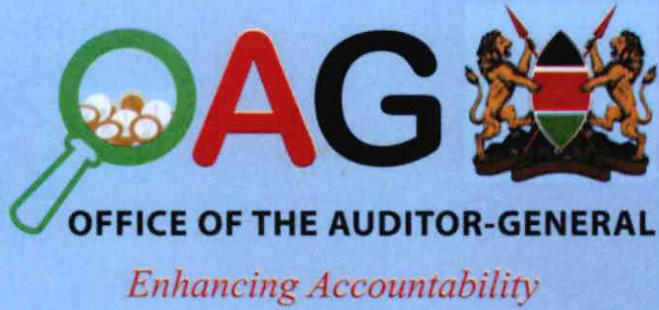


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REPORT

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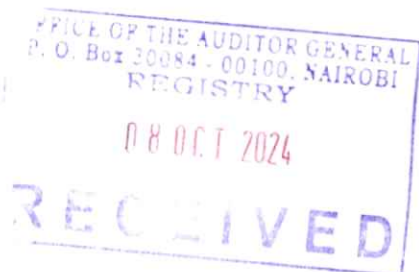
FRIENDS SCHOOL KAMUSINGA

FOR THE YEAR ENDED

30 JUNE, 2023

BUNGOMA COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2025	
DAY: Tuesday	
TABLED BY:	Hon. Owen Boya (Deputy Majority Leader)
CLERK-AT THE-TABLE:	Gertrude Chebet



FRIENDS SCHOOL KAMUSINGA

Public Secondary

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)**



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

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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	

FRIENDS SCHOOL KAMUSINGA

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

2. Key School Information and Management

(a) Background information

Friends school Kamusinga was started in 1956 when the first cohort of students were moved from Kaimosi to the current location of the school in Kimilili in Bungoma county. Friends School Kamusinga was started by Friends Church Missionaries. The founding principal was Mr. Allan Bradley who headed the school up to 1964. Friends School Kamusinga has currently eight streams and in 2022 it had enrolment of 1870. it is a National school.

Friends School Kamusinga is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. Friends School Kamusinga is located in Bungoma County, Kimilili Sub-County.

Friends School Kamusinga was registered in October, 2019 under registration number 39S30000148/2 and is currently categorized as a National public school established, owned or operated by the Government.

Friends School Kamusinga is a Boarding school and had 1870 number of students as at 30th June 2022. It has eight (8) streams and eighty (80) teachers of which 25 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	Ambassador Simon Nabukwesi	Chairman/Rep CEB	26 th August 2019
2	Mr. Kariuki Maina Alex	Secretary - Principal	26 th August 2019
3	Mr. Lazarus Opicho	Member	26 th August 2019
4	Mrs. Jane Njuguna Gachoya	Member	26 th August 2019
5	Dr. Onyimbo Kerama	Member	26 th August 2019
6	Dr. Mathew Kosgei	Member	26 th August 2019
7	Engineer Moses Wekola	Member	26 th August 2019
8	Lady Justice Annet Nyukuri	Member	26 th August 2019
9	Mr. Samuel Muyundo Juma	Member Rep Teachers	26 th August 2019
10	Mrs. Rosemary Sitati	Members - Sponsor	26 th August 2019
11	Professor Moses Poipoi	Member - Sponsor	26 th August 2019
12	Mr. Moses Shikanga	Member - Sponsor	26 th August 2019
15	Dr. Janet Manyasi	Member - Community	26 th August 2019
16	Mrs. Noel Wanjala	Member -Special Needs	26 th August 2019
17	Mr. Edward Kisaka	Co-opted Member	9 th September 2019
18	Mr. Tom Musungu	Co-opted Member	9 th September 2019
19	Mrs. Moureen Wabule	Co-opted Member	9 th September 2019
20	Hamza Mohammed Karudin	Rep Students	26 th August 2019

Key School Information and Management (Continued)

The function of the School Board of Management includes:

- 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	(i) Amb. Simon Nabukwesi (ii) Mr. Kariuki M.A (iii) Mr. Edwards Kisaka (iv) Dr. Janet Manyasi (v) Lady Justice Annet Nyukuri	Chairman Secretary Chairman PA Member Member	2
2	Audit Committee	(i) Eng. Moses Wekola (ii) Comm. Lazarus Opicho (iii) Mr. Moses Shikanga	Chairman Member Member	1
3	Finance, procurement and general purposes Committee	(i) Mrs. Jane Njuguna Gachoya (ii) Mr. Edward Kisaka (iii) Mrs. Moureen Wabule (iv) Mrs. Rosemary Sitati	Chairpersons Member Member Member	1
4	Academic Committee	(i) Dr. Mathew Kosgei (ii) Mr. Tom Musungu (iii) Lady Justice A. Nyukuri (iv) Prof. Moses Poipoi	Chairman Member Member Member	1

FRIENDS SCHOOL KAMUSINGA**Annual Report and Financial Statements for the year ended 30th June 2023**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
5	Development Committee	(i) Amb. Simon Nabukwesi (ii) Dr. Jane Manyasi (iii) Mr. Kariui Maina Alex (iv) Mr. Edward Kisaka (v) Mr. Tom Musungu (vi) Eng. Moses Wekola (vii) Mr. Moses Shikanga	Chairman Member Principal-Secretary Member Member Member Member	2
6	Discipline and welfare Committee	(i) Comm. Lazarus Opicho (ii) Mr. Tom Musungu (iii) Lady Justice Annet Nyukuri (iv) Dr. Onyimbo Kerama (v) Mrs. Noel Wanjala (vi) Mr. Edward Kisaka	Chairman Member Member Member Member	1

(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	TSC Number
1	Principal	KARIUKI M. ALEX	291358
2	Deputy Principal	PROTUS WANDELA NDOMBI	415007
3	School Bursar	DENNIS WACHIYE KULABUSI	N/A

(e) Schools contacts

Post Office Box: Private Bag - 50201, Kimilili.
 Telephone: 0612302724
 E-mail: friends.schoolkamusinga@yahoo.com
 Website: www.fsk.sc.ke
 Facebook: N/A
 Twitter: N/A

FRIENDS SCHOOL KAMUSINGA

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

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks:

1. Name of Bank: Co-operative
Branch: Kimilili
Account Number: 01129050184100
2. Name of Bank: KCB
Branch: Kimilili
Account Number: 1108104258
3. Name of Bank: National
Branch: Bungoma
Account Number: 01022229962700
4. MPESA Pay Bill No. 968610 attached to Co-operative bank account

(g) Independent Auditors

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

FRIENDS SCHOOL KAMUSINGA**Annual Report and Financial Statements for the year ended 30th June 2023****3. Summary Report of Performance of The School**

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

a) Financial performance:*- Capitation Grants from 2018 To 2022*

ACCOUNT	2018	2019	2020	2021	2022
Tuition Account	6,347,905	4,872,784	2,750,949	2,158,060	5,820,310
Operation Account	15,192,457	23,790,579	16,208,768	13,667,505	27,766,496
TOTAL	21,540,362	28,663,363	18,959,717	15,825,565	33,586,806
	16,974	19,250	11,442	10,553	19,575
Ratio Per Student Per Year	35%	40%	25%	23%	51%

Cash and Cash Equivalents Movement

ACCOUNTS	SURPLUS	DEFICIT
2020		
School fund A/C	9,133,084.14	
Operation A/C	40,782.35	
Tuition A/C		51,615.85
TOTAL	9,173,866.49	51,615.85
2019		
School fund A/C	390,304.65	
Operation A/C		2,736,971.06
Tuition A/C		126,459.87
TOTAL	390,304.65	2,863,430.93
2018		
School fund A/C		1,785,856.00
Operation A/C		3,559.81
Tuition A/C	198,606.47	
TOTAL	198,606.47	17,894,416.24

FRIENDS SCHOOL KAMUSINGA**Annual Report and Financial Statements for the year ended 30th June 2023****b) Teacher Student ratio:**

Number of Students	No. Of TSC Teachers	Ration
1870	55	33

The school CBE is 73 hence

Status of Teachers	No.
Transferred	4
Retired	0
Employed by BOM	25

c) Mean score in the 2023 KCSE:

Year	Enrolment	Mean Score	Deviation
2018	265	8.3356	-0.68
2019	286	9.1573	+0.82
2020	299	9.6018	+0.44
2021	389	9.6128	+0.56

d) Number of Candidates KCSE:

Year	Enrolment
2018	265
2019	286
2020	299
2021	389

e) Capacity of the school:

School Kamusinga has enrolment of 1870 as at 18/2/2022. The enrolment is higher than the facilities available. That are the dormitories, classes, laboratories etc. are congested.

f) Development projects carried out by the school:

PROJECT	GOK	Ksh	Parents	Ksh	Total	Ksh.
Stores Dormitory Phase 3 (2 nd Floor)		5,594,000		9,027,203		14,621,203

.....
School Principal

**CHIEF PRINCIPAL
FRIENDS SCHOOL
KAMUSINGA**

FRIENDS SCHOOL KAMUSINGA

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

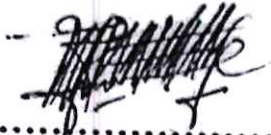
4. Statement of School Management Responsibility

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 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 Friends School Kamusinga 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).

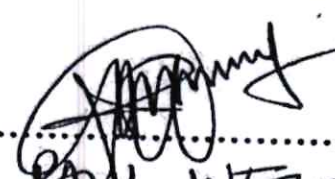
Friends School Kamusinga Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.



.....
Name: PROF. MOSES POI POI

Designation: Chairman, School Board of Management

Date:

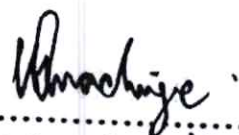


**CHIEF PRINCIPAL
FRIENDS SCHOOL
KAMUSINGA**

.....
Name: PAUL WELOBA

Designation: School Principal & Secretary to Board of Management

Date:



.....
Name: DENNIS W. KULABUSIA

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON FRIENDS SCHOOL KAMUSINGA FOR THE YEAR ENDED 30 JUNE, 2023 – BUNGOMA COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such Schools are applied for 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Friends School Kamusinga set out on pages 1 to 16, which comprise of the statement of financial assets and financial

liabilities for the year ended 30 June, 2023, the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts for the period 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 matters described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of the Friends School Kamusinga 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. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.28,085,998 as disclosed in Notes 10 and 11 to the financial statements which included cash balance of Kshs.10,291,458 out of which Kshs.10,150,805 was related to Mpesa paybill balance that was not supported by Mpesa statements, account reconciliation statements and certificate of balance as at 30 June 2023.

In the circumstances, the accuracy, completeness, existence of cash balance of Kshs.10,291,458 could not be confirmed.

2. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects a balance of Kshs.31,973,649 in respect of accounts payables as disclosed in Note 13 to the financial statements includes Kshs.15,479,067 in respect of trade payables. However, ledgers, invoices, local service/ purchase orders, delivery notes and other relevant supporting documents for the trade payables were not provided for audit review. In addition, the accounts payables balance includes Kshs.1,429,100 and Kshs.15,065,480 in respect to fees refund and prepaid fees respectively whose opening balance and additions during the year were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.32,826,736 could not be confirmed.

3. Long Outstanding Accounts Receivables

The statement of financial assets and liabilities and as disclosed in ageing analysis at Note 12 to the financial statements reflects accounts receivables balance of Kshs.30,054,793. Included in the balance is Kshs.5,925,940 in respect of fee arrears which had been outstanding for over 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.30,054,792 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.10,936,735 and Kshs.24,302,591 as disclosed in Notes 1 and 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.5,792,848 whereas the NEMIS capitation reflects an amount of Kshs.5,979,448 resulting to an unexplained variance of Kshs.186,000.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.10,936,735 and Kshs.24,302,591 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Management of Friends School Kamusinga 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 opinion.

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 effect of 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

The annual report and financial statements for year ended 30 June, 2023 were submitted to the Office of the Auditor General on 7 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, 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. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.32,826,736. However, included in the balance of Kshs.2,835,435 that has been outstanding for over two (2) years as disclosed in ageing analysis in Note 14 to the financial statements. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

3. Unconfirmed Students Enrolment data

The statement of receipts and payments reflects amounts of Kshs.10,936,735 and Kshs.24,302,591 in respect of capitation grants for tuition and operations respectively as disclosed in notes 1 and 2 to the financial statements. Review of number of students registered in National Education Management Information System (NEMIS) and School students' enrolment record revealed variances as follows:

Month	Capitation per Student	No. of Students per NEMIS	No. of Students as per School Register	Variance
Jul-22	4,289	1861	1866	-5
Sep-22	4,010	1867	1866	1
Jan-23	4,414	1866	1962	-96
Apr-23	4,150	1942	1961	-19
Total		7536	7655	-119

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, the variances may have resulted in under-funding of the School which affected service delivery to the students.

4. Personnel Emoluments

4.1 Non-Compliance with the One-Third of Basic Salary Rule

During the year under review, eighteen (18) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section 19(3) of the Employment Act, 2007 which requires the total amount of deduction of the wages of an employee not to exceed 2/3 of such wages.

4.2 Incomplete Documentation in Personnel Files

Review of sampled employee personal files revealed missing critical documents including application letters, offer and acceptance letters, employment contracts outlining terms of service, applications for contract renewal, contract renewal letters, appraisal forms, and academic certificates. This was contrary to Section B.7 (1) of the Human Resource Policies and Procedures Manual for the Public Service, May 2016 which stipulates that before taking up duty, a person appointed to any office will be issued with the appropriate letter of offer of appointment, as the case may be, which must be signed before he commences his/her duties.

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

5. Excess Supply of Books by the Ministry of Education

Inspection carried out at the library in June 2024 revealed that the School had 546 excess text books of unknown value that were received from Ministry of Education but had not been issued to the students. Further, there was deficit of twenty-eight (28) set books that were required by the students.

In the circumstances, the value for money of the excess text books could not be confirmed

6. Irregular Payment of Sitting Allowances

The statement of receipts and payments reflects an amount of Kshs.149,834,454 in respect to boarding and school funds payments as disclosed in Note 9 to the financial statements which includes allowances of Kshs.883,500 paid to Board of Management. Out of these allowances, Kshs.127,000 were paid to Principal and Deputy Principal for attending Board meetings contrary to Section 1 of Circular OP/CAB.9/21/2A/LII of 24th March 2005 on sitting or other allowances. Further, the expenditure was not supported by signed Board minutes and attendance list.

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

7. Irregular Transfer of Funds to Associations

The statement of receipts and payments reflects an amount of Kshs.149,834,454 in respect to boarding and school funds payments as disclosed in Note 9 includes Kshs.317,490 paid for subscription to Kenya Secondary School Heads Association (KESSHA) and Friends School Principals Association. However, these are private

entities that are not subject to Public Finance Management Act, 2012 or any other public finance regulations. KESSHA is an association that draw their membership from school principals only. There is no assurance that they have implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by the School

In the circumstances, value for money transferred to KESSHA amounting to Kshs.317,490 could not be confirmed

8. Failure to Maintain Separate Records for Income Generating Activities

The statement of receipt and payments reflects Kshs.59,264,086 in respect to miscellaneous income as disclosed in Note 5 to the financial statements relate to various income generating activities. However, the School did not maintain separate income and expenditures for each income generating activities contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day Secondary Education (FDSE) which requires that schools with income generating activities to open separate bank accounts for the stream of income and account for it in accordance with financial regulations.

In addition, the school fund income of Kshs.59,264,086 included Kshs.5,611,450 from bakery run by a partnership of teachers and School's employees. However, partnership agreement containing terms and condition on running of the bakery, Board of Management Committee approving the partnership, minutes of bakery management committee, and dividends schedules were not provided for audit review.

In the circumstances, value for money derived by the School from the bakery could not be confirmed.

9. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.24,302,591 as disclosed in Notes 2 to the financial statements. Included in the amount is Kshs.9,663,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, the School delayed in transferring the funds by between twenty-two (22) and forty-seven days (47) days from the date of receiving the funds. This was contrary to 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.

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 effect of 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. Incomplete Fixed Assets Register

Review of fixed assets register provided revealed that Management maintained a list of assets. However, details of date of purchase, cost, serial numbers and locations were not included in the register. Further, assets were not tagged making it difficult to identify some assets such as student chairs and desks, office tables, cabinets and office chairs. This is contrary to Regulation 139 (1) of the of Public Finance Management (National Government) Regulations, 2015.

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

2. Lack of Effective Text Books Management

Inspection at the library carried out in June 2024 revealed that the School had various text books of valued at Kshs.154,545 as disclosed in annex 2 to the financial statements appear to be too low. Though the School maintained list of text books, stock taking as at 30 June 2023 had not been done to reconcile the books in stock and the list. This is contrary to Regulation 139 (1) of the of Public Finance Management (National Government) Regulations, 2015 which stipulates that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and preventative mechanisms are in place to eliminate theft, security threats, losses, wastage, misuse and movement and conditions of assets can be tracked

In the circumstances, the effectiveness of text book management could not be confirmed.

3. Lack of Audit Committee

During the period under review, the School did not have an audit committee contrary to Section 73(5) of the Public Finance Management Act, 2012 which states that every national government entity shall establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.

In the circumstances, the School could not benefit from the independent assurance over its financial reporting and risk management processes.

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 Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 the 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 school's activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gatungu, CBS
AUDITOR-GENERAL

Nairobi

16 October, 2024

FRIENDS SCHOOL KAMUSINGA

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			
Capitation grants for tuition	1	10,936,735	5,820,310
Capitation grants for operations	2	24,302,591	27,766,496
Infrastructure	3	15,062,759	8,700,863
School Fund Income- Parents' Contributions	4	90,641,174	101,026,224
Miscellaneous incomes	5	59,264,086	50,048,389
TOTAL RECEIPTS		200,207,345	193,362,282
PAYMENTS			
Payments for Tuition	6	10,923,869	5,864,472
Payments for operations	7	20,156,683	28,693,361
Payments for infrastructure	8	14,621,203	9,622,970
Boarding and school fund payments	9	149,834,454	126,431,196
TOTAL PAYMENTS		195,536,209	170,611,999
SURPLUS/DEFICIT		4,671,137	22,750,283

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

Name: *PROF P.P.P.P.*

Chair BOM

Date:

Name: *PAUL WEOGA*
School Principal/ Secretary to BOM

Date:

**CHIEF PRINCIPAL
FRIENDS SCHOOL
KAMUSINGA**

Name: *DENNIS W. KULABUSIA*

Bursar/ Finance Officer

Date:

FRIENDS SCHOOL KAMUSINGA

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

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

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	17,794,540	6,950,713
Cash balances	11	10,291,458	16,464,148
Total cash and cash equivalent		28,085,998	23,414,861
Account's receivables	12	30,054,793	17,436,574
Total financial assets		58,140,791	40,851,435
Financial liabilities			
Accounts payables	13	31,973,647	19,355,428
Net financial assets		26,167,144	21,496,007
Represented by			
Accumulated fund b/fwd	14	21,496,007	(1,254,276)
Surplus/deficit for the year		4,671,137	22,750,283
Net financial position		26,167,144	21,496,007

The school's financial statements were approved on

2023 and signed by:

Name: *Prof. A. A. O. O.*

Chair BOM

Date:

Name: *PAUL WEZOBA*
School Principal/ Secretary to
BOM

Date:

**CHIEF PRINCIPAL
FRIENDS SCHOOL
KAMUSINGA**

Name: *DENNIS W. KULARUSIA*

Bursar/ Finance Officer

Date:


FRIENDS SCHOOL KAMUSINGA

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

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

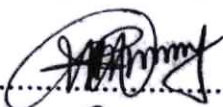
Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		10,936,735	5,820,310
Government grants for operations		24,302,591	27,766,496
Government grants for infrastructure		15,062,759	8,700,863
School fund income- parents contributions/ fees		90,641,174	101,026,224
Miscellaneous incomes		59,264,086	50,048,389
Total receipts		200,207,345	193,362,282
Payments			
Cash outflows for tuition		10,923,869	5,864,472
Cash outflows for operations		20,156,683	28,693,361
Cash outflows for infrastructure		14,621,203	9,622,970
Cash outflows Boarding/lunch and school fund payments		149,834,454	126,431,196
Total payments		195,536,209	170,611,999
Net cash inflow/outflow from operating activities before Adjustments		4,671,137	22,750,283
Add/(Less) decrease/increase in receivables			2,323,209
Add/(Less) decrease/increase in Payables			(12,886,297)
Cash flow from investing activities		4,671,137	12,187,195
Acquisition of assets			-
Proceeds from sale of Assets		-	-
Net cash inflow/outflows from investing activities		-	-
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		4,671,137	12,187,195
Cash and cash equivalent at beginning of the FY		23,414,861	11,227,666
Cash and cash equivalent at end of the FY		28,085,998	23,414,861

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



Name: **PROF P. P. P. P. P.**
Chair BOM

Date:



Name: **PAUL WEOGA**
School Principal/ Secretary to BOM

Date:

**CHIEF PRINCIPAL
FRIENDS SCHOOL
KAMUSINGA**



Name: **DENNIS W. KULABUSIA**
Bursar/ Finance Officer

Date:

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d %	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
<i>(1) Capitation Grant on Tuition</i>						
Teaching / Learning Materials	6,107,420	-	6,107,420	10,936,735	(4,829,315)	179%
Subtotal	6,107,420	-	6,107,420	10,936,735	(4,829,315)	179%
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	-	-	-	5,707,008	(5,707,008)	
Maintenance and Improvements	9,350,000	-	9,350,000	7,536,000	1,814,000	81%
Local Transport / Travelling	-	-	-	1,222,930	(1,222,930)	
Electricity And Water	-	-	-	3,532,910	(3,532,910)	
Medical	1,215,500	-	1,215,500	373,300	842,200	31%
Administration Costs	-	-	-	3,125,268	(3,125,268)	
Activity Expense	2,258,960	-	2,258,960	1,187,175	1,071,785	53%
SMASSE	-	-	-	1,618,000	(1,618,000)	
Other Vote Heads	17,578,000	-	17,578,000	-	17,578,000	0%
Subtotal	30,402,460	-	30,402,460	24,302,591	6,099,869	80%
<i>3) FDSE for infrastructure</i>						
Transferred infrastructure grants	9,350,000	-	9,350,000	15,062,759	(5,712,759)	161%
Subtotal	9,350,000	-	9,350,000	15,062,759	(5,712,759)	161%
<i>(4) Fees Charged on Parents</i>						

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d %	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Personnel emoluments	-	-	-	13,667,843	(13,667,843)	
Fee on Boarding Equipment and stores	56,819,950	-	56,819,950	52,701,814	4,118,136	93%
Maintenance and Improvement	3,740,000	-	3,740,000	3,761,333	(21,333)	101%
Local transport / travelling	-	-	-	2,928,823	(2,928,823)	
Electricity and water	-	-	-	8,461,046	(8,461,046)	
Administration costs	-	-	-	7,484,771	(7,484,771)	
Activity Expense	1,492,260	-	1,492,260	1,635,544	(143,284)	110%
PA Funds	14,700,000	-	14,700,000	-	14,700,000	0%
Others Over Head	38,093,770	-	38,093,770	-	38,093,770	0%
Subtotal	114,845,980	-	114,845,980	90,641,174	24,204,806	79%
			-			
5) Miscellaneous Income			-			
Rent income	-	-	-	294,100	(294,100)	
Income from farming activities	-	-	-	2,794,890	(2,794,890)	
Guest House	-	-	-	194,000	(194,000)	
Income from bakery	-	-	-	5,611,450	(5,611,450)	
PA Fund	-	-	-	23,119,834	(23,119,834)	
Excess Fees	-	-	-	3,513,872	(3,513,872)	
Fee Arrears	-	-	-	23,735,940	(23,735,940)	
Subtotal	-	-	-	59,264,086	(59,264,086)	
Total Receipts	160,705,860	-	160,705,860	200,207,345	(39,501,485)	125%
PAYMENTS						
Teaching / Learning Materials	12,208,950	-	12,208,950	10,917,989	1,290,961	89%

FRIENDS SCHOOL KAMUSINGA

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d %	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bank Charges	-	-	-	5,880	(5,880)	!
Subtotal	12,208,950	-	12,208,950	10,923,869	1,285,081	89%
(7) Expenditure For Operations						
Personnel Emoluments	-	-	-	4,926,007	(4,926,007)	
Service Gratuity	-	-	-	500,000	(500,000)	
Administration Costs	-	-	-	2,697,575	(2,697,575)	
Maintenance and Improvements	9,350,000	-	9,350,000	5,594,000	3,756,000	60%
Local Transport / Travelling	-	-	-	1,055,573	(1,055,573)	
Electricity And Water	-	-	-	3,049,433	(3,049,433)	
Insurance Costs/Medical	1,460,000	-	1,460,000	450,000	1,010,000	31%
SMASSE	-	-	-	1,625,895	(1,625,895)	
Bank Charges	-	-	-	-	-	
Activity Expense	258,200	-	258,200	258,200	-	100%
Others Over Head	17,578,000	-	17,578,000	-	17,578,000	0%
Subtotal	28,646,200	-	28,646,200	20,156,683	8,489,517	70%
(8) Expenditure For infrastructure						
Construction of Dormitory	6,154,412		6,154,412	14,621,203	(8,466,791)	238%
Subtotal	6,154,412	-	6,154,412	14,621,203	(8,466,791)	238%
(9) Expenditure For school fund/lunch/boarding						
Personnel Emoluments	-	-	-	16,035,624	(16,035,624)	
Service Gratuity	-	-	-	531,700	(531,700)	

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d %	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Maintenance and Improvements	3,740,000	-	3,740,000	4,021,044	(281,044)	108%
Local Transport / Travelling	-	-	-	3,436,205	(3,436,205)	
Electricity And Water	-	-	-	9,926,815	(9,926,815)	
School Farm	-	-	-	2,665,665	(2,665,665)	
Guest House	-	-	-	430,628	(430,628)	
Bakery	-	-	-	4,310,562	(4,310,562)	
Administration Cost	-	-	-	8,781,414	(8,781,414)	
PA Fund	14,700,000	-	14,700,000	26,940,470	(12,240,470)	183%
Fee on Boarding Equipment and stores	54,732,245	-	54,732,245	60,351,469	(5,619,224)	110%
Activity Expense	4,904,638	-	4,904,638	8,323,136	- 3,418,498)	170%
Excess Fees	-	-	-	4,079,222	- 4,079,222)	
Caution Money	-	-	-	500	- 500	
Others Over Head	38,093,770	-	38,093,770	-	38,093,770	0%
Subtotal	116,170,653	-	116,170,653	149,834,454	(33,663,801)	129%
Total Payments	163,180,215	-	163,180,215	195,536,209	(32,355,994)	120%

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

FRIENDS SCHOOL KAMUSINGA

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

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.

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

11. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching / Learning Materials	10,936,735	5,820,310
Total	10,936,735	5,820,310

2 Capitation Grant for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	5,707,008	7,471,601
Maintenance and Improvements	7,536,000	9,622,970
Local Transport / Travelling	1,222,930	1,601,057
Electricity And Water	3,532,910	4,625,277
Medical	373,300	354,000
Administration Costs	3,125,268	4,091,591
Activity Expense	1,187,175	-
SMASSE	1,618,000	-
Total	24,302,591	27,766,496

3 Government Grants for Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Transferred Infrastructure Grants	15,062,759	8,700,863
Total	15,062,759	8,700,863

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

Notes to the Financial Statements (Continued)

4 Parents Contribution/Fees - School Fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	13,667,843	15,558,953
Fee on Boarding Equipment and stores	52,701,814	57,540,290
Maintenance and Improvement	3,761,333	4,588,912
Local transport / travelling	2,928,823	3,334,061
Electricity and water	8,461,046	9,631,733
Administration costs	7,484,771	8,520,378
Activity Expense	1,635,544	1,851,897
Total	90,641,174	101,026,224

5 Other Receipts – School Fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent income	294,100	287,050
Income from farming activities	2,794,890	4,879,120
Guest House	194,000	87,700
Income from bakery	5,611,450	5,361,610
PA Fund	23,119,834	31,974,976
Excess Fees	3,513,872	7,457,933
	23,735,940	
Total	59,264,086	50,048,389

6 Payments for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching / Learning Materials	10,917,989	5,863,512
Bank Charges	5,880.00	960
Total	10,923,869	5,864,472

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

Notes to the Financial Statements (Continued)

7 Payments for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	4,926,007	7,211,785
Service Gratuity	500,000	
Administration Costs	2,697,575	3,949,311
Maintenance and Improvements	5,594,000	9,622,970
Local Transport / Travelling	1,055,573	1,545,382
Electricity And Water	3,049,433	4,464,438
Insurance Costs	450,000	1,899,475
	1,625,895	
Total	20,156,683	28,693,361

8 Infrastructure Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms/Dormitory	14,621,203	9,622,970
Total	14,621,203	9,622,970

9 Boarding and School Fund Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	16,035,624	13,183,377
Service Gratuity	531,700	1,257,360
Maintenance and Improvements	4,021,044	2,622,964
Local Transport / Travelling	3,436,205	2,825,009
Electricity And Water	9,926,815	8,161,138
School Farm	2,665,665	3,421,977
Guest House	430,628	497,760
Bakery	4,310,562	4,430,926
Administration Cost	8,781,414	7,219,469
PA Fund	26,940,470	18,324,633
Fee on Boarding Equipment and stores	60,351,469	55,859,358
Activity Expense	8,323,136	1,724,473

FRIENDS SCHOOL KAMUSINGAAnnual Report and Financial Statements for the year ended 30th June 2023

Description	2022-2023	2021-2022
	Kshs	Kshs
Excess Fees	4,079,222	5,680,028
Acquisition of Assets		-
Fees Refund		1,220,224
Caution Money	500	2,500
Total	149,834,454	126,431,196

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active		38,459	38,459
Operations Account	Active		4,518,795	4,518,795
School Fund Account/Boarding	Active		2,227,271	2,227,271
Savings Account	Active	1129050184101	6,029,674	6,029,674
National Bank of Kenya	Active	1022229962700	2,544,943	2,544,943
Gratuity A/C	Active		635,515	635,515
Income Generating Activities	Active		23,610	23,610
Co-Operative Bank	Active	1129050184100	1,171,424	1,171,424
Infrastructural Account	Active		604,849	604,849
Total			17,794,540	6,950,713

11 Cash in Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation Account	1,458	7,598
School Fund account	10,290,000	16,456,550
Total	10,291,458	16,464,148

12 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	29,671,726	17,083,507
Advance	383,067	353,067
Total	30,054,793	17,436,574

FRIENDS SCHOOL KAMUSINGA

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

Notes to the Financial Statements (Continued)

Ageing of the fees / non fees arrears

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	23,735,940	80%	11,157,567	65%
Between 1- 2 years	9,845	0%	670,538	4%
Between 2-3 years	5,925,940	20%	5,255,402	31%
Total (should tie to note 13 a)	29,671,725	100%	17,083,507	100%

13 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	15,479,067	8,168,529
Fees Refund	1,429,100	985,451
Prepaid fees	15,065,480	10,201,448
Total	31,973,647	19,355,428

Ageing of the creditor's arrears

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2021-2022	% of the total	2020-2021	% of the total
Less than 1 year	12,145,831	78%	3,988,418	49%
Between 1- 2 years	497,801	3%	-	0%
Between 2-3 years	2,835,435	18%	4,180,111	51%
Total (should tie to note 14)	15,479,067	100%	8,168,529	100%

14 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	6,950,713	7,909,887
Cash Balances	16,464,148	3,317,780
Receivables	17,436,574	19,759,782
Payables	(19,355,428)	(32,241,725)
Total	21,496,007	(1,254,276)

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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.

15 Biological assets

Description	Number	2022-2023		2021-2022
Cattle	27	1,070,000	25	1,037,000
Pigs	142	1,152,000	142	1,173,000
Trees	4033	23,978,309	4033	18,442,133
Boma Rhiodes		237,500		275,000
Total		26,437,809		20,927,133

16 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	2,050,620	2,023,460
Lab consumables	8,923,570	9,590,770
Stationeries	1,236,427	589,215
Plumbing Items	59,235	62,295
Electrical Items	25,050	42,320
Sports Items	778,990	173,920
Total	13,073,892	12,481,980

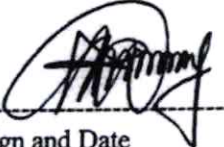
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17 Progress On Follow Up Of Auditor Recommendations

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)
	Financial statements are being audited for the first time by external auditors			



Sign and Date
Principal

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Budget	Date Contracted	Amount Paid To- Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
Supply of goods						
Fsk Workers S.H.G	411,510			411,510		Meat
Everlyne Wandati	21,950			21,950		Vegetables
Cheptai Namisi	290,680			290,680		Meat
Carol Kisiangani	64,000			64,000		Tomatoes
Peter Lusweti	69,000			69,000		Vegetables
David Kirimojo	63,500			63,500		Vegetables
Joytine General Suppliers	8,000			8,000		Vegetables
Michael Kisuya	16,250			16,250		Vegetables
Rose Kiso Mokoit	3,160,000			3,160,000		Beans
Khamulati Junior Stores	1,526,800			1,526,800		Foodstuff
Maurinenachweto Mangoli	140,000			140,000		Beans
Esther Wanyonyi	21,000			21,000		Tea Leaves
Vuma Biofuels Ltd	240,000			240,000		Briquettes
Shadema Construction Co.Ltd	630,273			630,273		Fuel
Volgamith Co.Ltd.	37,210			37,210		Newspapers
Uphill Eng.Servieces Ltd	38,900			38,900		Servicing Generator
Nzowasco	48,559			48,559		Water Bill
Vitalis Odhiambo	81,100			81,100		Repair Vehicles
Rhapen Consultancy	21,000			21,000		Disinfectant

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Supplier of Goods or Services	Original Budget	Date Contracted	Amount Paid To- Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
Ceramic Ent.Intl	223400			223,400		Emptying Septic Tanks
Pollyma Ventures	64,000			64,000		Teaching Aids
Step Office Supplies	120,000			120,000		Stationery
Brevison Enterprises	36,938			36,938		White Board Ink/Markers
Pathlighters Innovations	40,000			40,000		Text Books
Waki Supplies Agencies	2,685,480			2,685,480		Stationery
Samita Investments Ltd.	100,000			100,000		Lab Chemicals
Stasio Smart Link Ltd	288420			288,420		Stationery/Ex.Books
Lemach Enterprises	150000			150,000		Computer Consumables
C.I.C General Insurance	231,659			231,659		Insurance Cover
Pacis Insurance Co.Ltd	592,281			592,281		Insurance Cover
Giddy Sports Hub Inv.	226,800			226,800		Sports Items
Uniform Corner Ltd	565,350			565,350		School Uniform
Busuru& Sons Ent.	563,360			563,360		Welding Works
Guchat Hardware	221,500			221,500		Hardware Material
Avtar Singh	1,760,324			1,760,324		Games And Equipment
Waki Supplies	719,823			719,823		Supplied Stationery
Total	15,479,067			15,479,067		

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Date Purchased	Location	Historical Cost B/f 1 st January 2021	Additions During the Year	Disposals During the Year	Historical Cost C/f 30/06/2022
			Kshs.	Kshs.	Kshs.	Kshs.
Land 1	29/06/1966	Kamusinga School	53,000,000			53,000,000
Land 2	04/08/2014	Kamusinga School	7,100,000			7,100,000
Buildings And Structures Classes 32 Dorms 15 Science labs 6 Library 3 ICT Labs 3 Social hall 1 Dining hall 1 Admin block 1 Staffroom 1 Technical rooms 3 Sanatorium 1 Stores 2 Staff houses 26 Guest house 1	Various	Kamusinga School	397,636,620	11,233,438		408,870,058
Motor Vehicles KAA 168P	13/05/1990	Kamusinga School	850,000			850,000
KAL 902U	25/10/2001	Kamusinga School	600,000			600,000
KAR 647L	02/12/2004	Kamusinga School	500,000			500,000
KBR 290U	13/04/2012	Kamusinga School	5,500,000			5,500,000
Office equipment, furniture and fittings	Various	Kamusinga School	10,000,000	4,338,632		14,338,632

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Asset Class	Date Purchased	Location	Historical Cost B/f 1st January 2021	Additions During the Year	Disposals During the Year	Historical Cost C/f 30/06/2022
			Kshs.	Kshs.	Kshs.	Kshs.
ICT Equipment, and Other ICT Assets	Various	Kamusinga School	15,000,000			15,000,000
Tools and apparatus	Various	Kamusinga School	23,413,200			23,413,200
Textbooks	Various	Kamusinga School	156,545			156,545
Other Machinery and Equipment	Various	Kamusinga School	1,650,000			1,650,000
Heritage and cultural assets	N/A	Kamusinga School	-			-
Intangible assets- soft ware	N/A	Kamusinga School	-			-
Total			515,406,365	15,572,070	-	530,978,435