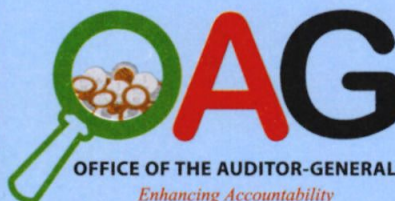


REPUBLIC OF KENYA

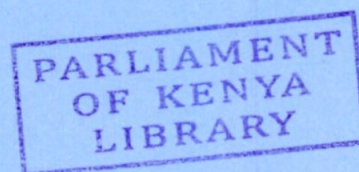


REPORT

OF

THE AUDITOR-GENERAL

ON



CHEPTIL SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

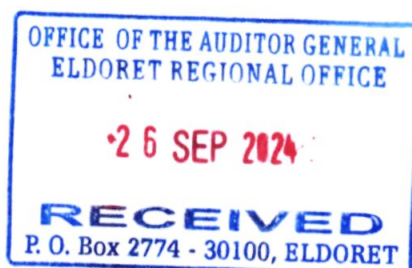
 NANDI COUNTY	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 JUL 2026	
DAY: TUE	
TABLED BY:	Hon. Owen Baya Deputy Majority Leader
CLERK-AT THE-TABLE:	Mr. Inzom Mwale

Revised 30th June 2023.



Cheptil Secondary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021

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



RECEIVED
FEB 25 1954
U.S. AIR FORCE
HEADQUARTERS
WASHINGTON, D.C.

Table of Contents

Page

1. Acronyms and Glossary of Terms.....	iii
2. Key School Information and Management	iv
3. Summary Report of Performance of The School	viii
4. Statement of School Management Responsibility	xii
5. Report Of The Independent Auditors (<i>To be attached</i>)	xiii
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2021	14
7. Statement of Assets and Liabilities As At 30 th June 2021	15
8. Statement of Cash Flows for the Year Ended 30 th June 2021	17
9. Statement of Budgeted versus Actual Amounts for The Year Ended 30 th June 2021	19
10. Significant Accounting Policies	23
11. Notes To The Financial Statements	25
12. Annexes: I) Analysis of pending accounts payable.....	33
II) Summary of fixed assets register	34
III) School fund account Adjusted Trial Balance as at 30/6/2021	35
IV) Operation account Trial Balance as at 30/6/2021	38
V) Tuition account Trial Balance as at 30/6/2021	40
VI) RMI account Trial Balance as at 30/6/2021	41
VII) CDF account Trial Balance as at 30/6/2021	42
VIII) Cash survey Certificate	43
IX) Bank reconciliation statements	44

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

Acronyms and Glossary of Terms

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	Free Day Secondary Education
PA	Parents Association
CDF	Constituency Development Fund

*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 Nandi County, Nandi North Sub-County.

The school was registered in 08/03/1976 under registration number 2634 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 700 number of students as at 30th June 2021. It has three streams and 32 teachers of which 08 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	Prof. John Kosgei Chang'aach	Chairman	20/06/2019
2	Mr. Kipyego Ngetich	Secretary - Principal	20/06/2019
3	Mr. Jonah Tanui	Member	20/06/2019
4	Dr. Emily Bomet	Member	20/06/2019
5	Ms. Rose Serem	Member	20/06/2019
6	Mr. Levy Limo	Member	20/06/2019
7	Mr. Kennedy Tanui	Member	20/06/2019
8	Dr. David Kosgei	Member – Rep CEB	20/06/2019
9	Ms. Anne Birgen	Member Rep Teachers	20/06/2019
10	Mrs. Rose Serem Mr. Charles Barchigei Prof. John chang'aach	3 Members - Sponsor	20/06/2019
11	Mr. William Sang Mr. Meshack Kilach	Members - Community	20/06/2019
12	Dr. Jonah Katam	Member Special Needs	20/06/2019
13	Frankline Kipkosgei	Rep Students	20/06/2019

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. John Chang'aach 2. Kipyego Ngetich 3. Jacob Too 4. Rose Serem 5. Emily Bomet	BOM Chairman BOM Secretary PA Chairman Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
2	Audit Committee	Levy Limo Jackson Tuwei Anne Birgen		0 out of 0 0 out of 0 0 out of 0
3	Finance, procurement and general purposes Committee	David Kosgei Divinah Tuwei William Sang Kipyego Ngetich John Talam	Chairman Member Member Member Member	3 out of 3 1 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	Salome Kitele	Chairlady	1 out of 1

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

		Emily Bomet	Member	1 out of 1
		Jacob Too	Member	1 out of 1
		Kennedy Tanui	Member	1 out of 1
5	Development Committee			
6	Discipline and welfare Committee	Rose Serem	Chairlady	1 out of 1
		Emmanuel Cheruiyot	Member	1 out of 1
		Jacob Too	Member	1 out of 1
		Ezekiel Chirchir	Member	1 out of 1
		Jonah Tanui	Member	1 out of 1
7	Tender Opening Committee	John Talam	Chairman	2 out of 2
		Faith Tarus	Member	2 out of 2
		Victor Ngeny	Member	2 out of 2

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Kipyego Ngetich	TSC No. 335532
2	Deputy Principal	Emmanuel Cheruiyot	TSC No. 455127
3	School Bursar	John Talam	ID No. 22890010

(e) Schools contacts

Post Office Box: P. O. Box. 2151-30100 Eldoret
 Telephone: 0202029991
 E-mail: cheptilsecondary@gmail.com
 Website: www.cheptilsecondary.co.ke

(f) School Bankers

S/No.	ACCOUNT NAME	NAME OF THE BANK	BRANCH	ACCOUNT NUMBER
1	School Fund	KCB	Eldoret	1135325561
2	Operations	NBK	Eldoret	01021027623400
3	Tuition	NBK	Eldoret	01025027623400
4	RMI	KCB	Eldoret	1255230096
5	CDF	NBK	Eldoret	2527623401

(g) Independent Auditors

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

CHEPTIL SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2021**

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

Year	Jan-Jun 2021	2020	2019
Deficit/Surplus	6,907,954	4,120,594	-3,106,068

Capitation grants from the Ministry of Education for the last three years

Account	Jan-Jun 2021	2020	2019
Tuition	907,692	1,302,221	3,670,987
Operational	3,284,016	8,609,825	10,963,366
Total	4,191,708	9,912,046	14,634,353

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

Income	Jan-Jun 2021	2020	2019
Cows	67,839	-	-
Fees	20,863	-	-
Maintenance	4,000	-	-
Sale of Jericans	6,100	-	-
Bus Hire	25,000	-	-
Bakery	762,790	-	-
Total	886,592	-	-

A three-year overview of growth in expenditure of the school

Account	Jan-Jun 2021	2020	2019
Tuition	774,036	1,213,296	4,212,886
Operation	3,220,458	5,867,974	11,140,782
Infrastructure	784,983	-	-

School Fund	6,862,329	17,280,912	29,610,649
Total	11,641,806	24,362,182	44,964,317

Movement of debtors and creditors of the school over the last three years

Description	Jan-Jun 2021	2020	2019
Debtors	16,845,631	16,539,931	13,892,866
Creditors	1,106,909	5,176,510	3,721,570

b) Teacher Student ratio:

Subject	Eng.	Kisw.	Math	Chem.	Bio	Phy.	Geo.	CRE	Agri.	BeS.	Comp.	PE	His
Teachers	4	4	5	3	3	2	2	2	2	3	1	1	3
Teacher:Student	1:175	1:175	1:140	1:234	1:234	1:350	1:350	1:350	1:350	1:234	1:700	1:700	1:234
New Teachers	0	1	1	1	0	0	0	0	0	0	0	0	0
Transferred	0	0	0	1	0	0	0	0	0	0	0	0	0
TSC-Employed	2	4	2	2	1	2	2	1	1	1	0	1	2
BOM-Employed	2	0	3	1	2	0	0	1	1	2	1	0	1

c) Mean score in the 2020 KCSE:

Year	2020	2019	2018
Targeted Mean	5.5	5.5	5.7
Attained Mean	5.4561	5.00	4.3356
Deviation from set mean	-0.439	-0.5	-1.4204
Students to Transition	42	50	20

Commend: The school is gradually reducing its deviation from the set target which is encouraging

d) Number of Candidates in the 2020 KCSE:

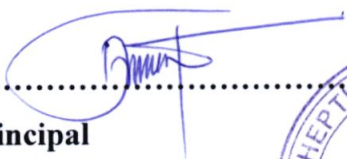
Year	2020	2019	2018
Number of candidates	171	217	176

e) Capacity of the school:

Number of Students	Dormitories	Dining Halls	Laboratories	Latrines
700	9	0	3	40

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Computer Laboratory	CDF and Bank Loan	Completion	6,000,000	5,785,000	2021
One storeyed 6No. Classrooms	Ministry of Education-MI	Yet to start	10,064,955	Nil	N/A

.....

School Principal



CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Cheptil 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, 2021, and of the school's financial position as at that date.

.....
Name:

DAVID KOSGEY

Designation: Chairman, School Board of Management

Date:

DAVID 27/5/2024

.....
Name:

KIPUEGO NAETICH

Designation: School Principal & Secretary to Board of Management

Date:

.....
Name:

JOHN TALAM

Designation: Bursar

Date:

27/5/2024



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 CHEPTIL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – NANDI COUNTY

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and 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 Cheptil Secondary School – Nandi County set out on pages 14 to 34, which comprise of the statement of assets and

liabilities as at 30 June, 2021, the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the period 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 Cheptil Secondary School at 30 June, 2021 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in School Fund Income – Parents Contributions

The statement of receipts and payments reflects School fund income-parents contribution amount of Kshs.11,035,959 while the statement of cash flows reflect an amount of Kshs.11,866,967. The variance of Kshs.831,008 was not reconciled.

In the circumstances, the accuracy and completeness of school fund income -parents contributions/fees of Kshs.11,035,959 could not be confirmed.

2. Long Outstanding Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivables balance of Kshs.16,845,631 out of which Kshs.16,815,832 is in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivables balance of Kshs.11,647,679 which had been outstanding for more than three (3) years representing 69% of the total accounts receivable. However, there was no details supporting schedule for the ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, accuracy and completeness of accounts receivables balance of Kshs.11,647,679 could not be confirmed.

3. Unsupported Accounts Payables Balance

The statement of financial assets and liabilities reflects accounts payables balance of Kshs1,106,909 as disclosed in Note 14 to the financial statements in respect of prepaid fees. However, the supporting documentation for the balance was not provided for audit. Further, the Note indicates nil trade creditor against Kshs.5,176,501 reported in the previous year. The amount varied with appendix annex 1 – analysis of pending accounts payable that indicated a balance of Kshs.215,000 as at 30 June, 2021 and Kshs.999,983 for the previous year comparative. The variances have not been explained or reconciled.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.1,106,909 could not be confirmed.

4. Unsupported Accounts Payments

The statement of receipts and payments and Notes 6,7 and 9 reflects tuition, operations and boarding and school fund payments amounting to Kshs.774,036, Kshs.3,220,458 and Kshs.6,862,329 respectively. However, examination of payment vouchers amounting to Kshs.773, 796 for tuition expenditure, Kshs.832,334 for operations expenditure and Kshs.3,278,040 for school fund respectively revealed that management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports and goods received notes.

In the circumstances, accuracy completeness and of payments of Kshs.4,884,170 could not be confirmed.

5. Unsupported Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivables balance of Kshs.16,845,631 as disclosed in Note. 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.16,845,631 could not be confirmed

6. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects Government grants for tuition of Kshs.907,692 and Government grant for operations of Kshs.3,284,016 all totalling Kshs.4,191,708 as disclosed in Note 1 and Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School revealed capitation amount of Kshs.10,403,112, resulting in an unexplained variance of Kshs.6,211,404.

In the circumstances, the accuracy and completeness of the Government grants for tuition and operations of Kshs.4,191,708 could not be confirmed.

7. Undisclosed Income from Hire of Bus

The statement of receipts and payments reflects miscellaneous income amount of Kshs.886,592 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs.25,000 for income from bus hire. However, examination of school bus work tickets revealed that the bus had been hired out on several occasions during the financial year without declaring, recording and banking the revenue.

In the circumstances, the accuracy, completeness and existence of miscellaneous income balance of Kshs.886,592 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.41,280,180 and Kshs.18,549,760 respectively, resulting in an under-funding of Kshs.22,730,420 or 55% of the budget. However, the School spent an amount of Kshs.11,641,806 against actual receipts amounting to Kshs.18,549,760 resulting in an under-utilization of Kshs.6,907,954 or 37% of actual receipts. Further, Management did not include miscellaneous income as an income line item despite the school having historically running revenue generating activities like hire of bus, bakery and School farm cows.

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

My opinion is not modified in respect of these matters

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially

affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information. My audit opinion on the current period financial statements is not modified in respect of this matter.

In the circumstances, presentation of the financial statements was not in the format prescribed by the Public Sector Accounting Standards Board.

Other Information

The Board of Management is responsible for the Other Information set out on page 1 to 12 which comprise of Key School Information and Management, Summary Report of Performance of the School, Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor General

The annual reports and financial statements for the financial period ended 30 June, 2021 were submitted to the office of the Auditor-General for audit on 26 September, 2024, three (3) years beyond the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 and 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. Failure to Prepare Bank Reconciliations

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.10,339,399 as disclosed in Note 10 and 11 to the financial statements. Included in the balance are five (5) bank accounts with bank balances of Kshs.10,334,893. However, the management did not produce for audit review bank reconciliation statements for each of the five (5) banks accounts for July 2020 to May 2021. This was contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations 2015.

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

3. Failure to Maintain Imprest Register

The statement of receipts and payments and Note 7 to the financial statements reflects operations payments of Ksh.3,220,458. Audit review of the cashbook indicated payments in respect of cash advances to staff attending to school activities. However, during the year under review, the school did not maintain an imprest register, contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015.

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

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

The statement of receipts and payments reflects operations payments amount of Kshs.3,220,458 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.307,000 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.307,000 could not be confirmed.

5. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects Government grants for operations amount of Kshs.3,284,016 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. However, the amounts were not transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account. This was contrary to The Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021.

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

6. Failure to Prepare School Improvement Plan

Information provided and discussions held with management indicated that during the period 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 Ministry of Education guidelines.

7. Non-Compliance with AGPO Reservation in Procurement

The statement of receipts and payments reflects payments amount of Kshs.11,641,806 as disclosed in Notes 6,7,8 and 9 to the financial statements which includes an amount of Kshs.8,877,627 in respect of procurement of goods and services from the school's suppliers. Review of payments for goods and services suppliers revealed that the school did not reserve 30% of the Procurement of goods and services for Youth Women and Persons with Disabilities, contrary to Section 53(6) of Public Procurement and Disposal Act, 2015.

In the circumstances, Management was in breach of law.

8. Non-Deduction of Capacity Building Levy

The statement of receipts and payments reflects payments amount of Kshs.11,641,806 as disclosed in Note 6, Note 7, Note 8 and 9 to the financial statements which includes an amount of Kshs.8,877,627 in respect of procurement contracts signed with the school's suppliers. Review of payments for the goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

9. Non-Compliance with School Infrastructure Checklist

Physical inspection of the school in respect of adherence with School Infrastructure Standards and Guidelines on Safety on School Grounds and Safety in Physical Infrastructure of classrooms, dormitories and sanitation infrastructure indicated that the school was not in compliance with twenty-four (24) of the Ministry of Education Infrastructure Standards and Guidelines.

In the circumstances, Management was in breach of the Ministry of Education guidelines.

10. Lack of a Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

In circumstances, the effectiveness of procurement processes could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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 governance were not effective.

Basis for Conclusion

1. Weaknesses in Security of the School Financial System

Review of the school's financial management system revealed that no requests were made by users before they are allowed system access, login sessions persisted for many days until users logged out, users could concurrently log in on multiple computers and regular backups of important information from the system were not made.

In circumstances, the effectiveness of controls in management of the financial system could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register reflects a balance of Kshs.47,555,811 which includes land with a balance of Kshs.9,900,00. However, land ownership documents for two parcels of land are still registered in the names of the sellers. Further, Management did not prepare an updated fixed assets register and several assets at the school were not tagged.

In these circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Lack of Internal Audit Function

During the year under review, the school had constituted an audit committee and an internal audit unit (under the Ministry of Education Schools Audit) as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. However, the audit committee did not meet during the period under review. Further, the school management did not provide evidence of audit undertaken during the period under review.

In the circumstances, the existence of effective oversight mechanisms could not be confirmed.

4. Weaknesses in Constitution of Board of Management

During the year under review, the Board of Management did not prepare an annual board work plan or schedule of activities/board charter for the year under review as envisioned by section 59 of the Basic Education Act, 2013. Further, Management did not constitute sub committees of the Board submit an annual report on governance to Director of Basic Education section 60 of the Basic Education Act, 2013. In addition, evidence of meetings of the full board were not provided for audit.

In the circumstances, the existence and effectiveness of governance structure of the School could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

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 of 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 Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 May, 2026

Statement Of Receipts and Payments For the Year Ended 30th June 2021

Description Of Vote Head	Note	Jan- Jun 2021	2020
		Kshs	Kshs
Receipts			
Government grants for tuition	1	907,692	1,302,221
Government grants for operations	2	3,284,016	8,609,825
Government Grants for infrastructure	3	2,435,500	-
School fund income- parents' contributions	4	11,035,959	18,570,730
Miscellaneous incomes	5	886,592	-
Total Receipts		18,549,760	28,482,776
Payments			
Tuition	6	774,036	1,213,296
Operations	7	3,220,458	5,867,974
Infrastructure	8	784,983	-
Boarding and school fund	9	6,862,329	17,280,912
Total Payments		11,641,806	24,362,182
Surplus/Deficit		6,907,954	4,120,594

The school financial statements were approved on 27/5/2024 and signed by:

Name: DAVID KOSGON

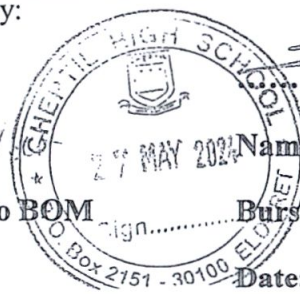
Chair BOM

Date: 27/5/2024

Name: KIPYEGO NGETI

School Principal/ Secretary to BOM

Date: 27/5/2024



Name: JOHN TRAAM

Bursar

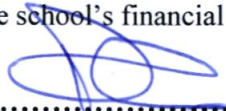
Date: 27/5/2024

Statement of Assets and Liabilities As At 30th June 2021

Description	Note	Jan – Jun 2021	2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	10,334,893	7,806,137
Cash balances	11	4,506	609
Short term investments	12	-	-
Total cash and cash equivalent		<u>10,339,399</u>	<u>7,806,746</u>
Account's receivables	13	16,845,631	16,539,931
Total financial assets		27,185,030	24,346,677
Financial liabilities			
Accounts payables	14	1,106,909	5,176,510
Net financial assets		26,078,121	19,170,167
Represented by			
Accumulated fund b/fwd	15	19,170,167	15,049,573

Surplus/deficit for the year		6,907,954	4,120,594
Net financial position		26,078,121	19,170,167
			-

The school's financial statements were approved on 27/5/2024 and signed by:



Name: DAVID KOSGEI

Chair BOM

Date: 27/5/2024



Name: KIPYEGO NGETICH

School Principal/ Secretary to BOM

Date:





Name: JOHN JARAM

Bursar

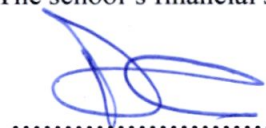
Date: 27/5/2024

Statement of Cash Flows for the Year Ended 30th June 2021

Description	Note	Jan – Jun 2021	2020
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	907,692	1,302,221
Government grants for operations	2	3,284,016	8,609,825
Government grants for infrastructure	3	2,435,500	-
School fund income- parents contributions/ fees	4	11,866,967	12,989,780
Other income	5	886,592	-
Total receipts		19,380,768	22,901,826
Payments			
Cash outflows for tuition	6	774,036	1,213,296
Cash outflows for operations	7	3,220,458	5,867,974
Cash outflows Boarding/lunch and school fund payments	9	12,068,638	12,104,403
Total payments		(16,063,132)	(19,185,673)
Net cash inflow/outflow from operating activities	A	3,317,636	3,716,154
Cash flow from investing activities			
Acquisition of assets	B	(784,983)	(-)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		(-)	(-)
Net cash inflow/outflows from investing activities	D	2,532,653	3,716,154
Cash flow from Financing activities			

Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		(-)	(-)
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents	D	2,532,653	3,716,154
Cash and cash equivalent at beginning of the FY	E	7,806,746	4,090,593
Cash and cash equivalent at end of the FY	F=D+E	10,339,399	7,806,746

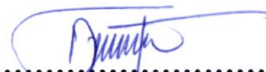
The school's financial statements were approved on 27/5/2024 and signed by:



Name: DAVID KOSGEI

Chair BOM

Date: 27/5/2024



Name: Kipyego Ngetich
School Principal/ Secretary to BOM

Date:




Name: JOHN JARAM

Bursar

Date: 27/5/2024

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	48,300	-	48,300	24,081	50%
Exercise Books	502,600	-	502,600	303,293	60%
Laboratory Equipment	746,900	-	746,900	122,848	16%
Internal Exams	403,200	-	403,200	25,128	6%
Teaching / Learning Materials	107,100	-	107,100	432,333	404%
Chalks	26,600	-	26,600	-	0%
(2) Capitation Grant on Operations					0%
Personnel Emoluments	4,728,500	-	4,728,500	2,532,954	54%
Repairs And Maintenance	3,500,000	-	3,500,000	174,500	5%
Local Transport / Travelling	385,000	-	385,000	55,438	14%
Medical	1,400,000	-	1,400,000	113,425	8%
Administration Costs	1,116,500	-	1,116,500	404,209	36%
Activity	1,050,000	-	1,050,000	3,490	0%
Gratuity					
3) FDSE for infrastructure					

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
Maintenance &Improvement MoE	-	-	-	2,435,500	0%
(4) Fees Charged on Parents					
Personnel Emoluments	1,978,110	-	1,978,110	840,410	42%
Repairs And Maintenance	1,276,200	-	1,276,200	544,071	43%
Local Transport / Travelling	478,575	-	478,575	206,975	43%
Electricity And Water	4,658,130	-	4,658,130	1,974,387	42%
Medical	-	-	-	1,000	0%
Administration Costs	1,180,485	-	1,180,485	546,279	46%
Activity	95,715	-	95,715	49,660	44%
Bus Fund	1,400,000	-	1,400,000	5,000	0%
Fee On Boarding Equipment and Stores	16,198,265	-	16,198,265	6,876,177	42%
5) Miscellenous Income					
School farm - Cows	-	-	-	67,839	0%
Excess fees	-	-	-	20,863	0%
Maintenance and Improvement	-	-	-	4,000	0%
Sale of Jaricans	-	-	-	6,100	0%
Income From Bus Hire	-	-	-	25,000	0%
Income from Bakery	-	-	-	762,790	0%
Total Income	41,280,180	-	41,280,180	18,549,760	45%
(6) Expenditure For Tuition					
Exercise Books	502,600	-	502,600	366,400	73%
Reference Materials	48,300	-	48,300	52,500	109%

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
Laboratory Equipment	746,900	-	746,900	245,472	33%
Internal Exams	403,200	-	403,200	50,150	12%
Teaching / Learning Materials	107,100	-	107,100	59,274	55%
Chalks	26,600	-	26,600	-	0%
Bank Charges	-	-	-	240	0%
(7) Expenditure For Operations					0%
Personnel Emoluments	4,728,500	-	4,728,500	2,538,761	54%
Repairs, Maintenance & Improvements	3,500,000	-	3,500,000	-	0%
Local Transport / Travelling	385,000	-	385,000	36,500	9%
Medical and Insurance	1,400,000	-	1,400,000	187,403	13%
Administration Costs	1,116,500	-	1,116,500	452,794	41%
Activity Expenses	1,050,000	-	1,050,000	5,000	0%
(8) Expenditure For infrastructure					
Construction of Computer Laboratory	-	-	-	784,983	0%
(9) Expenditure For school fund					
Personnel Emoluments	1,978,110	-	1,978,110	225,178	11%
Repairs, Maintenance and Improvements	1,276,200	-	1,276,200	455,700	36%
Local Transport / Travelling	478,575	-	478,575	232,385	49%
Electricity, Water and Conservancy	4,658,130	-	4,658,130	971,888	21%
Administration Costs	1,180,485	-	1,180,485	1,082,087	92%

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
Activity	95,715	-	95,715	47,200	49%
Boarding Equipment and Stores	16,198,265	-	16,198,265	3,171,106	20%
Expenditure For Income Generating Activity	-	-	-	499,452	0%
Bus Fund	1,400,000	-	1,400,000	66,100	5%
Totals	41,280,180	-	41,280,180	11,641,806	28%

- i. The 28% expenditure was occasioned by effects of covid 19 pandemic.
- ii. The 109% spent on reference materials was caused by fluctuation in prices.

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 2021.

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

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Reference Materials	24,081	42,180
Exercise Books	303,293	441,631
Laboratory Equipment	122,848	347,985
Internal Exams	25,128	-
Teaching / Learning Materials	432,333	116,698
Administration Cost	9	821
Total	907,692	1,302,221

2 Government Grants for Operations

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Personnel Emoluments	2,532,954	4,266,067
Repairs And Maintenance	174,500	2,812,000
Local Transport / Travelling	55,438	462,469
Electricity And Water	-	135,140
Medical	113,425	140,600
Administration Costs	404,209	512,349
Activity	3,490	281,200
Total	3,284,016	8,609,825

3 Government Grants for infrastructure

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Maintenance & Improvement	2,435,500	-
Total	2,435,500	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

4 School Fund Income - Parents Contribution/Fees

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Personnel emoluments	840,410	1,109,490
Repairs and maintenance	544,071	715,800
Local transport / travelling	206,975	233,264
Electricity and water	1,974,387	2,612,670
Medical	1,000	-
Administration costs	546,279	662,447
Activity	41,660	80,475
Fee on Boarding Equipment and stores	6,876,177	13,084,584
Bus Fund	5,000	72,000
Total	11,035,959	18,570,730

5 Miscellaneous Incomes

Description	Jan – Jun 2021	2020
	Kshs	Kshs
School farm - Cows	67,839	-
Excess Fees	20,863	-
Maintenance and Improvement	4,000	-
Sale of Jaricans	6,100	-
Income From Bus Hire	25,000	-
Income from Bakery	762,790	-
Total	886,592	-

Notes to the Financial Statements (continued)

6 Tuition

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Exercise Books	366,400	628,000
Reference materials	52,500	-
Laboratory Equipment	245,472	-
Teaching / Learning Materials	59,274	585,040
Internal Exams	50,150	-
Bank Charges	240	256
Total	774,036	1,213,296

7 Operations

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Personnel Emoluments	2,538,761	4,403,912
Administration Cost	452,794	842,696
Repairs And Maintenance & Improvements	-	116,600
Local Transport / Travelling	36,500	54,800
Electricity And Water	-	76,000
Medical and Insurance	187,403	160,016
Activity Expenses	5,000	213,950
Total	3,220,458	5,867,974

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

Notes to the Financial Statements (continued)

8 Infrastructure

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Construction of computer laboratory	784,983	-
Total	784,983	-

9 Boarding And School Fund

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Personnel Emoluments	225,178	1,761,164
Activity	47,200	337,090
Repairs And Maintenance & Improvements	455,700	388,500
Local Transport / Travelling	232,385	383,284
Electricity And Water	971,888	1,081,491
Administration Costs	1,082,087	2,105,640
Refunds to students	76,983	-
Expenses On Income Generating Activities	499,452	-
Fee On Boarding Equipment and Stores	3,171,106	10,740,411
Bus Expenses	66,100	483,332
School Farm- Cows	34,250	-
Total	6,862,329	17,280,912

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	Jan – Jun 2021	2020
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01025027623400	223,727	71
Operations Account	Active	01021027623400	208,748	1,639
School Fund Account/Boarding	Active	1135325561	188,733	(264,740)
Infrastructure Account	Active	1255230096	9,498,290	7,068,790
CDF	Active	2527623401	215,395	1,000,378
Total			10,334,893	7,806,137

11 Cash In Hand

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Notes and Coins	4,506	609
Total	4,506	609

12 Short Term Investments

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

13 Accounts Receivable

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Fees Arrears	16,815,832	16,520,632
Salary Advances (list/schedule attached)	29,799	19,299
Total	16,845,631	16,539,931

13 b Ageing Analysis of Accounts Receivable

Description	Jan – Jun 2021		2020	
	Kshs		Kshs	
	Current FY	% of the total	2020	% of the total
Less than 1 year	2,394,065	14%	3,416,439	20%
Between 1- 2 years	1,317,574	7%	1,456,514	9%
Between 2-3 years	1,456,514	9%	-	0%
Over 3 years	11,647,679	69%	11,647,679	71%
Total (should tie to note 13 a)	16,815,832	100%	16,520,632	100%

Notes to the Financial Statements (continued)

14 Accounts Payable

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	-	5,176,510
Prepaid Fees	1,106,909	-
Total	1,106,909	5,176,510

14a. Ageing Analysis of Accounts Payable

Description	Jan – Jun 2021		2020	
	Kshs		Kshs	
	Jan-Jun 2021	% of the total	2020	% of the total
Less than 1 year	-	0%	5,176,510	100%
Total (should tie to note 14)	-	0%	5,176,510	100%

15 Fund Balance Brought Forward

Description	Jan – Jun 2021	2020
	Kshs	Kshs
Bank Balances	7,806,137	4,877,267
Cash Balances	609	1,010
Receivables	16,539,931	13,892,866
Payables	(5,176,510)	(3,721,570)
Total	19,170,167	15,049,573

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	Jan – Jun 2021	2020
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	Jan – Jun 2021	2020
		Kshs	Kshs
Cattle	3	150,000	130,000
Trees	157	266,900	235,500
Total	160	416,900	365,500

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	Jan – Jun 2021	2020
	Kshs	Kshs
Food stuffs	2,191,671	-
Lab consumables	52,532	-
Medication	31,915	-
Construction Materials	49,460	-
	2,325,578	-

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

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)
4	Delay in utilization of MI funds	Amount should be utilised for the intended purpose	Process begun	End of next financial year
5	Inter account Transfer	Amounts to be harmonized	Harmonized	Resolved
6	Retention Money Bank Account	Open Savings Bank Account	Not Resolved	During the next year

Sign and Date
Principal

27/5/2024



Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Jan – Jun 2021	Outstanding Balance Comparative 2020	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Computer Laboratory	6,000,000	2014	5,785,000	215,000	999,983	In Completion
Sub-Total	6,000,000		5,785,000	215,000	999,983	
Supply Of Goods						
Sub-Total	0		0	0	0	
Supply Of Services						
Sub-Total	0		0	0	0	
Grand Total	6,000,000		5,785,000	215,000	999,983	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land	9,900,000	-	-	9,900,000
Buildings And Structures	25,485,081	784,983	-	26,270,064
Motor Vehicles	5,000,000	-	-	5,000,000
Office Equipment, Furniture And Fittings	831,000	-	-	831,000
ICT Equipment	965,000	-	-	965,000
Tools And Apparatus	733,190	-	-	733,190
Other Machinery And Equipment	3,761,540	-	-	3,761,540
Heritage And Cultural Assets	680,000	-	-	680,000
Intangible Assets- Soft Ware	200,000	-	-	200,000
Total	47,555,811	784,983	-	48,340,794

ADJUSTED TRIAL BALANCE YEAR: 2020_2021								
SCH ACC :BOARDING A/C			PERIOD ENDING:30 Jun 2021					
			CASH BOOK TRIAL BALANCE		ADJUSTMENTS		FINAL ADJUSTED TRIAL BALANCE	
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	DR.	CR.	DR.	CR.
Opening Balance								
Cash		-	-	556.00	-	-	-	556.00
Bank		-	-	-264,740.40	-	-	-	(264,740.40)
ACTIVITY	1	95,715.00	47,200.00	34,077.00	-	7,583.00	47,200.00	41,660.00
ADMIN COST	2	1,180,485.00	1,082,087.00	447,480.00	-	98,799.00	1,082,087.00	546,279.00
ARR	3	-	-	2,098,865.00	2,394,065.00	-	2,394,065.00	2,098,865.00
BES	4	16,198,265.00	3,171,106.00	5,249,312.00	-	1,626,865.00	3,171,106.00	6,876,177.00
BUS FUND	5	1,400,000.00	-	-	-	5,000.00	-	5,000.00
E.W.C	6	4,658,130.00	971,888.00	1,621,580.00	-	352,807.00	971,888.00	1,974,387.00
EXAM	7	-	-	-	-	-	-	-
JERICANS	8	-	-	6,100.00	-	-	-	6,100.00
L.T.T	9	478,575.00	232,385.00	169,736.00	-	37,239.00	232,385.00	206,975.00

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

M.I	10	-	-	-	-	4,000.00	-	4,000.00
MEDICAL	11	-	-	-	-	1,000.00	-	1,000.00
P.E	12	1,978,110.00	225,178.00	694,355.00	-	146,055.00	225,178.00	840,410.00
P.T.A DEV	13	-	-	-	-	-	-	-
PRE	14	-	-	1,106,909.00	-	-	-	1,106,909.00
R.M.I	15	1,276,200.00	455,700.00	450,217.00	-	93,854.00	455,700.00	544,071.00
REFUND	16	-	76,983.00	-	-	20,863.00	76,983.00	20,863.00
ADVANCE	17	-	154,000.00	143,500.00	-	-	154,000.00	143,500.00
BAKERY	18	-	499,452.00	762,790.00	-	-	499,452.00	762,790.00
BURSARY	19	-	1,001,723.00	1,001,723.00	-	-	1,001,723.00	1,001,723.00
BUS	20	-	66,100.00	25,000.00	-	-	66,100.00	25,000.00
COWS	21	-	34,250.00	67,839.00	-	-	34,250.00	67,839.00
CREDITORS	22	-	5,176,509.50	-	-	-	5,176,509.50	-
NHIF	23	-	31,100.00	31,100.00	-	-	31,100.00	31,100.00
NSSF	24	-	97,120.00	97,120.00	-	-	97,120.00	97,120.00
OPERATION A/C	25	-	241,584.00	98,086.00	-	-	241,584.00	98,086.00

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2021**

TUITION A/C	26	-	90,000.00		-	-	90,000.00	-
WELFARE	27	-	16,200.00	16,200.00	-	-	16,200.00	16,200.00
RMI ACCOUNT	28	-	-	6,000.00	-	-	-	6,000.00
Closing Balance		-	-	-	-	-	-	-
Cash		-	4,506.00	-	-	-	4,506.00	-
Bank		-	188,733.10	-	-	-	188,733.10	-
TOTAL		27,265,480.00	13,863,804.60	13,863,804.60	2,394,065.00	2,394,065.00	16,257,869.60	16,257,869.60

CUMMULATIVE TRIAL BALANCE YEAR: 2020_2021						
SCH ACC :OPERATION A/C		PERIOD ENDING:30 Jun 2021				
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	COMMITTED	BAL(BUDGET- DEBIT)
Opening Balance						
Cash				53.00		
Bank				1,638.30		
ACTIVITY	1	1,050,000.00	5,000.00	3,490.00		
ADMIN COST	2	1,116,500.00	452,794.00	404,209.00		
ARR	3					
E.W.C	4					
INSURANCE	5	1,400,000.00	187,403.00	113,425.00		
L.T.T	6	385,000.00	36,500.00	55,438.00		
P.E	7	4,728,500.00	2,538,761.00	2,532,954.25		789,038.40
PRE	8					
R.M.I	9	3,500,000.00		2,610,000.00		1,388,000.00
SMASSE	10	140,000.00				
BOARDING A/C	11		98,086.00	241,584.00		
MOEST GRANTS	12		5,719,516.25	5,719,516.25		

*CHEPTIL SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2021**

NHIF	13		81,650.00	81,650.00		
NSSF	14		247,512.00	247,512.00		
RMI ACCOUNT	15		2,435,500.00			
WELFARE	16		39,900.00	39,900.00		
Closing Balance						
Cash			0.00			
Bank			208,747.55			
		12,320,000.00	12,051,369.80	12,051,369.80		2,177,038.40

CUMMULATIVE TRIAL BALANCE YEAR: 2020_2021						
SCH ACC : TUITION A/C		PERIOD ENDING: 30 Jun 2021				
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	COMMITTED	BAL(BUDGET-DEBIT)
Opening Balance						
Bank				71.10		
ADMIN COST	1		240.00	9.00		
Chalks	2	26,600.00				26,600.00
Exercise Books	3	502,600.00	366,400.00	303,293.00		136,200.00
Internal Exams	4	403,200.00	50,150.00	25,128.00		353,050.00
Lab Equipments	5	746,900.00	245,472.00	122,848.00		501,428.00
Ref/Lib Materials	6	48,300.00	52,500.00	24,081.00		(4,200.00)
Teaching and Learning Materials	7	107,100.00	59,274.00	432,333.25		47,826.00
Text Books	8	1,416,100.00				1,416,100.00
MOEST GRANTS	9		907,692.25	907,692.25		
BOARDING A/C	10			90,000.00		
Closing Balance: Bank			223,727.35			
TOTAL		3,250,800.00	1,905,455.60	1,905,455.60	-	2,477,004.00

CUMMULATIVE TRIAL BALANCE YEAR: 2020_2021						
SCH ACC :RMI ACCOUNT		PERIOD ENDING:30 Jun 2021				
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	COMMITTED	BAL(BUDGET- DEBIT)
Opening Balance						
Cash						
Bank				7,068,790.00		-
BOARDING A/C	1		6,000.00			(6,000.00)
OPERATION A/C	2	3,500,000.00		2,435,500.00		3,500,000.00
Closing Balance						
Cash						
Bank			9,498,290.00			
TOTAL		3,500,000.00	9,504,290.00	9,504,290.00		3,494,000.00

CUMMULATIVE TRIAL BALANCE YEAR: 2020_2021						
SCH ACC :CDF ACCOUNT		PERIOD ENDING:30 Jun 2021				
VOTE	FOLIO NO	EXPECTED INCOME (BUDGET)	DEBIT(Dr)	CREDIT(Cr)	COMMITTED	BAL(BUDGET- DEBIT)
Opening Balance						
Cash						
Bank				1,000,377.65		
COMPUTER	1		784,983.00			
Closing Balance						
Cash						
Bank			215,394.65			
TOTAL			1,000,377.65	1,000,377.65		

CASH SURVAY AS AT 30/06/2021

DENOMINATION	NUMBER	AMOUNT
1000 shillings notes	2	2,000.00
500 shillings notes	3	1,500.00
200 shillings notes	3	600.00
100 shillings notes	4	400.00
5 shillings coin	1	5.00
1 shilling coin	1	1.00
TOTAL		KSHs. 4,506.00

SURVEY CARRIED OUT BY:

DESIGNATION	NAME	SIGN	DATE
Accounts Clerk:	<u>KIPHEGICH EDWIN</u>	<u></u>	<u>30/06/2021</u>
Bursar:	<u>JOHN TALAM</u>	<u></u>	<u>30/6/2021</u>
Principal:	<u>KIPYEGO NGETICH</u>	<u></u>	<u>30/6/2021</u>



**CHEPTIL SECONDARY SCHOOL
SCHOOL FUND ACCOUNT
RECONCILIATION SCHEDULES/NOTES**

NOTE I Payments in cash book not in Bank Statement- Unpresented cheques

Date	Payee	Cheque No.	Amount
30-06-21	Jeremiah Tanui	1720	59,500.00
30-06-21	Kenya Power and Lighting	1721	40,000.00
30-06-21	ACK Diocese of Kapsabet	1723	20,128.00
30-06-21	Christine Jepchumba	1724	14,350.00
			133,978.00

NOTE II Receipts in Bank Statement not recorded in the Cash Book

Date	Payee	Cheque No.	Amount
04-01-21	Amon Kiplimo		6,000.00
08-01-21	Lucy Nabiye Majuma		6,732.00
08-01-21	Direct cheque deposit	10164	33,537.00
29-06-21	Standing order		30,000.00
30-06-21	Lawi Kiplimo		2,858.00
30-06-21	ADM No. 5244		2,700.00
			81,827.00

CHEPTIL SECONDARY SCHOOL SCHOOL FUND ACCOUNT BANK RECONCILIATION AS AT 30/06/2021			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			404,538.10
Less: Payments in cash book not in bank statement	I	133,978.00	
Receipts in bank statement not recorded in cash book	II	81,827.00	(215,805.00)
Balance as per Cash book			188,733.10

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : 30/6/2021

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : 30/6/2021



**CHEPTIL SECONDARY SCHOOL
OPERATION ACCOUNT
RECONCILIATION SCHEDULES/NOTES**

NOTE I Payments in cash book not in Bank Statement- Unpresented cheques

Date	Payee	Cheque No.	Amount
30-06-21	Arochem Chemist	2984	69,124.00
30-06-21	Boresha Sacco Society Ltd	2985	293,608.00
30-06-21	NHIF	2986	14,250.00
30-06-21	NSSF	2987	43,070.00
30-06-21	Cheptil N.T.S.W Group	2988	7,200.00
30-06-21	Gurdit Singh Shop	2989	5,000.00
			432,252.00

CHEPTIL SECONDARY SCHOOL OPERATION ACCOUNT BANK RECONCILIATION AS AT 30/06/2021			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			640,999.55
Less: Payments in cash book not in bank statement	I	432,252.00	(432,252.00)
Balance as per Cash book			208,747.55

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : 30/6/2021

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : 30/6/2021



CHEPTIL SECONDARY SCHOOL TUITION ACCOUNT RECONCILIATION SCHEDULES/NOTES NOTE I Payments in cash book not in Bank Statement- Unpresented cheques			
Date	Payee	Cheque No.	Amount
30-06-21	Yokhama Enterprises Ltd	443	49,091.00
			49,091.00

CHEPTIL SECONDARY SCHOOL TUITION ACCOUNT BANK RECONCILIATION AS AT 30/06/2021			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			272,818.35
Less: Payments in cash book not in bank statement	I	49,091.00	(49,091.00)
Balance as per Cash book			223,727.35

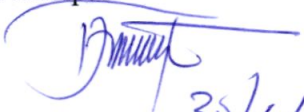
I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: 

Date : 30/6/2021

Approved : Principal 

30/6/2021



**CHEPTIL SECONDARY SCHOOL
RMI ACCOUNT
RECONCILIATION SCHEDULES/NOTES**

NOTE I Payments in Bank Statement not in Cash book

Date	Payee	Cheque No.	Amount
30-06-21	Bank Charges		126.00
			126.00

CHEPTIL SECONDARY SCHOOL RMI ACCOUNT BANK RECONCILIATION AS AT 30/06/2021			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			9,498,164.00
Add: Payments in cash book not in bank statement	I	126.00	126.00
Balance as per Cash book			9,498,290.00

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : 30/6/2021

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : 30/6/2021



**CHEPTIL SECONDARY SCHOOL
CDF ACCOUNT
RECONCILIATION SCHEDULES/NOTES**

NOTE I Payments in cash book not in Bank Statement- Unpresented cheques

Date	Payee	Cheque No.	Amount
26-05-21	Commissioner of Income Tax	103	20,690.00
26-05-21	Commissioner of VAT	104	13,793.00
			34,483.00

CHEPTIL SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2021

CHEPTIL SECONDARY SCHOOL CDF ACCOUNT BANK RECONCILIATION AS AT 30/06/2021			
	Note	Amount	
		Kshs.	Kshs.
Balance as per Bank Statement			249,877.65
Less: Payments in cash book not in bank statement	I	34,483.00	(34,483.00)
Balance as per Cash book			215,394.65

I certify that I have verified bank balances in the cash book with bank statement and that is correct.

Designation: Bursar

Name: John Talam

Signature: _____

Date : 30/6/2021

Approved : Principal

Name: Kipyego Ngetich

Signature: _____

Date : 30/6/2021



