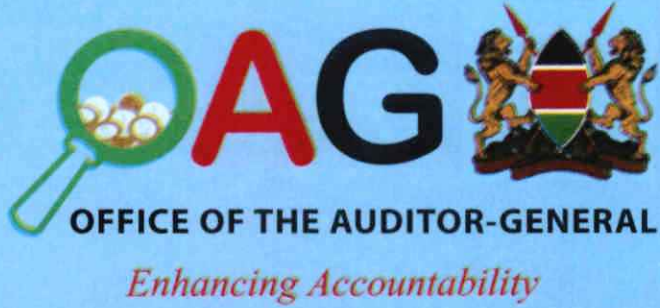


REPUBLIC OF KENYA



REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

KIBICHIKU SECONDARY SCHOOL

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

KIAMBU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 MAR 2025	DAY: Wednesday
TABLED BY: Hon. Naomi Wago, MP Deputy Majority Party Whip	
CLERK-AT-THE-TABLE: A. Shibus	



KIBICHIKU SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Kiambu County, Kabete Sub-County.

The school was registered in 2002 under registration number and is currently categorized as a mixed day public school established, owned or operated by the Government.

The school is a mixed day school and had 477 number of students as at 30th June 2023 It has 2 streams and 18 teachers of which 2 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	Herman Mbugua	Chairman	06/05/2022
2	Rose Muthoni Chege	Secretary - Principal	06/05/2022
3	Elkanah Ongeta	P.A chair	06/05/2022
4	Jesee Ng'ang'a	Member	06/05/2022
5	Carolyn Wangui	Member	06/05/2022
6	Justus Oketch	Member	06/05/2022
7	Alice Nungari	Member	06/05/2022
8	Rachael Atandi	Member	06/05/2022
9	Sylvester Okumu	Member	06/05/2022
10	Peter kanani	Member Rep Teachers	06/05/2022
11	Teresia Nyokabi	Members	06/05/2022
12	Prof.kefa Njenga	Member	06/05/2022
13	Geoffrey Hinga	Member Special Needs	06/05/2022
14	Mary Aluso	Rep Students	06/05/2022
15	Moses Mbugua	Member	06/05/2022
16	Elizabeth Thotho	Member	06/05/2022
17	Moses Ngugi	Member	06/05/2022
18	Lawrence Mukora Muniu	Member	06/05/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- **Manage the School's affairs** in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of **pupils'** discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Herman Mbugua 2.Rose .M. Chege 3.Elkanah Ongeta 4.Alice Nungari 5.Elizabeth Thotho	Chair person Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 0 out of 3
2	Audit Committee	1.Moses Mbugua 2.Rachael Atandi 3.Peter Kanani 4.Caroline Mburu	Chair person Member Member Member	1 out of 1 0 out of 1 1 out of 1 0 out of 1
3	Finance,procurement and general purposes Committee	1.Moses Mbugua 2.Lawrence Muniu 3.Elizabeth Thotho 4.Racheal Atandi 5.Herman Mbugua	Chair person Member Member Member Member	1 out of 1 1 out of 1 0 out of 1 0 out of 1 1 out of 1
4	Academic Committee	1.Peter Kanani 2.Jane Mungai 3.Carolyn Wangui 4.Lawrence Muniu 5.Justus Oketch 6.Prof.Kefa Njenga	Chair person Member Member Member Member Member	3 out of 3 3 out of 3 1 out of 3 3 out of 3 3 out of 3 0out of 3

KIBICHIKU SECONDARY SCHOOL

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

5	Development Committee	1.Lawrence Muniu 2.Rose .M. Chege 3.Jane Mungai 4.Elkanah Ongeta 5.Herman Mbugua	Chair person Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 2 out of 3 2 out of 3
6	Discipline and welfare Committee	1.Jane Mungai 2.Justus Oketch 3.Herman Mbugua 4.Geoffrey Hinga 5.Alice Nungari	Chair person Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 1 out of 3 2 out of 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mrs.Rose Chege	TSC No.352206
2	Deputy Principal	Mrs.Jane Mungai	TSC No.349867
3	School Bursar	Md.Tabitha Wanjira Mungai	ID No. 27939910

(e) Schools contacts

Post Office Box : 12888-00400
Telephone : (020)2183974 / 0746085265
E-mail : kibsec@gmail.com
Website : NIL
Facebook : NIL
Twitter : NIL

(f) School Bankers

1. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106764897
Account Name : SCHOOL FUNDS
2. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106770250
Account Name : OPERATION
3. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1106765133
Account Name : TUITION
4. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1170857469
Account Name : VISION 2020 BEYOND
5. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1203194153
Account Name : GRATUITY
6. Name of Bank : KCB
Branch : SARIT CENTRE
Account Number : 1217048065
Account Name : INFRASTRUCTURE
7. MPESA Pay Bill No.522123 attached to 1106764897 school funds bank account

(g) Independent Auditors

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

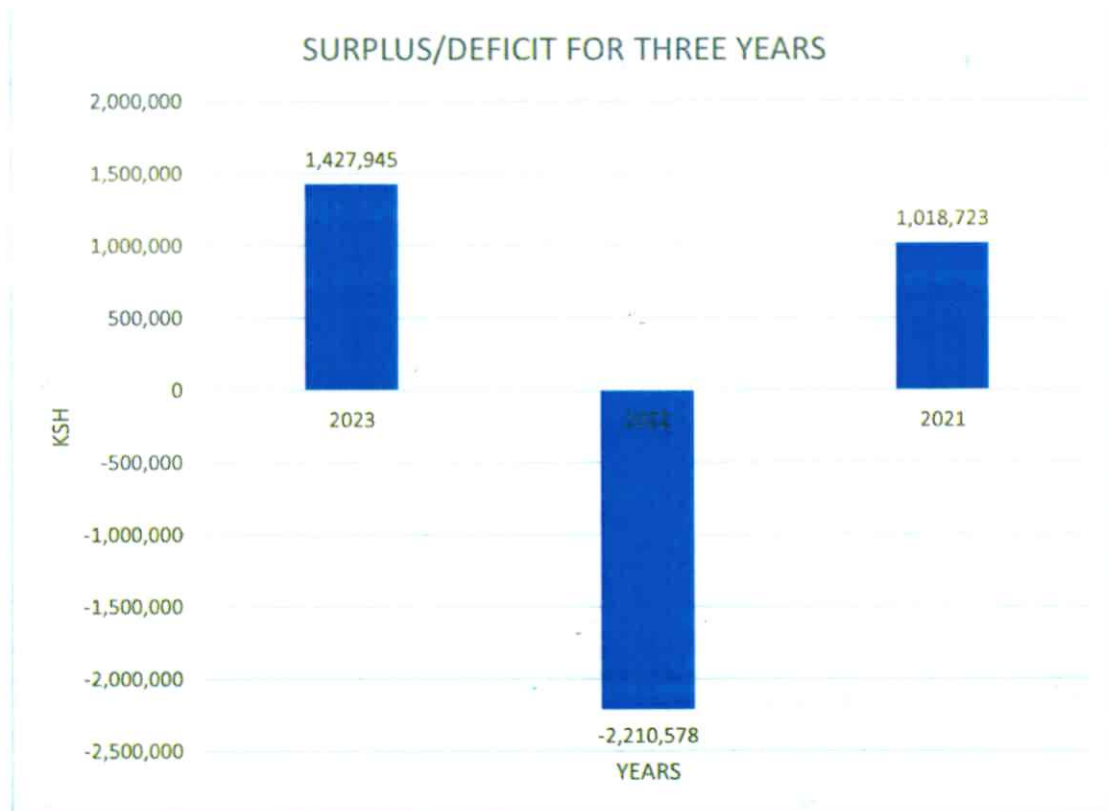
3. Summary Report of Performance of The School

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

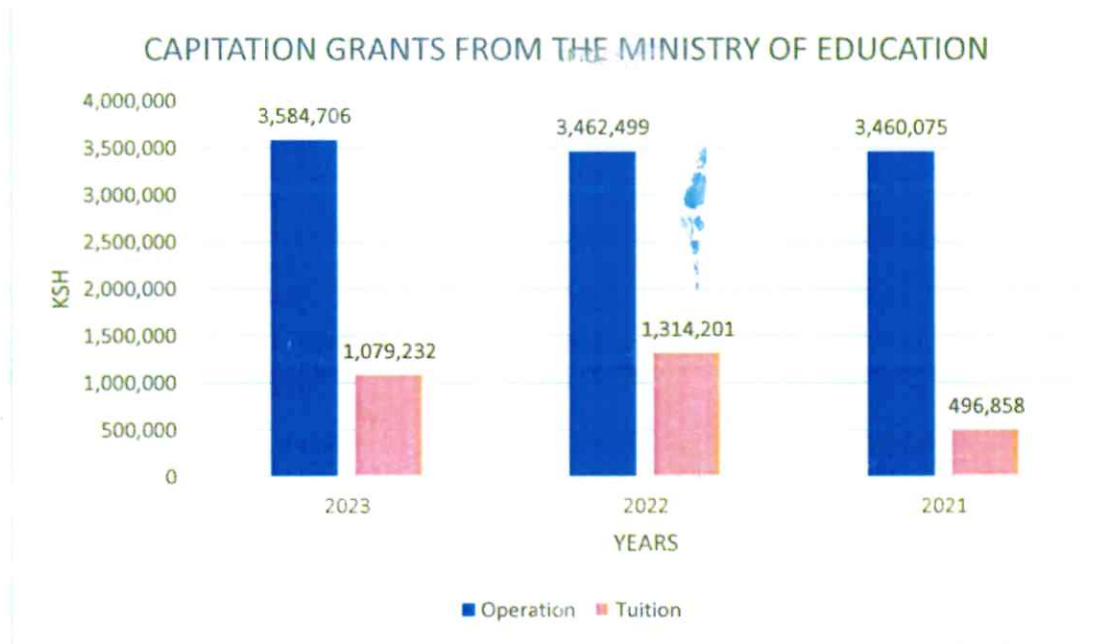
a) Financial performance:

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

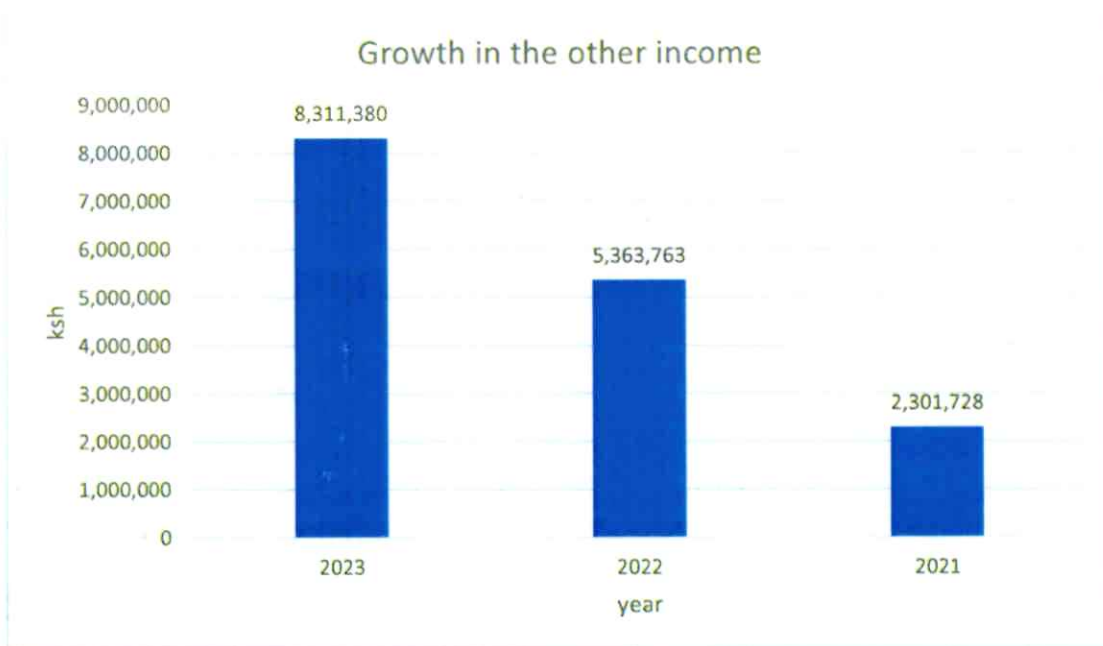
SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS			
SURPLUS/DEFICIT	2023	2022	2021
	KSHS	KSHS	KSHS
	1,427,945	(2,210,578)	1,018,723



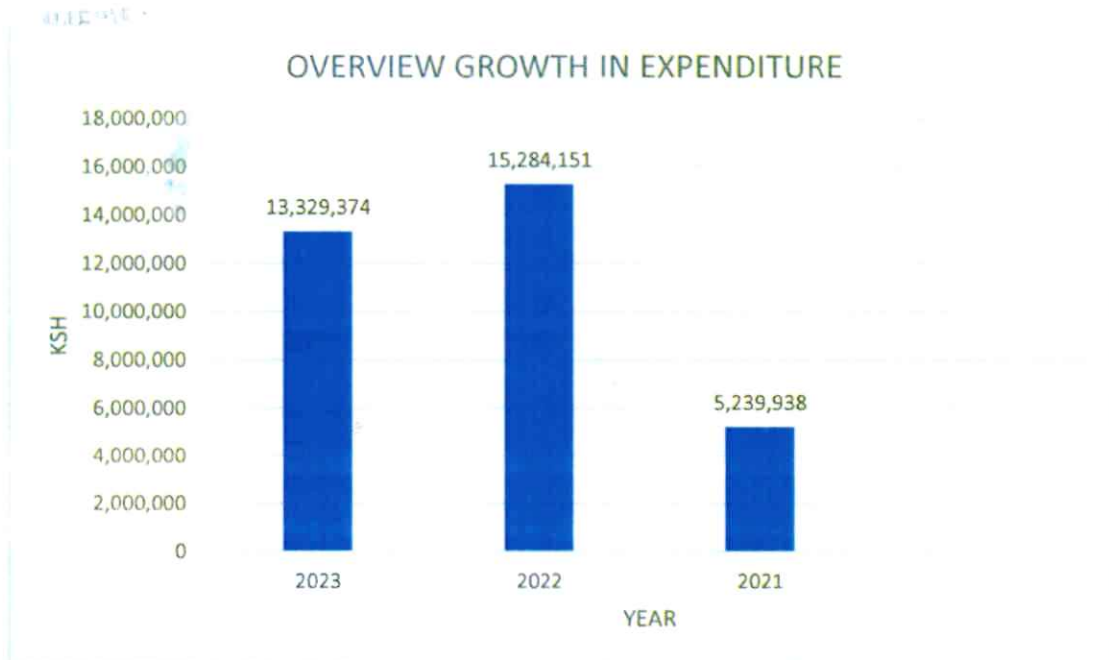
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
NO.	INCOME	2023	2022	2021
		KSHS	KSHS	KSHS
1.	Operation account	3,584,706	3,462,499	3,460,075
2.	Tuition account	1,079,232	1,314,201	496,858



OVERVIEW OF GROWTH OF OTHER INCOME				
NO.	income	2023	2022	2021
		KSHS	KSHS	KSHS
1.	Water income	907,120	496,100	161,800
2.	Prize giving day	-	25,000	-
3.	Bus income	204,800	-	-
4.	Scrap mental	10,000	5,500	-
5.	passport	6,520	11,200	3,626
	Student ID	31,400	74,800	3,600
	KNEC	-	1,000	-
	Farm income	-	-	4,300
3.	School fund account	7,151,540	5,363,763	2,128,402
		8,311,380	5,363,763	2,301,728

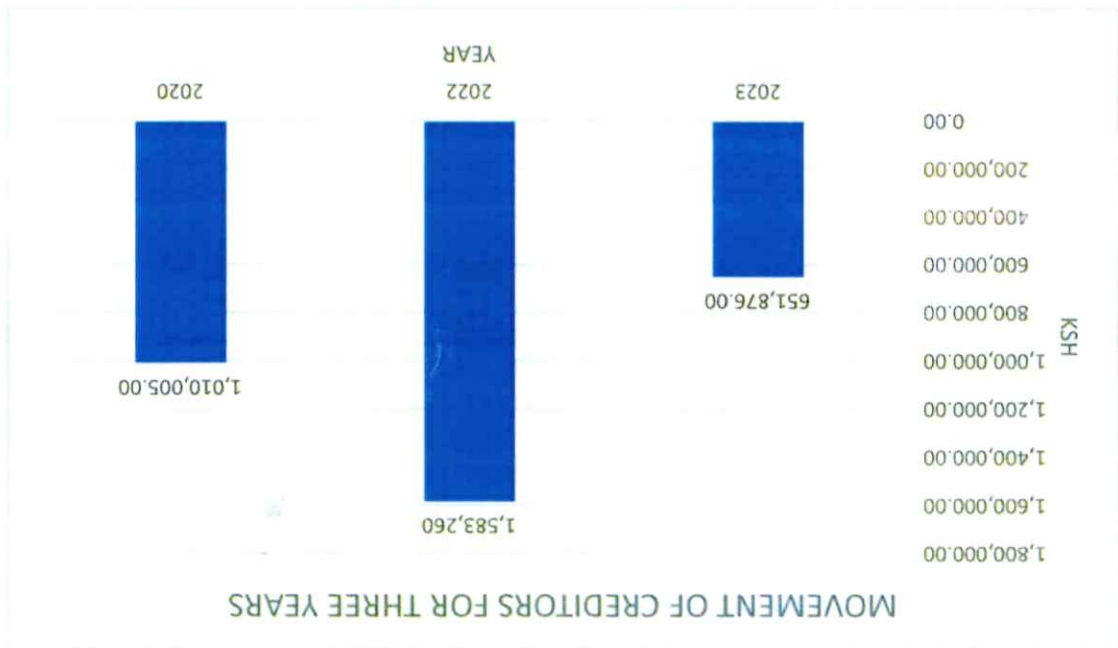


OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL				
NO.	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1.	School fund account	7,842,433	5,880,086	1,904,600
2.	Operation account	3,764,229	5,235,517	2,464,298
3.	Tuition account	922,261	1,202,010	871,040
4.	Infrastructure account	800,451	2,966,538	-
	TOTAL	13,329,374	15,284,151	5,239,938



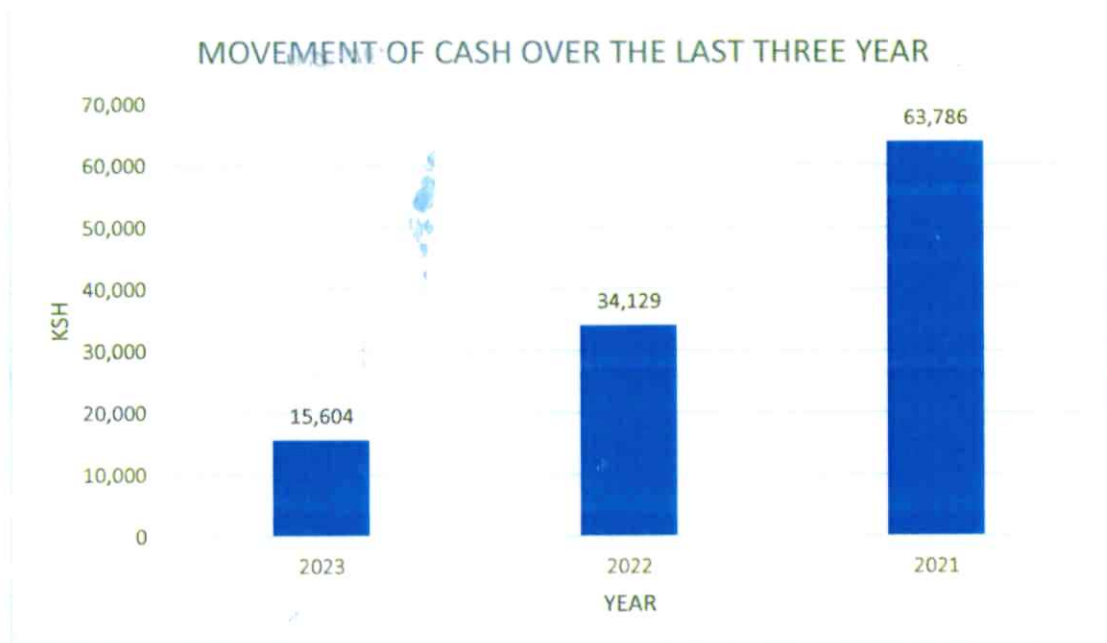
MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS				
NO.	ACCOUNTS (School fund)	2023	2022	2021
		KSHS	KSHS	KSHS
1.	Debtors	3,390,887	3,311,075	4,045,580
	TOTAL	3,390,887	3,311,075	4,045,580





MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS				
NO.	ACCOUNTS (School fund)	2023	2022	2021
1.	Creditors	KSHS 651,876	KSHS 1,583,260	KSHS 1,010,005
	TOTAL			

MOVEMENT OF CASH OVER THE LAST THREE YEARS				
NO.	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1.	School fund account	15,604	34,129	63,786
2.	Operation account	-	-	-
	Total	15,604	34,129	63,786



MOVEMENT OF BANK BALANCES OVER THE LAST THREE YEARS				
NO.	ACCOUNTS	2023	2022	2021
		KSHS	KSHS	KSHS
1.	School fund account	835,498	671,436	600,385.
2.	Operations account	633,667	181,793	1,316,762
3.	Tuition account	47,802	8,580	168,536
4.	Infrastructure account	882,991	1,201,442	900,030
5.	Vision 2020	3,405	3,405	3,405
6.	Gratuity account	511,872	413,266	361,964
	TOTAL	2,915,235	2,479,922	3,351,082



b) Teacher Student ratio:

The teacher student ratio 1:24

There were 18 teachers posted by the teacher service commission and 2 recruited by the board of management. There was no retiree or transfers during the year.

SUBJECT	REQUIRED	AVAILABLE	SHORTAGE
ENG/LIT	3	3	0
KISWAHILI	3	3	0
MATHEMATICS	6	4	2
BIOLOGY	3	3	0
PHYSICS	3	2	1
CHEMISTRY	5	4	1
HISTORY	3	3	0
GEOGRAPHY	4	4	0
CRE	3	3	0
AGRICULTURE	1	1	0
BUSINESS STUDIES	2	2	0

c) Mean score in the 2023 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION %	SCHOOL TARGET
2022	73	3.137	44	60%	4.3
2021	77	3.467	51	66%	4.2
2020	71	3.098	37	52%	3.5



d) Number of Candidates in the 2023 KCSE:


YEAR	NUMBER OF CANDIDATES
2022	73
2021	77
2020	71

e) Capacity of the school:

NO.	ITEM	REQUIRED	AVAILABLE	VARIANCE
1.	Laboratories science	3	2	1
2.	Classrooms	18	15	3
3.	Toilets	17	15	2
4.	Staff room	2	2	0
5.	Library	1	0	0
6.	Computer laboratories	1	1	0
7.	Dining hall	1	0	1
8.	Kitchen	1	1	0
9.	Food store	1	1	0
10.	Bus garage	1	0	1

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Laboratory equipment & apparatus	M.O.E	Complete	270,450	270,450	
Lockers & chairs	M.O.E	Complete	396,000	396,000	

 25/07/2024

.....
Rose.M.Chege
School Principal

4. Statement of School Management Responsibility


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

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

The Board of Management of Kibichiku 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, 2023 and of the school's financial position as at that date.

Name : Herman Mbugua
Designation : Chairman, School Board of Management

Sign : 

Date: 25/07/2024

Name : Rose Muthoni Chege
Designation : School Principal & Secretary to Board of Management

Sign : 

Date: 25/07/2024

Name : Tabitha Wanjira Mungai
Designation : Bursar/ Finance Officer

Sign : 

Date: 25/07/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIBICHIKU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KIAMBU 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 Kibichiku Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and

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 Kibichiku Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Inaccuracies in the Notes to the Financial Statements

Note 2 to the financial statements reflects Kshs.999,996 in respect to personnel emoluments comparative balance. However, the 2021/2022 financial statements reflects Kshs.996,996 on the same item resulting to unexplained variance of Kshs.3,000.

1.2 Biological Assets

Note 17 to the financial statements reflects nil balances in respect to biological assets as at 30 June, 2023. It was noted that 100 trees were disclosed, however, there were no supporting documents including the register showing historical cost, number of trees and their values and the dates trees were planted. This is contrary to Section 23(1) of Part 1 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management of a public institution of basic education shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the institution.

1.3 Summary of Fixed Assets Register

Annex 2 to the financial statements on the summary of fixed assets register did not include the historical cost brought forward, additions and historical cost carried forward.

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

2. Inaccuracies in Capitation Grants

Review of the NEMIS capitation disbursements made to the School against the amount receipted by the School revealed that during the financial year 2022-2023, the School disclosed capitation grants for operations of Kshs.4,084,707 compared to disbursed amount of Kshs.4,892,705 resulting to unexplained and unreconciled variance of Kshs.807,998.

Further, it was observed that an amount of Kshs.1,300,995 was disbursed on 9 February 2023 as per NEMIS data. However, only Kshs.1,260,394 was received resulting to unexplained variance of Kshs.40,601.

In the circumstances, the accuracy of the capitation grants could not be confirmed.

3. Unconfirmed Students Enrollment Data

Review of the class registers provided for audit revealed that there were discrepancies between the data in the National Education Management Information System (NEMIS) and School registers relating to the enrolment of students as shown below;

Month Disbursement was Received	Capitation Disbursed (Kshs)	Number of Students as per NEMIS	Number of Students as per Register	Variance
July, 2022	940,174	335	403	(68)
September, 2022	1,273,724	409	442	(33)
January, 2023	1,300,994	406	490	(84)
April, 2023	1,377,813	467	490	(23)

No explanation was provided for the variances between the school register and the NEMIS data as per the disbursements.

In the circumstances, the School was under-funded due to inaccurate enrolment in the NEMIS system.

4. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,390,887 as disclosed in Note 13 to the financial statements. However, included in the balance are fees arrears amounting to Kshs.2,140,940 which had been outstanding for more than three (3) years. In addition, the School has not developed a recoverability policy on trade receivables. It was therefore not possible to confirm how the school intends to recover the fees arrears of Kshs.3,390,387.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.3,390,887 could not be confirmed.

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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final revenue budget and actual amount on comparable basis of Kshs.12,302,540 and Kshs.14,757,320 respectively resulting to an over collection of Kshs.2,454,780 or 20% of the budget. However, the School spent Kshs.13,329,335 against actual receipts of Kshs.14,757,320 resulting to under-utilization of Kshs.1,427,985 or 10% of the receipts.

The revenue shortfall and under-utilization affected the planned activities and may have impacted negatively on service delivery to the stakeholders.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

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

The capitation grants for operations for the years 2022 and 2023 have been wrongly indicated in the summary report of performance of the school. Further, the report reflects Kshs.5,363,763 in respect to overview of growth of other income for the year 2022. However, a re-computation gives Kshs.5,977,363, resulting to a variance of Kshs.613,600.

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

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

The statement of receipts and payments reflects payment for operations amount of Kshs.3,764,190 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.774,200 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.774,200 could not be confirmed.

3. Unbalanced Budget

The statement of budgeted versus actual amounts reflects budgeted revenue of Kshs.12,302,540 and an expenditure budget of Kshs.12,298,040 resulting to a deficit of Kshs.4,500. However, no explanation was provided on why the School Board approved the unbalanced budget contrary to Section 33(c) of the Public Finance Management (National Government) Regulations, 2015 which requires the budget to be balanced.

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

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 27 March, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

5. Failure to Open a Bank Account for Income Generating Activities

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects Kshs.1,159,840 in respect to miscellaneous income which further includes Kshs.204,800 for bus hire and Kshs.907,120 for water income both totaling to Kshs.1,111,920. However, it was noted that the funds from the income-generating activities were banked at the school fund/boarding account. This was contrary to Ministry of Education Circular which states that Schools with income generating activities shall open separate bank accounts for the same.

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

6. Lack of Authority for Approving Rates for Board Allowances

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.3,764,190 in respect to payment for operations which further includes Kshs.336,692 in respect to administration costs. Included in the Kshs.336,692 is Kshs.40,000 paid as allowances to Board of Management members. However, no evidence was provided to show that the rates used to pay Board allowances had been approved as required under Section 14 of the Basic Education Act, 2013 which provides that Members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the regularity of the expenditure amounting to Kshs.40,000 could not be confirmed.

7. Failure to Conduct Quarterly and Annual Stock Take

Note 19 to the financial statements reflects a balance of Kshs.688,122 in respect to stock/inventory. However, quarterly and annual stock take was not conducted as envisaged in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

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

8. Failure to Transfer Infrastructure Funds from Operational Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.4,084,707 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,617,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.1,282,000 was transferred to infrastructure account, leaving a balance of Kshs.335,000 as at 30 June, 2023. This was contrary to The Ministry of Education Circular Ref: No.MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

9. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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. Failure by the Receipting System to Generate Reports

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.7,151,540 in respect to school fund income - parents contributions. However, review of records provided for audit revealed that the system could not generate reports showing details of students, amounts paid and outstanding balances.

In the circumstances, the reliability of the system could not be confirmed.

2. Lack of a Text Book Management Policy

During the year under review, the School did not have a text book management policy in place.

In the circumstances, the efficiency and effectiveness of text books management could not be confirmed.

3. Summary of Fixed Asset Register

3.1 Lack of Land Ownership Documents

Annex 2 to the financial statements on the summary of fixed assets register for the year ended 30 June, 2023 reflects nil balance on two pieces of land (Land 1 and Land 2). The register reflects the land is located in Kabete but does not indicate the acreages and land title numbers. Although documents provided revealed that the School is in the process of acquiring the land titles, the title documents had not been obtained as at the time of audit in June, 2024. Therefore, the ownership of the said parcels of land could not be confirmed.

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

3.2 Disclosure of Assets

The summary of fixed assets register reflects nil balance. However, the register does not include land and buildings of unknown value where the school is located which were physically verified, for instance, class halls, kitchen and administration block.

Further, the fixed assets register which was provided for audit review lacked the information on the cost, date purchased, asset coding and serial numbers of the assets.

In the circumstances, the valuation and ownership of the fixed assets 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 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.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 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

24 January, 2025

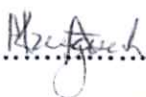
KIBICHIKU SECONDARY SCHOOL

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

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	1,079,233	1,314,201
Government grants for operations	2	4,084,707	5,773,009
Government Grants for infrastructure	3	1,282,000	-
School fund income- parents' contributions	4	7,151,540	5,363,763
Miscellaneous incomes	5	1,159,840	613,600
Total Receipts		14,757,320	13,064,573
Payments			
Tuition	6	922,261	1,202,010
Operations	7	3,764,190	8,193,055
Infrastructure	8	800,451	-
Boarding and school fund	9	7,842,433	5,880,086
Total Payments		13,329,335	15,275,151
Surplus/Deficit		1,427,985	(2,210,578)

The school financial statements were approved on 12/03/2024 2023 and signed by:

Sign.....

Name: Herman Mbugua

Chair BOM

Date: 23/07/2024

Sign.....

Name: Rose M. Chege
School Principal/ Secretary to
BOM

Date: 23/07/2024

Sign.....

Name: Tabitha W. Mungai

Bursar/ Finance Officer

Date: 25/07/2024

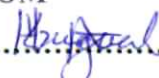
7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2023 Kshs	2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,915,235	2,479,921
Cash balances	11	15,604	34,129
Short term investments	12	-	-
Total cash and cash equivalent		2,930,839	2,514,050
Account's receivables	13	3,390,887	3,311,075
Total financial assets		6,321,726	5,825,125
Financial liabilities			
Accounts payables	14	651,876	1,583,260
Net financial assets		5,669,850	4,241,865
Represented by			
Accumulated fund b/fwd		4,241,865	6,452,443
Surplus/deficit for the year		1,427,985	(2,210,578)
Net financial position		5,669,850	4,241,865

The school's financial statements were approved on 12/03/2024 2023 and signed by:

Name :Herman Mbugua

Chair BOM

Sign: 
Date:

Date: 25/07/2024
Sign:

Name:Rose.M.Chege

School Principal/ Secretary

BOM

Sign: 
Date:

Date: 25/07/2024
Sign:

Name:Tabitha.W.Mungai

Bursar/ Finance Officer

Date: 25/07/2024

Sign: 

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

Description	Note	2023	2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,079,233	1,314,201
Government grants for operations	2	4,084,707	5,773,009
Government grants for infrastructure	3	1,282,000	-
School fund income- parents contributions/ fees	4	7,151,540	5,363,763
Other income	5	1,159,840	613,600
Total receipts		14,757,320	13,064,573
Payments			
Cash outflows for tuition	6	922,261	1,202,010
Cash outflows for operations	7	3,764,190	5,226,517
Cash outflows Boarding/lunch and school fund payments	9	7,842,433	5,880,086
Total payments		12,528,884	12,308,613
Net cash inflow/outflow from operating activities		2,228,436	755,960
Adjusted for:			
Changes in receivable	13	-79,812	736,505
Change in payable	14	-931,384	573,255
Cash flow from investing activities			
Acquisition of assets		(800,451)	(2,966,538)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities	8	(800,451)	(2,966,538)
Cash flow 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		416,789	(1,573, 828)
Cash and cash equivalent at beginning of the 2022		2,514,050	3,414,868
Cash and cash equivalent at end of the 2023		2,930,839	2,514,050

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).

KIBICHIKU SECONDARY SCHOOL

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

The school's financial statements were approved on 12/03/2024 2023 and signed by:

Name :Herman Mbugua

Chair BOM

SIGN

Date: [Signature]

Date 25/07/2024
Sign:

Name:Rose.M.Chege
School Principal/ Secretary

BOM

SIGN

Date: [Signature]

Date 25/07/2024
Sign:

Name:Tabitha.W.Mungai

Bursar/ Finance Officer

Date: 25/07/2024

Sign: [Signature]

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 Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials					
Exercise Books	524,800	-	524,800	323,583	62%
Laboratory Equipment	210,015	-	210,015	337,430	161%
Internal Exams	110,000	-	110,000	101,243	92%
Chalks	15,000	-	15,000	12,201	81%
Teaching / Learning Materials	485,425	-	485,425	262,555	54%
Administration costs	43,000	-	43,000	42,221	98%
Exams And Assessment					
(2) Capitation Grant on Operations					
Personnel Emoluments	958,204	-	958,204	882,946	92%
Repairs And Maintenance	799,900	-	799,900	1,123,620	140%
Local Transport / Travelling	420,000	-	420,000	474,833	113%
Electricity And Water	300,000	-	300,000	316,556	106%
Medical	120,100	-	120,100	158,275	132%
Insurance	200,000	-	200,000	3,000	2%
Administration Costs	273,800	-	273,800	480,833	176%
Transition infrastructure grants	-	-	-	500,000	-
Activity	502,500	-	502,500	144,644	29%

KIBICHIKU SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Gratuity	76,996	-	76,996	-	-
3) FDSE for infrastructure	-	-	-	-	-
Maintenance & Improvement MoE		-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Construction of LAB	800,000	-	800,000	482,179	60%
Purchase of lockers and chair	396,000	-	396,000	396,000	100%
Purchase of apparatus	329,000	-	329,000	270,450	82%
Transition Infrastructure Grants		-	-	-	-
Retention fee	150,000		150,000	133,371	89%
Administration Block	-	-	-		-
(4) Fees Charged on Parents	-	-	-	-	-
Personnel Emoluments	-	-	-	-	-
Lunch	5,587,800	-	5,587,800	7,151,540	128%
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	-	-	-	-	-
5) Miscellenous Income	-	-	-	-	-
Water sale	-	-	-	907,120	-

KIBICHIKU SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget		Adjustments		Final Budget		Actual On Comparable Basis		% Of Utilization	
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c %	f Kshs	g Kshs	h=d/g %	i Kshs	j Kshs
Bus hire	-	-	-	-	-	-	204,800	-	-	-
Disposal -scrap	-	-	-	-	-	-	10,000	-	-	-
Passport	-	-	-	-	-	-	6,520	-	-	-
School id	-	-	-	-	-	-	31,400	-	-	-
Total Income	12,302,540						14,757,320			120%
(6) Expenditure For Tuition										
Textbooks	-	-	-	-	-	-	-	-	-	-
Reference Materials	-	-	-	-	-	-	-	-	-	-
Exercise Books	524,800	-	524,800	-	524,800	214,200	214,200	41%	41%	41%
Laboratory Equipment	210,015	-	210,015	-	210,015	425,931	425,931	203%	203%	203%
Internal Exams	110,000	-	110,000	-	110,000	-	-	-	-	-
Teaching / Learning Materials	485,425	-	485,425	-	485,425	281,650	281,650	58%	58%	58%
Chalks	15,000	-	15,000	-	15,000	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-	-	-	-	-
Administration Costs	43,000	-	43,000	-	43,000	-	-	-	-	-
Bank Charges	-	-	-	-	-	480	480	-	-	-
(7) Expenditure For Operations										
Personnel Emoluments	958,204	-	958,204	-	958,204	1,104,960	1,104,960	115%	115%	115%
Repairs, Maintenance & Improvements	799,900	-	799,900	-	799,900	602,661	602,661	75%	75%	75%
Local Transport / Travelling	420,000	-	420,000	-	420,000	90,120	90,120	21%	21%	21%

KIBICHIKU SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Electricity, Water and Conservancy	300,000	-	300,000	522,370	174%
Medical	120,100	-	120,100	71,450	59%
Insurance	200,000	-	200,000	-	-
Administration Costs	273,800	-	273,800	336,692	123%
Activity Expenses	502,500	-	502,500	1,033,440	206%
Gratuity	76,996	-	76,996	-	-
Bank charges	-	-	-	2,497	-
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of laboratory	800,000	-	800,000	-	-
Construction of DORMS	-	-	-	-	-
Purchase of lockers and chair	396,000	-	396,000	396,000	100%
Purchase of apparatus	329,000	-	329,000	270,450	82%
Retention fee	150,000	-	150,000	133,371	89%
Bank charges	-	-	-	630	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-

KIBICHIKU SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget		Adjustments		Final Budget		Actual On Comparable Basis		% Of Utilization	
	a	Kshs	b	Kshs	c=a+b	Kshs	d	Kshs	e=d/c	%
Medical Expenses	-		-		-		-		-	
Administration Costs	-		-		-		-		-	
Activity	-		-		-		-		-	
Gratuity	-		-		-		-		-	
Lunch Programme	5,583,300		-		5,583,300		7,819,593		140%	
Boarding Equipment and Stores	-		-		-		-		-	
Expenditure For Income Generating Activity	-		-		-		-		-	
Insurance Costs	-		-		-		-		-	
Other Expenses On Investments	-		-		-		-		-	
Farm	-		-		-		9,000		-	
Bank Charges	-		-		-		13,840		-	
Loan Interest Repayment	-		-		-		-		-	
Loan Principal Repayment	-		-		-		-		-	
Acquisition Of Assets	-		-		-		-		-	
Totals	12,298,040		-		12,298,040		13,329,335		108%	

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the school, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs, and the related cash has actually been paid out by the school. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the school includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

11. Notes To The Financial Statements**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	323,583	370,173
Laboratory Equipment	337,430	494,054
Internal Exams	101,243	38,000
Teaching / Learning Materials	262,555	181,216
Admin costs	42,221	200,758
Chalks	12,201	30,000
Total	1,079,233	1,314,201

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	882,946	999,996
Repairs And Maintenance	1,123,620	690,723
Local Transport / Travelling	474,833	265,011
Electricity And Water	316,556	573,830
Medical	158,275	66,811
Administration Costs	480,833	710,128
Activity	144,644	150,000
Maintenance and infrastructure fund	-	2,319,510
Insurance	3,000	-
Gratuity	-	-
Transition infrastructure grants	500,000	-
Total	4,084,707	5,773,009

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	1,282,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	1,282,000	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Lunch programme	7,151,540	5,363,763
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Fee on Boarding Equipment and stores	-	-
PA Levies*	-	-
Others (specify)	-	-
Total	7,151,540	5,363,763

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Water sales	907,120	496,100
Scrap metal	10,000	5,500
Passports	6,520	11,200
Student ID	31,400	74,800
Income From Bus Hire	204,800	25,000
KNEC	-	1,000
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	1,159,840	613,600

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

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

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

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	214,200	399,640
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	425,931	301,352
Teaching / Learning Materials	281,650	366,488
Internal exam	-	13,200
Exams And Assessment	-	-
Administration	-	120,490
Teachers Guides	-	-
Bank Charges	480	840
Others (specify)	-	-
Total	922,261	1,202,010

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,104,960	1,037,829
Service Gratuity	-	55,920
Administration Cost	336,692	1,079,023
Repairs And Maintenance & Improvements	602,661	986,924
Local Transport / Travelling	90,120	351,827
Electricity And Water	522,370	522,464
Medical	71,450	2,350
Activity Expenses	1,033,440	1,118,860
Insurance Cost	-	-
NSSF	-	34,260
NHIF	-	32,250
Acquisition of assets	-	2,966,538
Bank charges	2,497	4,810
Total	3,764,190	8,193,055

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2023
	Kshs	Kshs
Renovation of the school kitchen	-	-
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of lockers and chair	396,000	-
Purchase of equipment	-	-
Purchase of apparatus	270,450	-
Retention fee	133,371	-
Bank charges	630	-
Total	800,451	-

9 Boarding And School Fund

Description	2022-2023	2021-2023
	Kshs	Kshs
Lunch	7,819,593	5,830,056
KNEC	-	35,800
School farm	9,000	-
Bank Charges	13,840	14,230
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	-	-
Bank Charges	-	-
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	7,842,433	5,880,086

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

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1106765133	47,802	8,579
Operations Account	Active	1106770250	633,667	181,793
School Fund Account/Boarding	Active	1106764897	835,498	671,436
Savings Account/Gratuity	Active	1203194153	511,872	413,266
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account	Active	1217048065	882,991	1,201,442
Vision 2020	Dormant	1170857469	3,405	3,405
Total			2,915,235	2,479,921

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	15,604	34,129
Total	15,604	34,129

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	3,390,387	3,311,075
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	500	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	3,390,887	3,311,075

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,249,447	37%	391,945	12%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	2,140,940	63%	2,919,130	88%
Total (should tie to note 13 a)	3,390,387	100%	3,311,075	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	548,226	1,421,290
Prepaid Fees	103,650	161,970
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (specify)	-	-
Total	651,876	1,583,260

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	548,226	100%	1,421,290	%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (should tie to note 14)	548,226	100%	1,421,290	100%

15 Fund Balance Brought Forward

Description	2022-2021	2021-2020
	Kshs	Kshs
Bank Balances	2,479,921	3,351,082
Cash Balances	34,129	63,786
Short Term Investments	-	-
Receivables	3,311,075	4,047,580
Payables	(1,583,260)	(1,010,005)
Total	4,241,865	6,452,443

Other important disclosure notes

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

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	-	-	-
Goats	-	-	-
Trees	100	-	-
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	-	-	-

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	125,122	147,477
Lab consumables	372,500	420,908
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Stationer	190,500	232,000
	688,122	800,385

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)



25/07/2024

Sign and Date

Rose.M.Chege

Principal

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12. Annexes
Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023	Outstanding Balance Comparative 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Laborex school supply	-	-	-	-	800,000	Construction of laboratory
Sub-Total					800,000	
Supply Of Goods						
2. Laborex school supply	-	-	-	-	121,190	
3. Kither limited	-	-	-	-	29,250	Supply of laboratory item
4. Travejade company	-	-	-	-	10,500	Supply of exam
5. Luckyanns Enterprises	419,586	20/06/2022	390,110	29,476	-	Supply of cabbages and onion
6. Green valley groceries	2,320,750	20/06/2022	1,802,000	518,750	460,350	Supply of foodstuff
Sub-Total	2,740,336		2,192,110	548,226	621,290	
Supply Of Services						
7.	-	-	-	-	-	
Sub-Total						
Grand Total	2,740,336		2,192,110	548,226	1,421,290	

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30 th June 2022
Land 1	B/F	Kabete				
Land 2	B/F	Kabete				
Buildings And Structures	B/F	Kabete				
Modern science laboratory	B/F	Kabete				2,286,040
Motor Vehicles	B/F	Kabete				5,500,000
Borehole	B/F	Kabete				Donated
CCTV Cameras	B/F	Kabete				450,400
Projector	B/F	Kabete				75,000
Kyocera 2560	B/F	Kabete				94,000
Bizhub Konica minolta	B/F	Kabete				150,000
Hp laserjet 2055dn	B/F	Kabete				Donation
Hp laser jet 1020	B/F	Kabete				Donation
Office Equipment, Furniture And Fittings	B/F	Kabete				
ICT Equipment, And Other ICT Assets						
Computers & laptops	B/F	Kabete				Donation
Tools And Apparatus	B/F	Kabete				
Textbooks	B/F	Kabete				
Other Machinery And Equipment	B/F	Kabete				
Heritage And Cultural Assets	B/F	Kabete				
Intangible Assets- Soft Ware	B/F	Kabete				
Total						