REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



# REPORT

# OF

# THE AUDITOR-GENERAL

# ON

# TALEK BOYS SECONDARY SCHOOL

# FOR THE YEAR ENDED 30 JUNE, 2022

# NAROK COUNTY

OFFICE OF THE AUDITOR GENERAL
17 APR 2026
REGIONAL OFFICE

# TALEK BOYS' SECONDARY SCHOOL

## PUBLIC SECONDARY SCHOOL

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED
## 30th June 2022

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

# Table of Contents

# I. 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 located in Narok County, Narok West Sub-County

The school was registered in 03-09-2019 under registration number 33S38190819 and is currently categorized as a Sub- County public school established, owned or operated by the Government.

The school is a Boys Boarding Secondary school and had 986 numbers of students as at *30th June 2022.*It has 4 streams and 32 teachers of which 16 teachers are employed by the School Board of Management.

### (a) 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:

| No. | Name of Board Member | Designation | Date of appointment |
|---|---|---|---|
| 1. | Mr Jacob Sairowua | chairman | 02/08/2022 |
| 2. | Mr Malcom Mateu | Secretary - Principal | 02/08/2022 |
| 3. | Mr Kimemia Taek | Member | 02/08/2022 |
| 4. | Mrs Mary Naurori | Memebr | 02/08/2022 |
| 5. | Mr Benard Naurori | Member | 02/08/2022 |
| 6. | Mrs Dorcus Lenjir | Member | 02/08/2022 |
| 7. | Mr Dominic Koya | Member | 02/08/2022 |
| 8. | Mrs Lucy Rotiken | member | 02/08/2022 |
| 9. | Mr Stephen Kileyia | Teacher rep | 02/08/2022 |
| 10. | Mr Antony Ketikai | member | 02/08/2022 |
| 11. | Mr Parkimaso Kiriama | member | 02/08/2022 |
| 12. | Mr John Tira | member | 02/08/2022 |
| 13. | Mrs Purity Taek | Member | 02/08/2022 |
| 14. | Mr Dickson Ntika | Member | 02/08/2022 |

**Key School Information and Management (Continued)/**

**The function of the School Board of Management include:**

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

**(b) Committees of the Board**

| Ref | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|---|---|---|---|---|
| **1** | **Bom Executive Committee** | Mr.Jacob Sairowua<br>Mr ..Malcom Mateu<br>Mr. Kimemia Taek<br>Mrs. Mary Naurori<br>Mr .John Tira | Chairperson<br>Member<br>Member<br>Member<br>Member | 3 |
| 2 | Audit committee | Mrs. Lucy Rotiken<br>Mr. Kiriama Parkimaso<br>Mr. Antony Ketikai | Chairperson<br>Member<br>Member<br>Member | 2 |
| 3 | Finance, Procurement amd general purposes committee | Mr .Bernard Naurori<br>Mr. Kimemia Taek<br>Mrs .Dorcas Lenjir | Chairperson<br>Member<br>Member<br>Member | 3 |
| 4 | Academic committee | Mr .John Tira<br>Mr .Dominic Koya<br>Mrs. Mary Naurori | Chairperson<br>Member<br>Member<br>Member | 3 |
| 5 | Development committee | Mrs .Purity Taek<br>Mr .Antony Ketikai<br>Mr .Jackson Sayialel | Chairperson<br>Member<br>Member<br>Member | 2 |
| 6 | Displine and welfare committee | Bishop. William Mainka<br>Mr. Kimemia Taek<br>Mr. Dominic Koya | Chairperson<br>Member<br>Member | 2 |
| 7 | Adhoc committee(if any during the year) | ------ | | |

**(c) School operation Management**

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

| Ref: | Designation | Name | Identification |
|---|---|---|---|
| 1. | Principal | Mr Malcom Mateu | TSC No 408983 |
| 2. | Deputy Principal | Mr Zablon Omuga | TSC No 349281 |
| 3. | School Bursar | Mr Stanley Nkoitiko | ID No 27047991 |
| 4. | Accounts Clerk | - | ID No - |

## Key School Information and Management (Continued)

### (d) Schools contacts

Post Office Box: 518, 20500
Telephone: 0721777884
E-mail: at. talekboys@gmail.com
Website: -
Facebook: -
Twitter: -

### School Banker

The following school operated five (5) numbers of bank accounts in the following banks:

1. Name Of Bank: Kcb -Boarding Account
   Branch: Maasai mara
   Account Number: 1200774841

2. Name Of Bank: Kcb-Operations Account
   Branch: Maasai mara
   Account Number: 1200776844

3. Name Of Bank: Kcb-Tuition Account
   Branch: Maasai mara
   Account Number: 1200775775

4. Name Of Bank: Kcb –Infrastructure account
   Branch:
   Account Number: 1287963382

### Pay Bill Numbers

5. Mpesa Pay Bill No.Business Number: 522123
   Account Number: 26107KAdmission Number

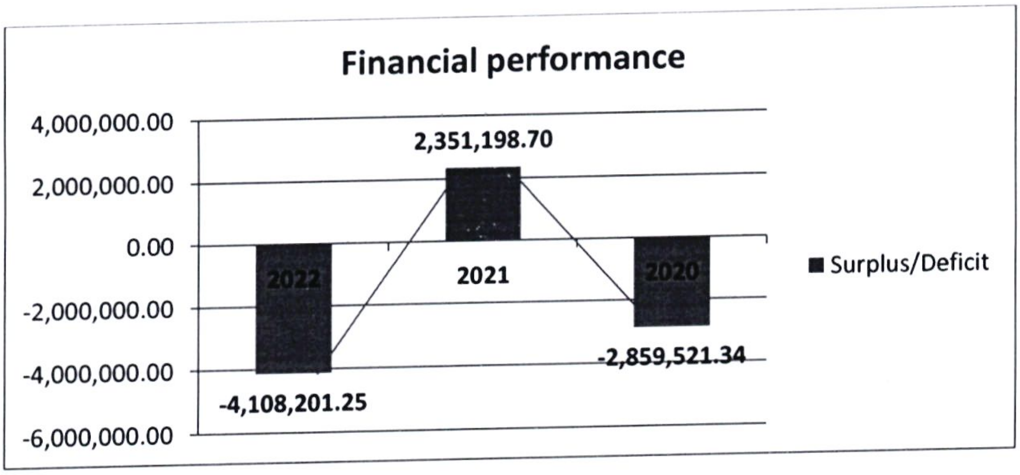
**(a) Independent Auditors**

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

## II. Summary Report Of Performance Of The School

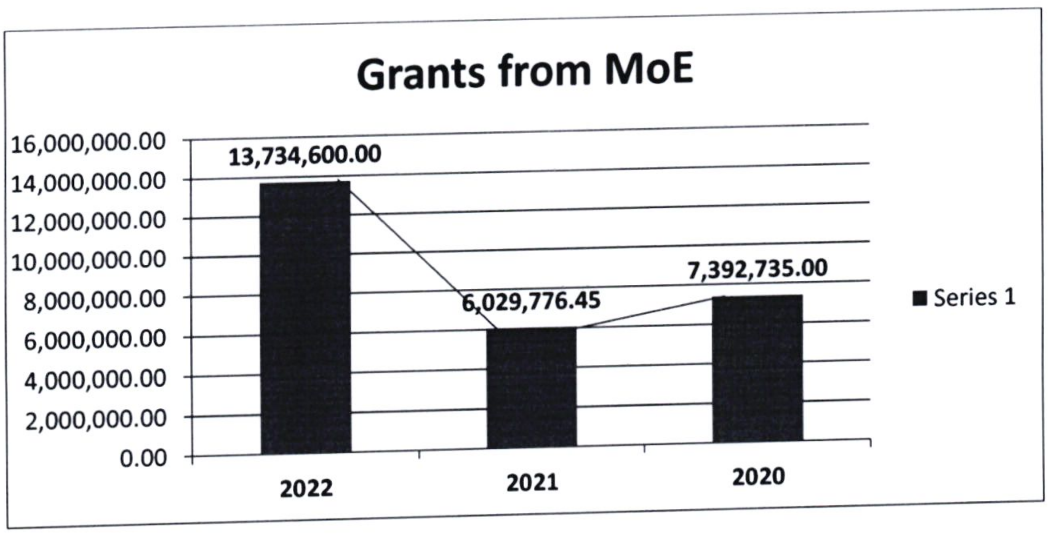
**a)** Financial performance:

| Year | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Incomes** | 63,457,014.00 | 18,748,597.45 | 22,249,210.00 |
| **Expenditures** | (67,565,215.25) | (16,397,398.75) | (25,108,731.34) |
| **Surplus** | **(4,108,201.25)** | **2,351,198.70** | **(2,859,521.34)** |



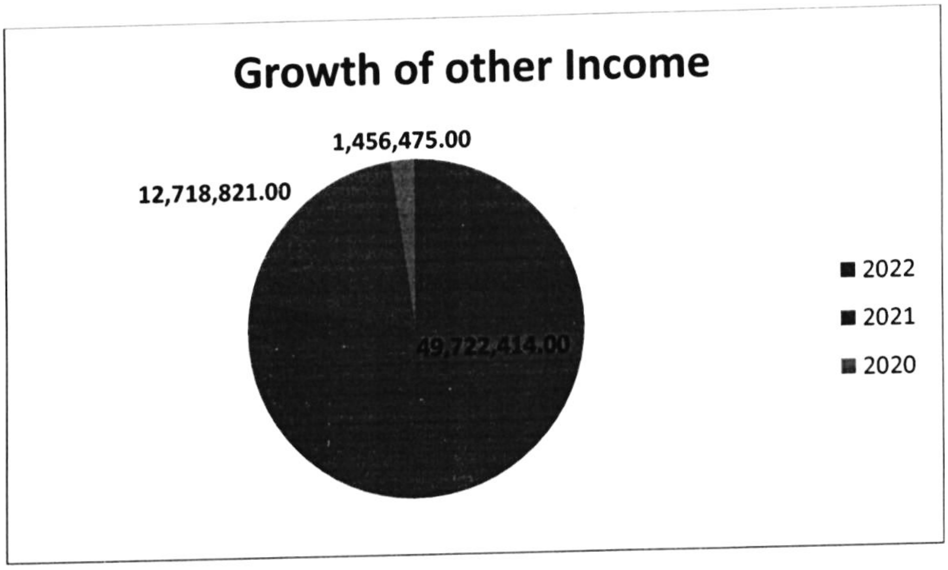

- Capitation Grants from the Ministry

| Year | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Tuition** | 2,503,882.00 | 830,375.75 | 849,785.00 |
| **Operation** | 11,230,718.00 | 5,199,400.70 | 6,542950.00 |
| **Total** | **13,734,600.00** | **6,029,776.45** | **7,392,735.00** |
| **Students** | **986** | **835** | **635** |
| **Ratio** | **1:13,930** | **1:7,221** | **1:11,642** |



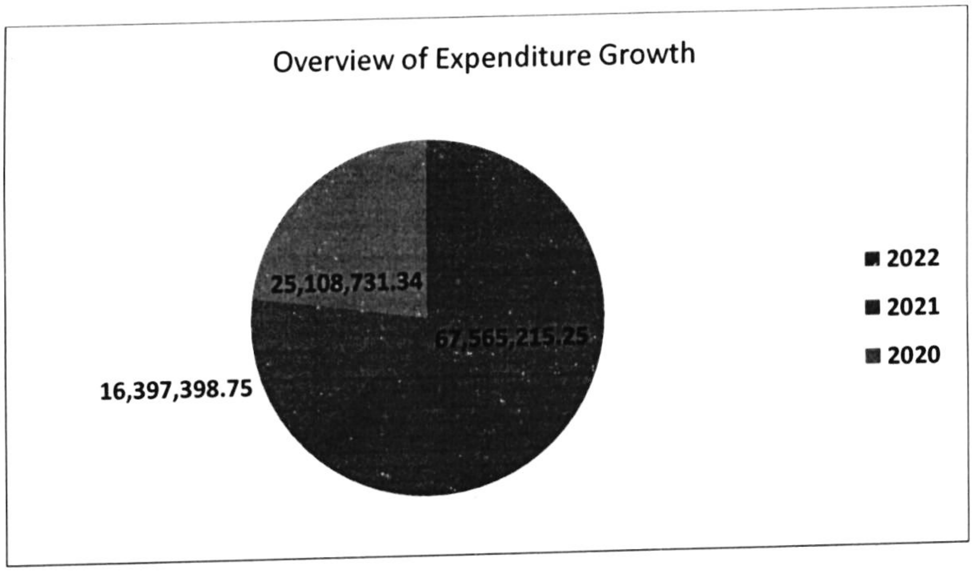
- A Three Years Overview of Growth of other Income Earned by the school

| Year | 2022 | 2021 | 2020 |
|---|---|---|---|
| School Fund Income | 49,722,414.00 | 12,718,821.00 | 14,856,475.00 |
| Other Receipts | 0.00 | 0.00 | 0.00 |
| Amount | **49,722,414.00** | **12,718,821.00** | **14,856,475.00** |




- A Three Years Overview of Growth in Expenditure of the School

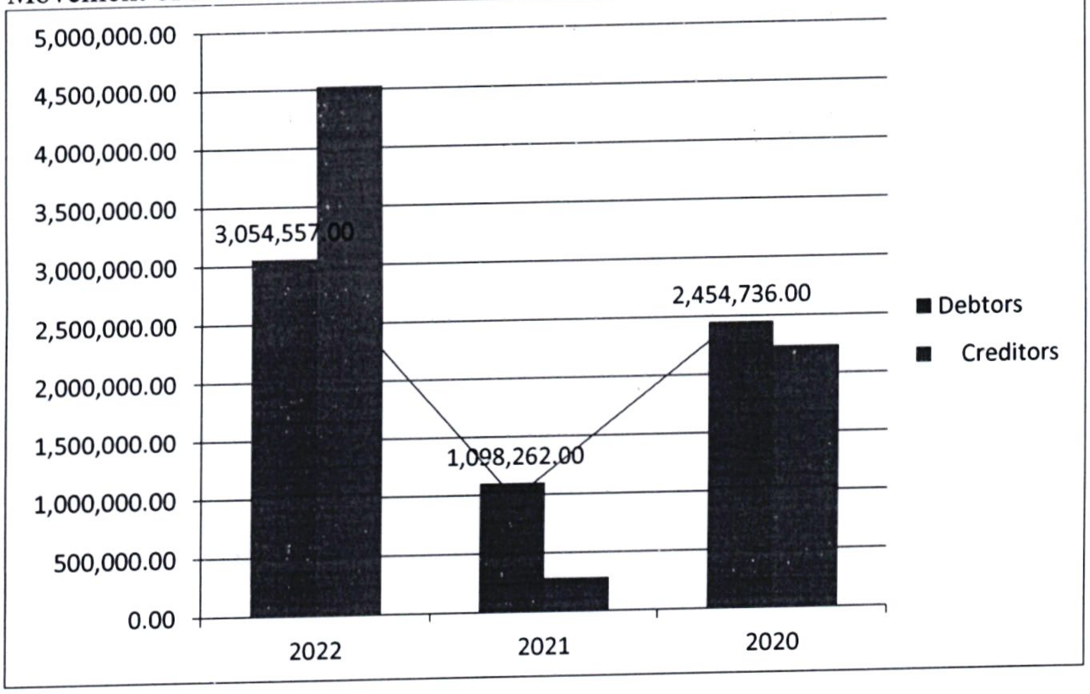
| Year | 2022 | 2021 | 2020 |
|---|---|---|---|
| **Tuition** | 2,707,491.00 | 808,966.75 | 972,834.19 |
| **Operation** | 12,158,565.00 | 4,865,291.00 | 6,718,243.50 |
| **School Fund** | 52,699,159.00 | 10,723,141.00 | 17,417,653.65 |
| **Total** | **67,565,215.25** | **16,397,398.75** | **25,108,731.34** |



- Movements of Debtors and Creditors of the School over the Three Years.

| Year | Debtors | Creditors | Ratio |
|---|---|---|---|
| 2022 | 3,054,557.00 | 4,530,709.00 | 1:1 |
| **2021** | 1,098,262.00 | 287,886.00 | 4:1 |
| **2020** | 2,454,736.00 | 2,239,800.00 | 1:1 |

- Movement of Debtors and Creditor




- Movements of Cash and Bank Balances of the School over the Three Year

| Year | CASH | Bank Balances |
|---|---|---|
| 2022 | 109,050.90 | 194,841.81 |
| 2021 | 85,575.00 | 2,039,990.96 |
| 2020 | 0.00 | 369,807.26 |

**b)** Teacher Students Ratio:

| YEAR | No of Students | TSC Teachers | BOM Teachers | Total of Teachers | Ratio | Recruited /posted | Transfered |
|---|---|---|---|---|---|---|---|
| 2022 | 986 | 16 | 16 | 32 | 1:30 | 5 | 0 |
| 2021 | 835 | 11 | 14 | 25 | 1:33 | 6 | 0 |
| 2020 | 635 | 5 | 16 | 21 | 1:30 | 2 | 0 |

Teachers Employed by TSC TSC 16 BOM 16

| Subject Combination | | Eng | Math | Kisw | Bio | Chem | Phy | Hist | Geo | Cre | Agr | Bst | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of Teachers | Expect | 6 | 6 | 6 | 3 | 3 | 4 | 4 | 4 | 4 | 2 | 4 | |
| | Avail | 2 | 4 | 2 | 3 | 4 | 2 | 4 | 2 | 2 | 1 | 4 | |
| | Shortage | 4 | 2 | 4 | 0 | 0 | 2 | 0 | 2 | 2 | 1 | 0 | |

- Mean Score in the 2021 KSCE:

| | Mean Point | Target | Mean score | Transitioned to university | Comments |
|---|---|---|---|---|---|
| 2021 | 6.7 | 6.7 | 6.7 | 85 | Improved |
| 2020 | 5.7 | 6.2 | 5.7 | 21 | Improve |
| 2019 | 3.63 | 5.2 | 3.63 | 1 | More effort need |

- Number of Candidates in the Year 2021 KCSE:

| YEAR | Tabulation of students |
|---|---|
| 2021 | 145 |
| 2020 | 113 |
| 2019 | 57 |

**e) Capacity of the School: Boys 986**

| [redacted] | | | | | | |
|---|---|---|---|---|---|---|
| 1 | Classrooms | 986 | 17 | 20 | 3 | Not Sufficient |
| 2 | Dormitories | 986 | 4 | 7 | 3 | Not Sufficient |
| 3 | Laboratory | 986 | 1 | 3 | 2 | Required 2 |
| 4 | Library | 986 | 0 | 1 | 1 | Required 1 |
| 5 | ICT Room | 986 | 0 | 2 | 2 | Required 2 |
| 6 | Kitchen | 986 | 1 | 1 | 0 | Sufficient |
| 7. | Dining Hall | 986 | 1 | 1 | 0 | Sufficient |
| 8. | Students' Toilets | 986 | 20 | 20 | 0 | Sufficient |
| | Toilet -Staff | 40 | 4 | 2 | 0 | Sufficient |
| 9. | Urinals | 986 | 1 | 2 | 1 | Not Sufficient |
| 10. | Staff Rooms | 29 | 5 | 5 | 0 | Sufficient |
| 11. | Administration Block | 5 | 1 | 1 | 0 | Sufficient |
| 12. | Football field | 986 | 1 | 2 | 1 | Not sufficient |
| 13. | Volleyball field | 986 | 1 | 3 | 2 | Not sufficient |
| 14. | Basket ball | 986 | 1 | 1 | 0 | Modern required |

**f) Development Projects Carried Out by the School:**

| [redacted] | | | | | |
|---|---|---|---|---|---|
| Classroom/Toilet/dormitory | Parents/MOE | | | 10,950,000.00 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Signed
by: **Mr Sabaya Nakola** ____________________
Principal

16/04/2026

PRINCIPAL
TALEK BOYS SECONDARY SCHOOL
P. O. BOX 518 - 20500 NAROK
Sign.................................

## III. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board 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 **Talek Boys' *Secondary School*** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

**Name: Mr Jacob Sairowua**
**Designation:** Chairman, School Board of Management

**Sign:** ..............................................

**Date:** 16/4/2026..............................................

**Name: Mr Sabaya Nakola**

**Designation:** School Principal& Secretary to Board of Management

**Sign:** ..............................................

**Date:** 16/04/2026..............................................

**Name: Mr Stanley Nkoitiko**
**Designation:** Bursar/ Finance Officer

**Sign:** ..............................................

**Date:** 16/04/2026..............................................

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website:www.oagkenya.go.ke

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON TALEK BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NAROK 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 Talek Boys Secondary School set out on pages 1 to 15, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Talek Boys Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

**Basis for Qualified Opinion**

**1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements**

Review of the financial statements revealed that there were variances in the figures disclosed in the statement of receipts and payments and those in the cash flows statements on same expenditure items as detailed below;

| Item | Receipts and Payments (Kshs) | Cash flow statement (Kshs) | Variance (Kshs) |
|---|---|---|---|
| Tuition | 2,707,491 | 2,520,091 | 187,400 |
| Operations | 12,158,565 | 5,158,165 | 7,000,400 |
| Boarding and school fund payments | 52,699,159 | 46,848,303 | 5,850,856 |

Further review of the financial statements and the supporting schedules presented for audit revealed variances between amounts reported in the financial statements and the corresponding supporting schedules for boarding for various components, as detailed below;

| Component | Financial Statement Amount (Kshs) | Schedules (Kshs) | Variance (Kshs) |
|---|---|---|---|
| Fess on boarding equipment and stores | 33,585,389 | 31,887,094 | 1,698,295 |
| Administration costs | 3,606,050 | 3,291,450 | 314,600 |
| Electricity, water and conservancy | 5,575,915 | 5,423,765 | 152,150 |
| Prepayments | - | 315,654 | 315,654 |
| Payments for operations | 12,158,565 | 10,553 | 1,606,013 |

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

## 2. Unconfirmed Government Grants for Operations

The statement of receipts and payments reflects government grants for operations balance of Kshs.11,230,718 as disclosed in Note 2 to the financial statements. However, during the audit, National Education Management Information System (NEMIS) student enrolment numbers for the year under review were not made available, preventing the comparison and confirmation of the NEMIS data and actual School's enrolment data to confirm operational capitation.

In the circumstances the balance of governments grants for operations could not be confirmed.

## 3. Unreconciled Variances Between the Schedule and the Statement of Receipts and Payments

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects payments for tuition cost an amount of Kshs.2,707,491. However, the support schedules and ledgers provided revealed an amount of Kshs.2,517,260 translating to an unexplained variance of Kshs.190,231.

In the circumstances, the accuracy, completeness and propriety Kshs.2,707,491 in respect of payments for tuition could not be confirmed.

## 4. Overstatement of Receipts

The statement of receipts and payments reflects total receipts of Kshs.63,457,014. Included as part of the balance is an amount Kshs.49,722,414 relating to school fund income from parents' contributions as disclosed in Note 3 to the financial statements. Analysis of student records during the year under review revealed that the School had a total of 835 students, with an expected fees per student of Kshs.35,000. This translates to total expected fees of Kshs.29,225,000. Consequently, the School's Management overstated receipts by Kshs.20,497,414. Management explains the variance was due to extra contributions by parents to support School's infrastructure developments but no supporting documents were provided for audit review. In addition, the audit revealed that the School does not have a formal fees collection policy.

In the circumstances, the accuracy and completeness of Kshs.49,722,414 relating to school fund income from parents' contributions could not be confirmed.

## 5. Unconfirmed Accounts Receivables

The statement of financial assets and financial liabilities reflects an accounts receivables balance of Kshs.3,054,557 in respect of fees arrears as disclosed in Note 11 to the financial statements indicating an increase of Kshs.1,956,295 and or 178% as compared to Kshs.1,098,262. However, the ledgers provided in support of the balance lacked a clear audit trail showing the opening balances, billings for the year, payments received from students, and adjustments made to arrive at the reported closing balances. Further, the School did not have a documented debt recovery plan, and Management did not demonstrate sufficient efforts undertaken to recover the outstanding amounts.

In the circumstances, the accuracy, completeness, and recoverability of the accounts receivable balance of Kshs.3,054,557 could not be confirmed.

### 6. Undisclosed Inventory

The approved financial reporting template for secondary schools requires a School to disclose its inventories at the close of the financial year under other important disclosures. However, the disclosure made by the School was incomplete since it did not include the value of the inventories as required. Further, the School did not conduct a stock take at the close of the year.

In the circumstance, the accuracy and completeness of the inventory nil balance could not be confirmed.

### 7. Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.4,530,709 which comprise of Kshs.2,662,470 in respect of trade creditors and Kshs.1,868,239 in respect of prepaid fees as disclosed in Note 12 to the financial statements. However, Management has not provided the supporting details indicating the names of students, date and amount prepaid. Further, creditors movement schedule indicating the opening balance, payments made and the outstanding balance thereof was not provided. Management has also not provided reasons why the trade creditors were not paid as a first charge. Failure to settle payables may result in suppliers withholding the supply of goods and other essential items and hence adversely affect service delivery.

In the circumstances, the accuracy and completeness of the accounts payable of Kshs.4,530,709 could not be confirmed.

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

My opinion is not modified in respect of this matter.

## Emphasis of Matter

### Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.72,000,000 and Kshs.63,456,449 respectively, resulting in an under-funding of Kshs.8,543,551 or 12 % of the budget.

Further, the School spent an amount of Kshs.67,565,215 against the actual receipts of Kshs.63,456,449 resulting in an over utilization of Kshs.4,108,766 or 6% of the realized receipts.

In the circumstances the under-funding may have affected planned activities and may have adversely impacted service delivery to the students of the School.

My opinion is not modified in respect of this matter.

## 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 Information

The Management is responsible for the Other Information set out on page i to xi which comprises Key School, Summary Report of Performance of the School and Statement of School Management Responsibilities. 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 effect 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement receipts and payments reflect payments for operations balance of Kshs.12,158,565 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.649,000 of which Kshs.499,000 was transferred to the Kenya Secondary School Heads Association (KESSHA) and Kshs.150,000 was paid for KESSHA related activities.

In the circumstances, the value for money transferred to KESSHA, amounting to Kshs.649,000, could not be confirmed.

## 2. Irregular Recruitment of Staff

During the year under review, the Board of Management recruited two new teachers to fill up the staffing needs of the School. However, interview with Management revealed that whereas there may have been gaps in staffing, it was not formally established with a needs assessment, evidence that the positions were advertised for qualified and interested candidates to apply was not provided. Further, Management did not provide for audit the application forms, the long list of applicants, short list of shortlisted applicants and no appointment letters or staff files for those employees were presented for audit.

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

## 3. Failure to Prepare a School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Paragraph 2.2 on School Improvement Planning in the Ministry of Education Operation Manual for the Utilization of Learner Capitation Grants and Other School Funds, June 2020. The Manual requires schools to identify, in every three-year School Improvement Planning cycle, one priority area in each of the four key areas: curriculum implementation; foundational literacy and numeracy outcomes; an enabling environment for learning; and parental involvement and community engagement for implementation.

## 4. Non-compliance with Procurement Laws

Review of records and discussions with Management revealed that the School has not established a functional procurement unit managed by a qualified procurement professional nor were the roles delegated to aboard or management committee and were exclusively handled by the School principal, contrary to Section 47(1)(2) of the Public Procurement and Asset Disposal Act, 2025. As a result, procurement functions have not been carried out in accordance with the legal requirements. Further, the audit revealed that the School lacked annual procurement plan, adhoc tender committees, evaluation committees, inspection and acceptance committees. In addition, no advertisement of tender for goods, service and works were carried out to invite for tenders, Further audit review revealed that no procurement was made to allocate at least 30% of the procurement budget towards women, youth and persons with disabilities and other disadvantaged groups.

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

## 5. Non-Compliance with statutory requirements on Ethnic Diversity, Disability Inclusion, and Gender Balance

An analysis of the staff data provided for audit revealed that the School had a total workforce of thirty (30) employees engaged by the Board of Management; sixteen (16) teachers and fourteen (14) non-teaching staff, all of whom, were drawn from the same dominant ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that no public establishment shall have more than one-third of its staff from the same ethnic community. Further review indicated that none of the thirty employees was a person living with a disability. This contravenes Paragraph B.23(2) of the Human Resource Policies and Procedures Manual for the Public Service (2016), on the rights and privileges of persons with disabilities, which requires the Government to implement the principle that at least five percent (5%) of all appointments be reserved for persons with disabilities. In addition, the audit revealed that only three employees or 19% of the BOM teaching staff were female in breach of Paragraph B.22(2) of the Human Resource Policies and Procedures Manual for the Public Service (2016) on non-discrimination in employment, which states that the Government shall endeavor to maintain a gender-balanced civil service, ensuring that no more than two-thirds (2/3) of positions in any establishment are filled by a single gender.

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

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. Weak Human Resource Governance and Lack of Human Resource Policy Framework**

A review of the governance structure revealed that the School did not have a designated human resource officer to oversee human resource management activities. Instead, key human resource functions such as recruitment, staff welfare, and records management were being performed by the School's principal. Further, the audit revealed that the School did not have a comprehensive, approved human resources policy manual that detailed policies regarding the staff establishment, recruitment, remuneration, promotion, employee conduct, performance management, leave administration, disciplinary procedures, benefits, and professional development. Further, review of records revealed that the School did not have an approved staff establishment. The absence of an approved staff establishment indicates that the School has not determined the skills and optimal staffing levels required to achieve its goals and objectives. In addition, there was no evidence that the School had prepared a human resource plan based on a comprehensive job analysis neither had the school promulgated a code of ethics for its employees.

In the circumstances, it was not possible to confirm whether the total staff employed by the School was at the optimal operating level and how key decisions regarding employees were made without an approved human resource policy.

**2. Lack of Segregation of Duties**

The audit established that the School was using Natshule ERP system which is a Seamless School Management System with modules for finance, exam, library, payroll, admission and inventory. There were two users within the system and the bursar was a super user and could initiate, process, approve and reverse transactions, add, edit and delete user profiles, perform simple data entry tasks. Similarly, within the system there was an accounts clerk user profile with similar rights as the bursar and the principal's rights within the system were view only.

In the circumstances, it could not be confirmed what individual user roles and responsibilities within the system were.

**3. Lack of an ICT Environment and Business Continuity Plan/Data Recovery Mechanism**

Review of the School's ICT environment revealed that there was no approved ICT policy in place during the year under review. This includes the absence of key policies such as a data security policy and disaster recovery plan. In addition, the ICT organizational structure was not provided for audit review. The School also did not have an Information Technology (IT) Steering Committee in place to oversee and guide the implementation of effective IT controls and strategies. Further review revealed that the School did not maintain data backups outside its premises and lacked an adequate data recovery mechanism in the event of data loss. There was also no evidence of an approved business continuity plan to ensure the continuity of operations in case of system disruptions. In addition, Management did not provide licenses, service level agreements, or acquisition or ownership documents for the software used by the School, including MS Suite, antivirus software and Natshule ERP.

In the circumstances, the legitimacy, licensing status, and ownership of the school's software could not be confirmed.

**4. Textbook Management**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). However, the School's inventory records for the period were incomplete hence the book balances could not be confirmed. A physical count of text books in the School's store revealed that books issued in the prior financial years were still lying in the store, as they were no longer in use and had been issued in excess.

In the circumstances, the effectiveness of internal controls in respect to textbook Management in the School could not be confirmed.

### 5. Weaknesses in Board of Management

During the year under review, the Board of Management that is supposed to direct the School in achieving its strategic objectives was constituted by the County Education Board on 28 August, 2020, However, attendance registers and minutes of meetings for the finance, procurement and general-purpose committee, academic committee, discipline and welfare committee, and Ad Hoc committees were not provided.
In the circumstances, the effectiveness of the governance mechanisms at 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 the 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**

**27 April, 2026**

## V. Statement of Receipts and Payments Period to 30th June 2022

| Description Of Vote Head | Note | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|---|
| **Receipts** | | | |
| Government grants for tuition | 1 | 2,503,882.00 | 830,375.75 |
| Government grants for operations | 2 | 11,230,718.00 | 5,199,400.70 |
| School Fund Income-Parents Contribution/Fees | 3 | 49,722,414.00 | 12,718,821.00 |
| Miscellaneous Incomes | 4 | 0.00 | 0.00 |
| Proceeds from borrowings | | 0.00 | 0.00 |
| **TOTAL RECEIPTS** | | **63,457,014.00** | **18,748,597.45** |
| | | | |
| **PAYMENTS** | | | |
| | | | |
| Payments for Tuition | 5 | 2,707,491.25 | 808,966.75 |
| Payments for operations | 6 | 12,158,565.00 | 4,865,291.00 |
| Boarding and school fund payments | 7 | 52,699,159.00 | 10,723,141.00 |
| **TOTAL PAYMENTS** | | **67,565,215.25** | **16,397,398.75** |
| | | | |
| **SURPLUS/DEFICIT** | | **(4,108,201.25)** | **2,351,198.70** |

The school financial statements were approved on __________ 2022 and signed by:

**Sign**..........

**Name: Mr Jacob Sairowua**

**Chair BOM**

**Date:** 16/4/2026

**Sign** ..........

**Name: Mr Sabaya Nakola**
**School Principal/Secretary to BOM**

**Date:** 16/04/2026

**Sign**..........
**Name:Mr.Stanley Nkoitiko**

**Bursar/ Finance Officer**

**Date:** 16/4/2026

## VI. Statement of Financial Assets and Financial Liabilities as At 30th June 2022

| Description | Note | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|---|
| **FINANCIAL ASSETS** | | | |
| | | | |
| **Cash and Cash Equivalents** | | | |
| Bank Balances | 8 | 194,841.81 | 2,039,990.96 |
| Cash Balances | 9 | 109,050.90 | 85,575.00 |
| Short term Investment | 10 | 0.00 | 0.00 |
| **Total Cash and Cash Equivalents** | | **303,892.71** | **2,125,565.96** |
| | | | |
| Account's receivables | 11 | 3,054,557.00 | 1,098,262.00 |
| | | | |
| **TOTAL FINANCIAL ASSETS** | | **3,358,449.71** | **3,223,827.96** |
| | | | |
| **FINANCIAL LIABILITIES** | | | |
| Accounts Payable | 12 | (4,530,709.00) | (287,886.00) |
| | | | |
| **NET FINANCIAL ASSETS** | | **(1,172,259.29)** | **2,935,941.96** |
| | | | |
| **REPRESENTED BY** | | | |
| Fund balance b/fwd 1st July... | 13 | 2,935,941.96 | 584,743.26 |
| Surplus/Defict for the year | | (4,108,201.25) | 2,351,198.70 |
| | | | |
| **NET FINANCIAL POSITION** | | **(1,172,259.29)** | **2,935,941.96** |

The school's financial statements were approved on ___________ 2022 and signed by:

| | | |
|---|---|---|
| ................................ | ................................ | ................................ |
| **Name: Mr.Jacob Sairowua** | **Name: Mr Sabaya Nakola** | **Name:Mr.Stanley Nkoitiko** |
| **Chair BOM** | **School Principal/ Secretary to BOM** | **Bursar/ Finance Officer** |
| **Date:** 16/4/2026 | **Date:** 16/04/2026 | **Date:** 16/04/2026 |

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

| Description | Note | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|---|
| **Operating activities** | | | |
| **Receipts** | | | |
| Capitation grants for tuition | 1 | 2,503,882.00 | 830,375.75 |
| Capitation grants for operations and infrastructure | 2 | 11,230,718.00 | 5,199,400.70 |
| School fund income- Parents contributions/ fees | | 49,920,286.00 | 15,404,121.00 |
| School fund income- other receipts | 4 | 0.00 | 0.00 |
| **Total receipts** | | **63,654,886.00** | **21,433,897.45** |
| **Payments** | | | |
| Payments for tuition | | 2,520,091.25 | 808,966.75 |
| Payments for operations | | 5,158,165.00 | 2,365,291.00 |
| Boarding and school fund payments | | 46,848,303.00 | 14,003,881.00 |
| **Total payments** | | **54,526,559.25** | **17,178,138.75** |
| **Net cash flow from operating activities** | | **9,128,326.75** | **4,255,758.70** |
| **Cash flow from investing activities** | | | |
| Proceeds from sale of assets | | 0.00 | 0.00 |
| Acquisition of assets | | 10,950,000.00 | 2,500,000.00 |
| Proceeds from investments | | | 0.00 |
| **Net cash flows from investing activities** | | | **2,500,000.00** |
| **Cash flow from borrowing activities** | | | |
| Proceeds from borrowings/ loans | | | 0.00 |
| Repayment of principal borrowings | | | 0.00 |
| **Net cash flow from financing activities** | | | |
| **Net increase in cash and cash equivalents** | | **(1,821,673.25)** | **1,755,758.70** |
| **Cash and cash equivalent at beginning of the year** | | **2,125,565.96** | **369,807.26** |
| **Cash and cash equivalent at end of the year** | | **303,892.71** | **2,125,565.96** |

Talek Boys' Secondary School
Reports and Financial Statement for the year ended 30th June, 2022

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

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|---|---|---|---|---|---|---|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| **RECEIPTS** | | | | | | |
| ***(1) CAPITATION GRANT ON TUITION*** | | | | | | |
| Text books | | | | | | |
| Exercise books | | | | | | |
| Laboratory equipment and apparatus | | | | | | |
| Teaching/learning materials | 3,000,000.00 | | 3,000,000.00 | 2,503,882.00 | 496,118.00 | 83% |
| Chalks | | | | | | |
| Exam and assessment | | | | | | |
| Reference books | | | | | | |
| ***(2) CAPITATION GRANT ON OPERATIONS*** | | | | | | |
| Personnel emoluments | 4,500,000.00 | | 4,500,000.00 | 3,841,250.00 | 659,750.00 | 85% |
| Repairs and maintenance | 5,100,000.00 | | 5,100,000.00 | 4,348,000.00 | 752,000.00 | 85% |
| Local transport / travelling | 900,000.00 | | 900,000.00 | 731,250.00 | 160,750.00 | 81% |
| Electricity and water | 2,350,000.00 | | 2,350,000.00 | 1,477,424.00 | 872,576.00 | 63% |
| Other voteheads | | | | | | |
| Administration costs | 900,000.00 | | 900,000.00 | 678,794.00 | 221,206.00 | 75% |
| Medical and Insurance | 250,000.00 | | 250,000.00 | 154,000.00 | 96,000.00 | 62% |
| Activity | | | | | | |
| ***(3) FEES CHARGED ON PARENTS*** | | | | | | |
| Personnel emoluments | | | | | | 73% |
| Repairs and maintenance | | | | | | 85% |
| Local transport / travelling | | | | | | |
| Electricity and water | | | | | | |
| Medical | | | | | | 96% |
| Administration costs | | | | | | 80% |
| Activity | | | | | | |
| SMASSE | | | | | | |
| Other voteheads(lt&t , Adm cost, P.e , Ewc) | | | | | | |
| OTHER INCOME | | | | | | |
| Fee on Boarding Equipment and Stores | 36,000,000.00 | | 36,000,000.00 | 34,646,567.00 | 1,353,433.00 | 96% |
| Electricity, water & Conservancy | 6,000,000.00 | | 6,000,000.00 | 5,123,452.00 | 876,548.00 | 85% |
| Local transport and travelling | 1,000,000.00 | | 1,000,000.00 | 819,225.00 | 180,775.00 | 82% |
| Repairs and Maintenance | 2,700,000.00 | | 2,700,000.00 | 2,133,479.00 | 566,521.00 | 79% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Personal Emoluments | 5,900,000.00 | | 5,900,000.00 | 4,316,397.00 | 1,583,603.00 | [illegible]3% |
| Admin Costs | 2,700,000.00 | | 2,700,000.00 | 2,167,630.00 | 532,370.00 | 80% |
| Activity | 700,000.00 | | 700,000.00 | 515,664.00 | 184,336.00 | 74% |
| School Uniform | | | | | | |
| Bursary fund | | | | | | |
| Farm Account | | | | | | |
| Income from farming activities | | | | | | |
| Insurance compensation | | | | | | |
| Income from Posho mill | | | | | | |
| Income from Bus Hire | | | | | | |
| Fee for hire of ground and equipment | | | | | | |
| Income from grants and donations* | | | | | | |
| Interest income | | | | | | |
| Dividends income | | | | | | |
| **TOTAL INCOME** | **72,000,000.00** | | **72,000,000.00** | **63,457,014.** | **8,543,551.00** | **88%** |
| **(1) EXPENDITURE FOR TUITION** | | | | | | |
| Text books | 300,000.00 | | 300,000.00 | 210,000.00 | 90.000.00 | 70% |
| Exercise books | 1,298,000.00 | | 1,298,000.00 | 907,900.00 | 390,100.00 | 70% |
| Laboratory equipment and apparatus | 500,000.00 | | 500,000.00 | 301,241.00 | 198,759.00 | 60% |
| Teaching/learning materials | 900,000.00 | | 900,000.00 | 664,460.00 | 235,540.00 | 74% |
| Chalks | | | | | | |
| Exam and Assessment | | | | | | |
| Reference books | | | | | | |
| Bank charges | 2,000.00 | | 2,000.00 | 1,590.25 | 409.75 | 80% |
| **PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE** | | | | | | |
| Personal Emoluments | 3,800,000.00 | | 3,800,000.00 | 3,088,683.00 | 711,317.00 | 81% |
| Other voteheads | | | | | | |
| Administration Cost | 1,100,000.00 | | 1,100,000.00 | 992,300.00 | 107,700.00 | 90% |
| Repairs and maintenance & improvements | 3,980,000.00 | | 3,980,000.00 | 3,350,000.00 | 630,000.00 | 84% |
| Local transport / travelling | 300,000.00 | | 300,000.00 | 214,300.00 | 85,700.00 | 71% |
| Electricity and water | 900,000.00 | | 900,000.00 | 823,572.00 | 76,428.00 | 92% |
| Medical and insurance | | | | | | |
| Activity Expenses | 120,000.00 | | 120,000.00 | 88,500.00 | 31,500.00 | 74% |
| SMASSE | | | | | | |
| Insurance Cost | | | | | | |
| Bank Charges | | | | | | |
| RMI- Infrastructure | 3,800,000.00 | | 3,800,000.00 | 3,600,000.00 | 200,000.00 | 95% |
| **BOARDING AND SCHOOL FUND PAYMENTS** | | | | | | |
| Activity | 800,000.00 | | 800,000.00 | 679,220.00 | 120,780.00 | 85% |
| computer expenses | | | | | | |
| Bus hire | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Farm Account | | | | | | |
| School Uniform | | | | | | |
| Personnel emoluments | 3,000,000.00 | | 3,000,000.00 | 2,872,845.00 | 127,155.00 | 96% |
| Bus Expenses | | | | | | |
| Repairs and Improvements | 5,000,000.00 | | 5,000,000.00 | 4,837,840.00 | 162,160.00 | 97% |
| Local transport / travelling | 1,700,000.00 | | 1,700,000.00 | 1,541,900.00 | 158,100.00 | 91% |
| Electricity and water | 5,800,000.00 | | 5,800,000.00 | 5,575,915.00 | 224,085.00 | 96% |
| Medical Expenses | | | | | | |
| Administration costs | 3,800,000.00 | | 3,800,000.00 | 3,606,050.00 | 193,950.00 | 95% |
| Lunch Programme | | | | | | |
| Bank Charges | | | | | | |
| Other voteheads(lt&t , Adm cost, P.e , Ewc) | | | | | | |
| Fee on Boarding Equipment and Stores / lunch programme | 34,900,000.00 | | 34,900,000.00 | 33,585,389.00 | 1,314,611.00 | 96% |
| Bursary fund | | | | | | |
| Insurance Cost (Life Property) | | | | | | |
| Loan Principal repayment | | | | | | |
| Loan Interest repayment | | | | | | |
| Acquisition of Assets | | | | | | |
| TOTAL | **72,000,000.00** | | **72,000,000.00** | **67,565,215.25** | **4,434,784,.75** | **94%** |

*The budget could not be achieved especially the receipts due to poor fees payment and reduced capitation .This led saving in some voteheads so as to fund some of basic requirement voteheads.*

## IX. Significant Accounting Policies

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

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

   This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests, 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 (Ksh). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of Receipts and Payments
   The *school* recognizes 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* recognizes all expenses when the event occurs and the related cash has actually been paid out by the *school*.

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

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

## Significant Accounting Policies (Continued)

5. Accounts Receivable

For the purposes of these financial statements, impresests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprests payments are recognized as expenditure when fully accounted for by the imprests or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-Current Assets

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

8. Budget

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

9. Comparative Figures

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

10. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

## X. Notes to the Financial Statements

1. Capitation Grant for Tuition

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Textbooks and reference materials | 0.00 | 0.00 |
| Exercise books | 0.00 | 218,730.75 |
| Laboratory equipment | 0.00 | 227,447.00 |
| Internal exams | 0.00 | 0.00 |
| Teaching / learning materials | 2,503,882.00 | 384,198.00 |
| Chalks | 0.00 | 0.00 |
| Teachers Guide | 0.00 | 0.00 |
| SMASSE | 0.00 | 0.00 |
| **Total** | **2,503,882.00** | **830,375.75** |

2. Capitation Grant for Operation

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Other vote heads | 0 | 0.00 |
| Local transport / travelling | 731,250 | 250,146.70 |
| Repairs and maintenance and improvements | 2,298,000 | 2,228,500.00 |
| Personnel emoluments | 3,841,250 | 1,912,000.00 |
| Administration costs | 678,794 | 180,976.00 |
| Activity | 0 | 0.00 |
| Medical and insurance | 154,000 | 0.00 |
| RMI-I nfrastructure | 2,050,000 | 0.00 |
| Electricity ,Water& Conservancy | 1,477,424 | 627,778.00 |
| **Total** | **11,230,718** | **5,199,400.70** |

3. Parents Contribution/Fees - School Fund Account

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Boarding Equipment And Stores | 34,646,567.00 | 9,328,686.00 |
| Repairs and maintenance | 2,133,479.00 | 426,801.00 |
| Administration costs | 2,167,630.00 | 499,388.00 |
| Local transport / travelling | 819,225.00 | 165,635.00 |
| Other vote heads | 0.00 | 0.00 |
| Electricity ,Water& Conservancy | 5,123,452.00 | 1,353,315.00 |
| Activity | 515,664.00 | 61,355.00 |
| Personnel emoluments | 4,316,397.00 | 883,641.00 |
| **Total** | **49,722,414.00** | **12,718,821.00** |

Notes to the Financial Statements (Continued)

4. Other Receipts – School Fund Account

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Fee on Boarding Equipment and Stores | 0.00 | 0.00 |
| Local transport and travelling | 0.00 | 0.00 |
| Repairs and Maintenance | 0.00 | 0.00 |
| Admin Costs | 0.00 | 0.00 |
| Activity | 0.00 | 0.00 |
| School Uniform | 0.00 | 0.00 |
| Bursary fund | 0.00 | 0.00 |
| Farm Account | 0.00 | 0.00 |
| Income from farming activities | 0.00 | 0.00 |
| Income from Posho mill | 0.00 | 0.00 |
| Income from Bus Hire | 0.00 | 0.00 |
| Disposal | 0.00 | 0.00 |
| **Total** | **0.00** | **0.00** |

5. Payments For Tuition

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Textbooks and reference materials | 210,000.00 | 150,000.00 |
| Exercise books | 907,900.00 | 239,600.00 |
| Laboratory equipment | 301,241.00 | 250,000.00 |
| Internal exams | 0.00 | 0.00 |
| Teaching / learning materials | 664,300.00 | 119,000.00 |
| Chalks | 0.00 | 0.00 |
| Exams and assessment | 622,460.00 | 50,000.00 |
| Reference Materials | 0.00 | 0.00 |
| Bank Charges | 1,590.25 | 366.75 |
| **Total** | **2,707,491.25** | **808,966.75** |

Notes to the Financial Statements (Continued)

6. Payments For Operations

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Other vote heads | 0.00 | 0.00 |
| Local transport / travelling | 214,300.00 | 0.00 |
| Repairs and maintenance & improvements | 3,350,000.00 | 58,680.00 |
| Personnel emoluments | 3,088,683.00 | 1,370,400.00 |
| Administration Cost | 992,300.00 | 728,211.00 |
| Activity Expenses | 88,500.00 | 0.00 |
| Medical | 0.00 | 0.00 |
| Electricity and water | 823,572.00 | 208,000.00 |
| Bank Charges | 1,210.00 | 0.00 |
| RMI - Infrastructure | 3,600,000.00 | 2,500,000 |
| **TOTAL** | **12,158,565.00** | **4,865,291.00** |

7. Boarding and School Fund Payments

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Other Voteheads | 0.00 | 0.00 |
| Repairs and maintenance & Improvements | 4,837,840.00 | 1,006,772.00 |
| Personal Emoluments | 2,872,845.00 | 1,544,000.00 |
| Medical | 0.00 | 7,145.00 |
| Activity | 679,220.00 | 60,500.00 |
| Local Transport and Travellings | 1,541,900.00 | 209,100.00 |
| Bank Charges | 0.00 | 0.00 |
| Fees on Boarding Equipment and Stores | 33,585,389.00 | 5,766,885.00 |
| Administration Costs | 3,606,050.00 | 684,136.00 |
| Electricity ,Water and Conservancy | 5,575,915.00 | 1,444,603.00 |
| TOTAL | **52,699,159.00** | **10,723,141.00** |

**Notes to the Financial Statements (Continued)**

8. Bank Accounts

| Name Of Bank, Account No. Currency | Bank Account Number | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|---|
| Tuition Account | 1200775775 | 7,300.35 | 23,509.60 |
| Operations Account | 1200776844 | 60,678.10 | 336,915.10 |
| School Fund Account | 1200774841 | 126,073.36 | 1,679,566.26 |
| Infrastructural Account | 1287963382 | 790.00 | 0.00 |
| **Total** | | **194,841.81** | **2,039,990.96** |

9. Cash In Hand

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Tuition Account | 0.00 | 0.00 |
| Operation Account | 0.00 | 0.00 |
| School Fund account | 109,050.90 | 85,575.00 |
| Infrastructure | 0.00 | 0.00 |
| **Total** | **109,050.90** | **85,575.00** |

10. Short Term Investments

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Cooperative shares | 0.00 | 0.00 |
| Treasury Bills | 0.00 | 0.00 |
| Fixed deposit | 0.00 | 0.00 |
| Equity stock | 0.00 | 0.00 |
| Other investments | 0.00 | 0.00 |
| **Total** | **0.00** | **0.00** |

Notes to the Financial Statements (Continued)

11. Accounts Receivable

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Fees arrears | 3,054,557.00 | 1,098,262.00 |
| Other non-fees receivables | 0.00 | 0.00 |
| Salary advances | 0.00 | 0.00 |
| Imprests | 0.00 | 0.00 |
| **Total** | **3,054,557.00** | **1,098,262.00** |

*[Below is the fees arrears ageing]*

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Fees arrears for current year | 3,054,557.00 | 1,098,262.00 |
| Fees arrears for the previous year | 0.00 | 0.00 |
| Fees arrears for prior periods (over two years) | 0.00 | 0.00 |
| | | |
| **Total** | **3,054,557.00** | **1,098,262.00** |

12. Accounts Payable

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Trade creditors (See ageing below and appendix 1) | 2,662,470.00 | 258,160.00 |
| Prepaid fees | 1,868,239.00 | 29,726.00 |
| Caution Money | 0.00 | 0.00 |
| NHIF | 0.00 | 0.00 |
| **Total** | **4,530,709.00** | **287,886.00** |

*[Below is an ageing of the creditor's arrears.]*

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Trade creditors for current year | 2,662,470.00 | 258,160.00 |
| Trade creditors for the previous year | 0.00 | 0.00 |
| Trade creditors for prior periods (over two years) | 0.00 | 0.00 |
| | | |
| **Total** | **2,662,470.00** | **258,160.00** |

**Notes to the Financial Statements (Continued)**

13. Fund Balance Brought Forward

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Bank balances | 2,039,990.96 | 369,807.26 |
| Cash balances | 85,575.00 | 0.00 |
| Short Term Investments | 0.00 | 0.00 |
| Receivables | 1,098,262.00 | 2,454,736.00 |
| Payables | (287,886.00) | (2,239,800.00) |
| **Total** | **2,935,941.96** | **584,743.26** |

**Other important disclosure notes**

14. Non-current Liabilities Summary

| Description | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|
| Bank loan(s) | - | - |
| Outstanding Leases | - | - |
| Hire purchase | - | - |
| Gratuity and leave provision | - | - |
| **Total** | - | - |

15. Biological assets

| Description | Numbers | 2021-2022 Kshs | 2020-2021 Kshs |
|---|---|---|---|
| Cattle | | - | - |
| Goats | | - | - |
| Trees | 200 | | |
| Coffee or tea plantation | | | |
| Poultry | | | |
| **Total** | | | |

16. Borrowings

| [illegible] | [illegible] | [illegible] |
|---|---|---|
| Borrowing at beginning of the year | - | - |
| Borrowings during the year | - | - |
| Repayments of during the year | - | - |
| **Balance at end of the year** | - | - |

**Other important disclosure notes**

17. Stock/ Inventory

| [illegible] | [illegible] | [illegible] |
|---|---|---|
| **a) Inventory** | | |
| Stock/ inventory at beginning of the year | - | - |
| Stock/ inventory purchased during the year | - | - |
| Stock/ inventory issued during the year | - | - |
| **Balance at end of the year** | - | - |

## XI. Annexes

Annex 1 - Analysis of Pending Accounts Payable

| [redacted] | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Mara Mubarak Whole sellers | | | | 592,680.00 | 0.00 | |
| 2 | Fatuma Enterprise | | | | 73,300.00 | 0.00 | |
| 3 | Bestech Africa | | | | 710,500.00 | 0.00 | |
| 4 | Streamline Concept | | | | 248,800.00 | 0.00 | - |
| 5 | Reuben Langat | | | | 100,000.00 | 0.00 | |
| 6 | School Canteen | | | | 75,210.00 | 0.00 | - |
| 7 | Mara Bookshop | | | | 144,970.00 | 0.00 | |
| 8 | Bigi Electricals and Electronics | | | | 106,790.00 | 0.00 | |
| 9 | Ready Graphics Agencies | | | | 187,400.00 | 0.00 | |
| 10 | Level School Centre | | | | 180,760.00 | 0.00 | |
| 11 | Innovative Computers | | | | 65,800.00 | 0.00 | |
| 12 | Savannah Building Plumbing | | | | 45,360.00 | 0.00 | |
| 13 | Juliet Lipore | | | | 23,500.00 | 0.00 | |
| 14 | Samparuan Kiriama | | | | 16,000.00 | 0.00 | |
| 15 | Sambraloi Bats Control | | | | 41,000.00 | 0.00 | |
| 16 | NHIF | | | | | 241,060.00 | |
| 17 | Grace Kiarie | | | | | 17,040.00 | |
| 18 | Grant Traders | | | | | | |
| | **Total** | | | | **2,662,470.00** | **258,100.00** | |

Annex 2 – Summary of Fixed Assets Register

| Asset Class | Date purchased | Location | Historical Cost b/f (Kshs) 1st July 2021 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30th June 2022 |
|---|---|---|---|---|---|---|
| Land 1 | | | | | | |
| Land 2 | | | | | | |
| Buildings And Structures | | | | | | |
| Motor Vehicles | | | | | | |
| Office Equipment, Furniture And Fittings | | | | | | |
| ICT Equipment, And Other ICT Assets | | | | | | |
| Tools And Apparatus | | | | | | |
| Textbooks | | | | | | |
| Other Machinery And Equipment | | | | | | |
| Heritage And Cultural Assets | | | | | | |
| Intangible Assets- Soft Ware | | | | | | |
| **Total** | | | | | | |