	387,189	(387,189)	-
Pocket money	0.00	0.00	0.00	320,775	(320,775)	-
Income From Bus Hire	0.00	0.00	0.00	0.00	0.00	0.00%
Unpaid cheque	0.00	0.00	0.00	45,565	(45,565)	-
Bursary	811,244	0.00	811,244	811,244	0.00	100%
Income From Any Other Investment	0.00	0.00	0.00	0.00	0.00	0.00%

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

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	f = d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs and maintenance	1,393,200	0.00	1,393,200	1,386,445	6,755	99.50%
Total Income						
<i>(1) Expenditure For Tuition</i>						
Textbooks And Reference Materials	0.00	0.00	0.00	0.00	0.00	0.00%
Exercise Books	1,140,000	0.00	1,140,000	626,540	513,460	55.00%
Laboratory Equipment	502,016	0.00	502,016	90,270	411,746	18.00%
Internal Exams	0.00	0.00	0.00	0.00	0.00	0.00%
Teaching / Learning Materials	1,033,032	0.00	1,033,032	1,354,960	(321,928)	131.00%
Chalks	0.00	0.00	0.00	0.00	0.00	0.00%
Exams And Assessment	0.00	0.00	0.00	0.00	0.00	0.00%
Teachers Guides	0.00	0.00	0.00	0.00	0.00	0.00%
Administration Costs	0.00	0.00	0.00	0.00	0.00	0.00%
Bank Charges	0.00	0.00	0.00	3,228	(3,228)	-
<i>(2) Expenditure For Operations</i>						
Personnel Emoluments	1,917,000	0.00	1,917,000	4,433,231	(2,516,231)	231.00%
Repairs, Maintenance & Improvements	0.00	0.00	0.00	172,500	(172,500)	-
Local Transport / Travelling	958,500	0.00	958,500	0.00	958,500	0.00%
Electricity, Water and Conservancy	958,500	0.00	958,500	819,970	138,530	86.00%
Bank charges	0.00	0.00	0.00	7,029	(7,029)	0.00%
Administration Costs	894,600	0.00	894,600	201,200	693,400	22.00%

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	b	c	d = a+b	e	f = e-d	g = e/d %
	Kshs	Kshs			Kshs	Kshs
Activity Expenses	958,500	0.00	958,500	314,500	644,000	33.00%
Insurance	0.00	0.00		239,071	(239,071)	0.00%
Acquisition of assets	3,195,000	0.00	3,195,000	4,145,000	(950,000)	130%
(3) Expenditure For School Fund						
Personnel Emoluments	5,207,100	0.00	5,207,100	3,448,757	1,758,343	66.00%
Repairs, Maintenance and Improvements	1,393,200	0.00	1,393,200	0.00	1,393,200	0.00%
Local Transport / Travelling	364,650	0.00	364,650	815,200	(450,550)	224.00%
Electricity, Water and Conservancy	2,834,700	0.00	2,834,700	1,221,390	1,613,310	43.00%
Medical Expenses	0.00	0.00	0.00	36,630	(36,630)	0.00%
Administration Costs	1,123,650	0.00	1,123,650	8,640,682	(7,517,032)	768%
Activity	138,750	0.00	138,750	208,500	(69,750)	150.00%
Uniforms	0.00	0.00	0.00	66,900	(66,900)	0.00%
Pocket money	255,170	0.00	255,170	255,170	0.00	0.00%
Lunch Programme /boarding expenses	17,896,380	0.00	17,896,380	29,957,269	(12,060,889)	167%
Caution money	0.00	0.00	0.00	49,025	(49,025)	0.00%
Expenditure For Income Generating Activity	0.00	0.00	0.00	0.00	0.00	0.00%
Insurance Costs	0.00	0.00	0.00	76,342	(76,342)	0.00%
Other Expenses On Investments	0.00	0.00	0.00	0.00	0.00	0.00%
Bursaries	811,244	0.00	811,244	811,244	0.00	100%
Bank Charges	0.00	0.00	0.00	89,859	(89,859)	0.00%
Remedials	2,396,250	0.00	2,396,250	818,700	1,577,550	0.00%

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

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	F=d/c %
	Kshs	Kshs			Kshs	Kshs
Exams	0.00	0.00	0.00	7,500	(7,500)	0.00%
Acquisition Of Assets	0.00	0.00	0.00	0.00	0.00	0.00%
Q	0.00	0.00	0.00	0.00	0.00	0.00%

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

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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.

Significant Accounting Policies (Continued)

- 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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 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 2022.

ELBURGON SECONDARY SCHOOL**Reports and Financial Statements For the year ended 30th June 2022****X. Notes To The Financial Statements****1 Capitation Grant for Tuition**

Description	2021-2022	2021-2021
	Kshs	Kshs
Textbooks And Reference Materials	0.00	0.00
Exercise Books	245,678.10	128,227.25
Laboratory Equipment	589,913.50	190,000.00
Internal Exams	0.00	0.00
Teaching / Learning Materials	1,229,822.00	500,000.00
Chalks	0.00	0.00
Exams And Assessment	0.00	0.00
Teachers Guides	0.00	0.00
Total	2,065,413.60	818,227.25

2 Capitation Grant for Operations

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel Emoluments	2,802,113	1,816,527.90
Repairs And Maintenance	3,356,000	0.00
Local Transport / Travelling	1,101,745	495,560
Electricity And Water	1,170,245	569,988
Medical	0.00	0.00
Infrastructure	0.00	4,913,500
Main account	0.00	139,310
Administration Costs	853,172.05	402,741.05
House rent	14,025	12,150
Total	9,297,300.05	8,349,776.95

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel emoluments	5,659,575.70	1,777,398
Repairs and maintenance	0.00	195,152
Local transport / travelling	1,408,657	49,641
Electricity and water	2,602,632	298,528
Activity	201,940	84,215
Administration costs	5,292,904.60	0.00

ELBURGON SECONDARY SCHOOL**Reports and Financial Statements For the year ended 30th June 2022**

Description	2021-2022	2021-2021
	Kshs	Kshs
B.E.S/Lunch programme	19,646,372	0.00
Total	34,735,520.30	2,404,934

Notes To The Financial Statements (Continued)**4 Other Receipts – School Fund Account**

Description	2021-2022	2021-2021
	Kshs	Kshs
Medical/Insurance	387,189	65,119
Rent Income	8,500	5,400
Pocket money	320,775	94,780
Advance	0.00	11,100
Operation account	0.00	2,112,990
Repairs and maintenance	1,386,445	0.00
Debtors	0.00	1,148,705
Income From Bus Hire	0.00	0.00
Tuition account	0.00	376,983
Fee For Hire of Ground and Equipment	0.00	0.00
Motivation	0.00	9,042
Bank charges	0.00	2,950
Income From Grants and Donations*	0.00	0.00
Bursary	811,244	714,500
B.E.S	0.00	6,875,981
Unpaid cheque	45,565	0.00
Total	2,959,718	11,417,550

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

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

5 Payments For Tuition

Description	2021-2022	2021-2021
	Kshs	Kshs
Textbooks And Reference Materials	0.00	0.00
Exercise Books	626,540	320,000
Laboratory Equipment	90,270	212,142
Internal Exams	0.00	0.00
Teaching / Learning Materials	1,354,960	280,200
Chalks	0.00	0.00
Exams And Assessment	0.00	0.00
Creditors	0.00	93,895
Teachers Guides	0.00	0.00
Administration Costs	0.00	0.00
Bank Charges	3,228	1,116
Total	2,074,998.00	907,353

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel Emoluments	3,897,590	2,303,626
Main account	0.00	230,000
Service Gratuity	0.00	0.00
Administration Cost	201,200	391,500
Repairs And Maintenance & Improvements	172,500	68,000
Local Transport / Travelling	0.00	0.00
Electricity And Water	819,970	286,660
Infrastructure project	0.00	3,907,000
Medical	0.00	0.00
Activity Expenses	314,500	0.00
Smasse	0.00	0.00
Insurance Cost	239,071	2,516,000
Bank Charges	7,029	3,430
Acquisition Of Assets	4,145,000	0.00
Total	9,796,860.00	9,706,216

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel Emoluments	3,448,757	1,471,746
Uniforms	66,900	0.00
Activity	208,500	0.00
Repairs And Maintenance & Improvements	2,857,846	182,725
Local Transport / Travelling	815,200	477,315
Electricity And Water	1,221,390	678,597
Medical Expenses	36,630	278,256
Administration Costs	7,818,897	2,551,795
Advance	0.00	51,500
Creditors	0.00	635,000
Lunch Programme	29,880,708.00	0.00
Bank Charges	89,859	22,472
Bursaries	811,244	561,885
Remedials	818,700	0.00
Infrastructure	0.00	4000
Caution money	49,025	6,375
Fee On Boarding Equipment and Stores	0.00	4,792,223
Hire of facilities	46,000	0.00
Pocket money	255,170	160,585
Insurance Cost (<i>Life Property</i>)	76,342	0.00
Exams	7,500	0.00
Tuition	0.00	376,983
Operation	0.00	2,237,990
Computer	0.00	15,700
School bus	0.00	36,400
Total	48,585,229	14,541,547

(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2021-2021
		Kshs	Kshs
Tuition Account		1,664.95	11,249.35
Operations Account		24,536.05	1,288,551.45
School Fund Account/Boarding		107,130.30	306,111
Savings Account		0.00	0.00
Parent Association Development Account		0.00	0.00
Income Generating Activities Account		0.00	0.00
Infrastructural Account		217,875	0.00
Total		351,206.30	1,605,911.80

9 Cash In Hand

Description	2021-2022	2021-2021
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	0.00	0.00
School Fund account	500	663
Total	500	663

10 Short Term Investments

Description	2021-2022	2021-2021
	Kshs	Kshs
Cooperative Shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed Deposit	0.00	0.00
Equity Stock	0.00	0.00
Other Investments	0.00	0.00
Total	0.00	0.00

ELBURGON SECONDARY SCHOOL**Reports and Financial Statements For the year ended 30th June 2022****Notes To The Financial Statements (Continued)****11 Accounts Receivable**

Description	2021-2022	2021-2021
	Kshs	Kshs
Fees Arrears	6,464,008	6,097,441.00
Other Non-Fees Receivables	0.00	12,342,338.45
Salary Advances	25,789	0.00
Imprest	0.00	0.00
Total	6,489,797	18,439,779.45

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	2021-2021
	Kshs	Kshs
Fees Arrears For Current Year	1,361,172	633,119
Fees Arrears For The Previous Year	633,119	1,244,279
Recovered	(994,605)	(1,148,705)
Fees Arrears For Prior Periods (Over Two Years)	5,464,605	5,368,748
Total	6,464,008	6,097,441

12 Accounts Payable

Description	2021-2022	2021-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	10,457,681.00	0.00
Prepaid Fees	2,374	0.00
Retention Monies	0.00	0.00
Total	10,460,055	0.00

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2021-2021
	Kshs	Kshs
Trade Creditors for Current Year	10,457,681	0.00
Trade Creditors for The Previous Year	0.00	0.00
Trade Creditors for Prior Periods (Over Two Years)	0.00	0.00
Total	10,457,681	000

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2021-2021
	Kshs	Kshs
Bank Balances	1,605,918.35	3,771,547.40
Cash Balances	663	6,754
Short Term Investments	0.00	0.00
Receivables	6,097,441	12,342,339
Payables	0.00	7,099
Total	7,704,022.35	16,113,541.40

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2021-2022	2021-2021
	Kshs	Kshs
Bank Loan(S)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Total	0.00	0.00

15 Biological assets

Description	Numbers	2021-2022	2021-2021
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees	35	0.00	7000
Coffee Or Tea Plantation		0.00	0.00
Poultry		0.00	0.00
Total		0.00	7000

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

16 Borrowings

Description	2021-2022	2021-2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	(0.00)	(0.00)
Balance at end of the year	0.00	0.00

ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2021-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	0.00	2,221,675
Stock/ inventory purchased during the year	0.00	1,751,150
Stock/ inventory issued during the year	(0.00)	(1,967,187)
Balance at end of the year	0.00	2,005,638


ELBURGON SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

18 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



13/12/2023