

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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DATE: 20 FEB 2023
Tabled by: Hon Naomi Wago
Deputy Majority Whip
Clerk-at-table: Imaru Mwahe

REPORT

OF

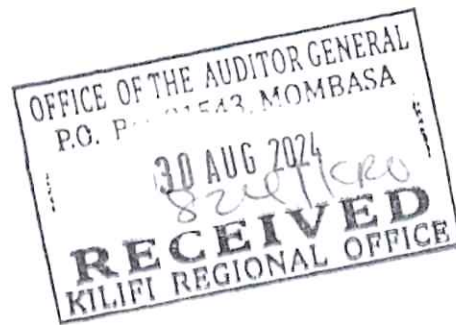
THE AUDITOR-GENERAL

ON

**DR. KRAPF MEMORIAL SECONDARY
SCHOOL**

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

KILIFI COUNTY



DR KRAPP MEMORIAL SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2022

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

**DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

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**DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

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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 KILIFI County, RABAI Sub-County

The school was registered in 13/05/1969 under registration number BUN/KISIMANI/995 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 743 number of students as at 30 June 2022. It has 5 streams and 31 teachers of which 10 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Alfred Nyanje	Chairman	05/09/2019
2	Juma Bora	Secretary - Principal	05/09/2019
3	Margaret Baraka	Member	05/09/2019
4	Andrew Simba	Member-PA	05/09/2019
5	Raphael Bosso Mrinzi	Member	05/09/2019
6	Dr John Jao	Member	05/09/2019
7	Fauzia Omar	Member	05/09/2019
8	Jonathan B Masha	Member – Rep CEB	05/09/2019
9	Gladys Kariuki	Member Rep Teachers	05/09/2019
10	Rev William Katama	- Sponsor	05/09/2019
11	Irine Randu	Member	05/09/2019
12	Athman Malingi	Member-PA	05/09/2019
13	Mariam Ngome	SCD	05/09/2019
14	Josphine Mwanzui	Member	05/09/2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr J.Majimbo Patrick Mwacharo Andrew Simba Christine Chengo	Chairman Secretary/Principal P.A Chairman Member	3/3
2	Audit Committee	Jonathan Masha Dr Daniel Munga Margaret Katembo Athman Malingi	Chairperson Member Secretary Member	3/3
3	Finance, procurement and general purposes Committee	Jonathan Masha Dr Daniel Munga Margaret Katembo Athman Malingi	Chairperson Member Member Secretary	3/3
4	Academic Committee	Margaret Katembo Samuel Kumbo Dr Daniel Mumba Mercy Mwembe	Chairperson Member Member Secretary	3/3
5	Development Committee	Rashid Saburi Andrew Simba Phenny Koki Jonathan Masha	Chairperson Member Secretary Member	3/3
6	Discipline and welfare Committee	Rev Nguma Mercy Mwembe Abdalla Mkuzi Samuel Kumbo	Chairperson Member Secretary Member	3/3

7	Adhoc Committee (if any during the year)	Andrew Simba Athman Malingi Rashid Saburi	Chairperson Member Member
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(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Patrick W Mwacharo	336435
2	Deputy Principal	Katana Kapombe	322688
3	School Bursar	Adam Heba Mvuko	ID NO.11265581
		Sudi Salim Chimwenga	ID NO.29653833

(e) Schools contacts

Post Office Box: 40-80114
 Telephone: +254705521569
 E-mail: dr.krapf69@yahoo.com
 Website: N/A
 Facebook: Dr Krapf Memorial Secondary School-Rabai
 Twitter: N/A

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: KCB
Branch: MVITA

They include:

- *Tuition account -110-891-1749
- *Operation account -110-891-5280
- *School Fund account -110-847-6058
- *Infrastructure account 110-646-8708

**DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

*P A account 110-646-8775

2 MPESA Pay Bill No. 522123 A/C Number 63587kadm name attached to
1108476058 bank account

(g) Independent Auditors

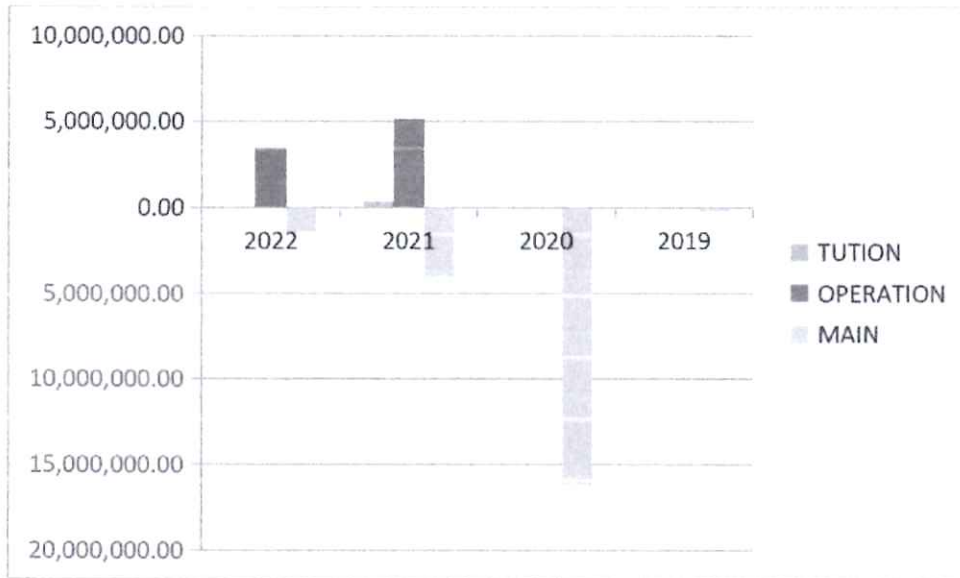
Office of the Auditor General
Anniversary Towers, University Way
P O Box 30084
GPO 00100
Nairobi, Kenya

II. Summary Report Of Performance Of The School

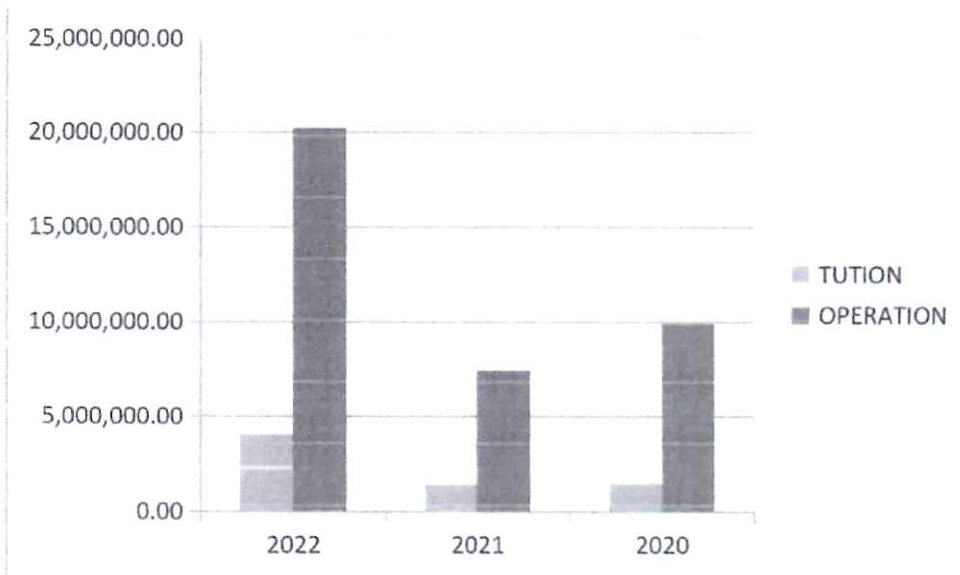
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

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



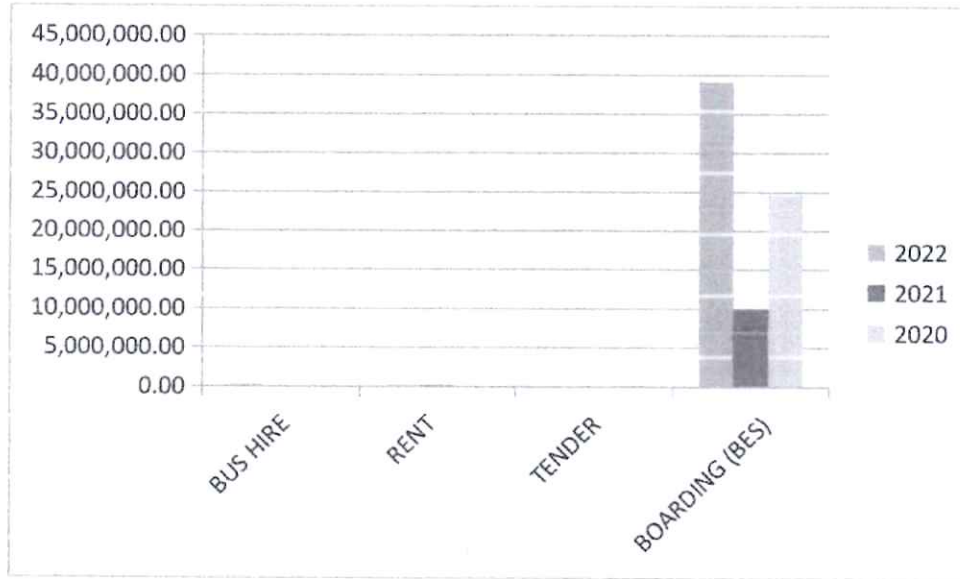
- **Capitation grants from the Ministry of Education for the last three years**



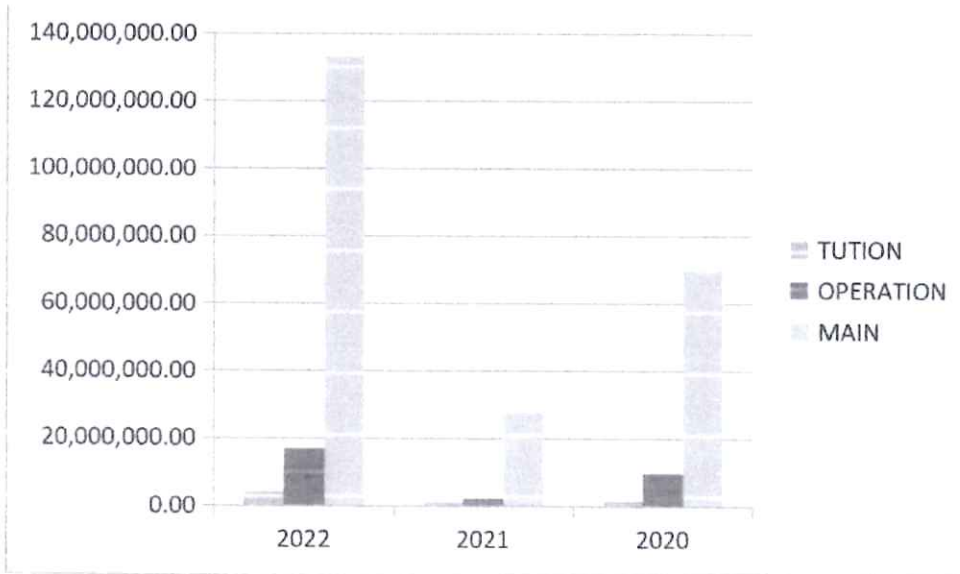
- **Ratio of capitation grant per student over the last three years**

Account	2022	2021	2020
Tuition	1:4566.27	1:1666.65	1:2769.44
Operation	1:22809.00	1:8657.20	1:14346.45

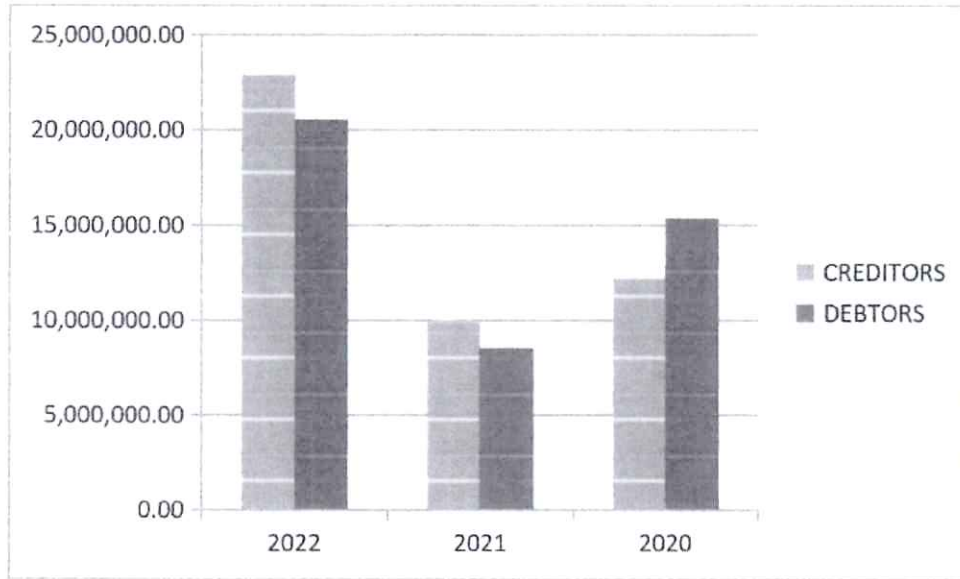
- *A three-year overview of growth of other income(s) earned by the school.*



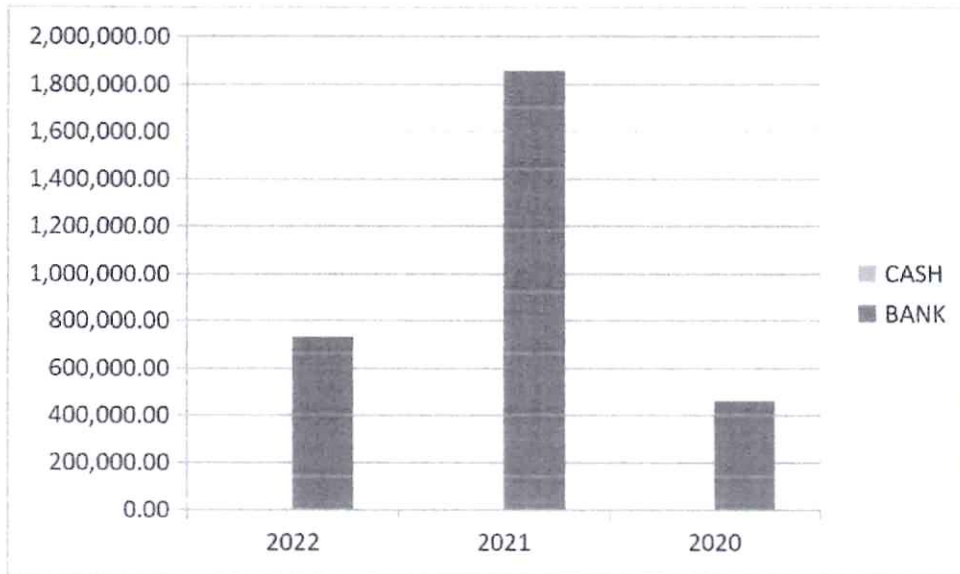
- **A three-year overview of growth in expenditure of the school**



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



- **Movement of cash and bank balances over the last three years**



b) Teacher Student ratio:

*Teacher student ratio 1;28

*Number of teachers recruited and posted to the school within the year-0

*Number of teachers that were transferd- 0

*Number of teachers that retired during the period-0

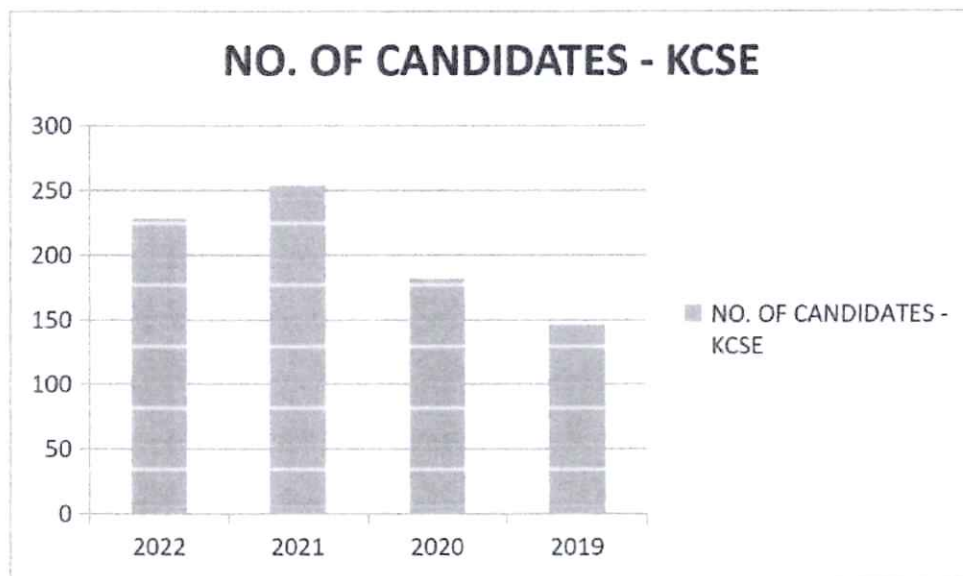
*Number of teachers employed by TSC-21

*Number of teachers employed by BOM-10

c) Mean score in the 2022 KCSE:

YEAR	TARGET	MEAN SCORE	TRANSITION	COMMENT
2022	6.5	4.67	25	NEGATIVE DEV
2021	6.5	4.39	19	NEGATIVE DEV
2020	6.5	4.59	23	NEGATIVE DEV

d) Number of Candidates in the 2022 KCSE:

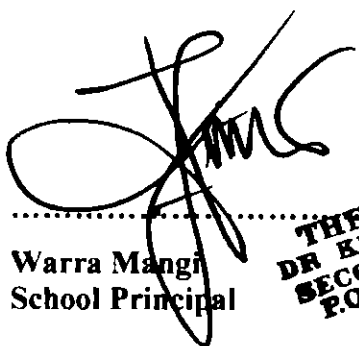


e) Capacity of the school:

	2022	2021	2020
NO. OF STUDENTS	887	854	810
DORMITORIES	4	4	4
DINING HALL	1	1	1
TOILETS	25	25	25
CLASSROOMS	20	20	20
LABORATORY	3	2	2
LIBRARY	1	1	1

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:


.....
Warra Mangi
School Principal

**THE PRINCIPAL
DR KRAFT MEMORIAL
SECONDARY SCHOOL
P.O. Box 40 - 80114
MAZERAS**

III. Statement Of School Management Responsibility

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

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

The Board of Management of Dr Krapf Memorial 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).

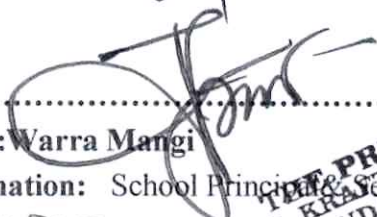
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30 June, 2022, and of the school's financial position as at that date.



.....
Name: Margaret N Baraka

Designation: Chairman, School Board of Management

Date: 28-8-2024

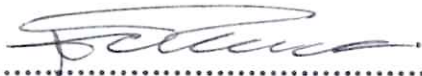


.....
Name: Warra Mangi

Designation: School Principal & Secretary of Board of Management

Date: 28-8-2024

**THE PRINCIPAL
DR. KRAPF MEMORIAL
SECONDARY SCHOOL
P.O. Box 40 - 80114,
MAZERAS**



.....
Name: Adam Heba

Designation: Bursar/ Finance Officer

Date: 28-8-2024

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON DR. KRAPF MEMORIAL SECONDARY SCHOOL FOR THE FOR THE YEAR ENDED 30 JUNE, 2022 – KILIFI COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Dr. Krapf Memorial Secondary School - Kilifi County set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the

Report of the Auditor-General on Dr. Krapf Memorial Secondary School for the year ended 30 June, 2022 – Kilifi County

statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Financial Statements

The statement of receipts and payments reflects total receipts and total payments amounting to Kshs.167,547,363 and Kshs.165,198,048 respectively. However, the amounts were not supported by general ledgers. Further, even though the School had an automated system for fees collection, the system could not generate reports to support receipts reflected in the financial statements.

In the circumstances, the accuracy and completeness of the amount of Kshs.167,547,363 and Kshs.165,198,048 in respect of total receipts and total payments respectively for the year ended 30 June, 2022 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.56,452,044 as disclosed in Note 10 to the financial statements. The amount includes fees arrears totalling to Kshs.56,409,544. Included in the fees arrears balance are receivables amounting to Kshs.29,065,323 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the recoverability of the receivables balance of Kshs.56,452,044 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Dr. Krapf Memorial 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. 106,044,300 and Kshs. 89,575,446 respectively resulting to under-funding of Kshs. 16,468,854 or 16% of the final budget. However, the School spent a balance of Kshs. 88,119,122 against actual receipts of Kshs. 89,575,446 resulting to underutilization of Kshs. 1,456,324 or 2% of the actual receipts. This implies that the School achieved absorption rate of 98% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution of Kenya, 2010, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 19 June, 2024 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref:

MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Over-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounting to Kshs.4,050,283 and Kshs.20,231,583, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year 2021/2022, the NEMIS records differed with the enrolment records held by Dr. Krapf Memorial Secondary School as tabulated below:-

Table: Variance in Capitation Amounts as Result of Variances in Enrollment

Month	Capitation per Student (Kshs.)	No. of Students per NEMIS	No. of Students as per Register	Variance	
				Students	Amount (Kshs.)
July 2021	5,230	752	749	-3	(15,690)
October 2021	4,253.7	752	888	136	578,503.2
October 2021 (Form One)	5,230	130	196	66	345,180
January 2022	2,551.7	890	749	-141	(359,789.7)
April 2022	4,005.4	887	749	-138	(552,745.2)
Total					4,541.7

As a result of the variances, the School was overfunded by an amount of Kshs.4,542. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

3. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.20,231,583 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the Operations Bank Account. Included in the amount is Kshs.4,437,000 in respect of infrastructure grants which were to be transferred to the infrastructure Bank Account for maintenance and improvement of the School's facilities. However, Kshs.5,214,000 was transferred to infrastructure account resulting to an over transfer of Kshs.777,000 as at 30 June, 2022. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which

directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.25,545,081 as disclosed in Note 11 to the financial statements. However, included in the balance are trade payables balance of Kshs.768,350 which had been outstanding for more than two (2) years.

This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract(s) are reflected in approved budget estimates.

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

5. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.167,547,363 and Kshs.165,198,048 in respect of total receipts and total payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

6. Procurement from Non-Registered Suppliers

The statement of receipts and payments reflects total payments amounting to Kshs.165,198,048. However, procurement of items was not informed by prequalified list of suppliers as the School did not maintain an approved list of prequalified suppliers. This is contrary to Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 that states that the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

7. Non-Creation of Procurement Contracts

The statement of receipts and payments total reflects payments amounting to Kshs.165,198,048. However, the School did not have valid contracts with the suppliers of goods, works and services during the year under review. This is contrary to; Section 135(1) of the Public Procurement and Asset Disposal Act, 2015 that states that the

existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer.

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

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance, were not effective.

Basis for Conclusion

1. Inadequate Representation in the Composition of Board of Management

Review of the Board of Management records revealed that the Board was underrepresented. The Board Members did not include a representative of the students' council, as an ex-official member. This is contrary to Section 56(1)(g) of Basic Education Act, 2013 which requires that the Board of Management established under Section 55 of the Act include an ex-official member from the students' council.

In the circumstances, Management risks having un-balanced and non-inclusive decision as students views and needs are not considered in decision making process that is geared towards achieving the School's strategic objectives.

2. Failure by Board of Management to hold meetings as per the law

The Board of Management (BOM) is supposed to meet and deliberate on the achievement of the School strategic objectives including development and expenditure matters. However, review of the BOM records revealed that the Board did not meet at least once every four (4) months. This is contrary to Section 6 (1) of the fourth schedule of the Basic Education Act, 2013 which states that; "a Board of Management shall meet at least once every four months."

In the circumstances, the School may not achieve its strategic objectives.

3. Lack of Internal Audit Function and Audit Committee

During the period under review, the School had not constituted an audit committee and an internal audit unit as required by Regulations 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 is to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to the National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

4. Incomplete Summary of Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.41,848,000 in respect of fixed assets. Included in the summary is land with a value of Kshs.5,000,000. However, the land valuation report was not provided to ascertain how the value was arrived at since the land was indicated as donated.

In the circumstances, the fair disclosure of the value of the land 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 control, 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the School policies and procedures may deteriorate.

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 September, 2024

**DR KRAPP MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

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

Description Of Vote Head	Note	2021-2022	Jan-June 2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	4,050,283	1,423,321
Capitation grants for operations	2	20,231,583	7,393,249
School fund income- parents' contributions	3	34,711,545	6,568,794
School fund income- other receipts	4	108,553,952	17,102,374
Total Receipts		167,547,363	32,487,738
Payments			
Payments for tuition	5	3,977,450	1,071,186
Payments for operations	6	16,789,995	2,232,148
Boarding and school fund payments	7	144,430,603	27,715,770
Total Payments		165,198,048	31,019,104
Surplus/Deficit		2,349,315	1,468,634

The school financial statements were approved on 28/8/2024 and signed by:

.....


Name: Margaret N Baraka
Chair BOM

Date: 28-8-2024

.....


Name: Warra Mangi
School Principal/ Secretary to
BOM

Date: 28-8-2024

**THE PRINCIPAL
DR. KRAFT MEMORIAL
SECONDARY SCHOOL
P.O. Box 40 - 80114,
MAZERAS**

.....


Name: Adam Heba
Bursar/ Finance Officer

Date: 28-8-2024

**DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

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

Description	Note	2021-2022	Jan-June 2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	730,996	1,858,410
Cash balances	9	377	778
Total cash and cash equivalent		<u>731,343</u>	<u>1,859,188</u>
Account's receivables	10	56,452,044	52,010,523.
Total financial assets		57,183,387	53,869,711
Financial liabilities			
Accounts payables	11	25,545,081	25,585,130
Net financial assets		31,638,306	28,284,581
Represented by			
Accumulated fund b/fwd	12	29,288,991	26,815,947
Surplus/deficit for the year		2,349,315	1,468,634
Net financial position		31,638,306	28,284,581

The school's financial statements were approved on 28-8-2024 and signed by:


.....

Name: Margaret N Baraka

Chair BOM

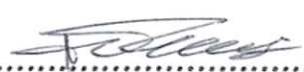
Date: 28-8-2024


.....

Name: Warra Mangi
School Principal/ Secretary to
BOM

Date: 28-8-2024

**THE PRINCIPAL
DR. KRAFT MEMORIAL
SECONDARY SCHOOL
P.O. Box 40 - 80114,
MAZERAS**


.....

Name: Adam Heba

Bursar/ Finance Officer

Date: 28-8-2024

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

Description	Notes	2021-2022	Jan-June 2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	4,050,283	1,423,321
Capitation grants for operations	2	20,231,583	7,393,248
School fund income- parents contributions/ fees	3	34,711,545	6,568,794
School fund income- other receipts	4	58,243,329	17,102,374
Total receipts		117,236,741	32,487,738
Payments			
Payments for tuition	5	3,977,450	1,071,186
Payments for operations	6	11,469,006	2,232,148
Boarding and school fund payments	7	98,008,510	27,785,770
Total payments		113,454,966	31,089,104
Net cash flow from operating activities		3,781,775	1,398,634
Cashflow from investing activities			
Proceeds from sale of assets		0	0
Acquisition of assets		(4,909,620)	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from investing activities		4,909,620	0
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash flow from financing activities		0	0
Net increase in cash and cash equivalents		(1,127,845)	1,398,634
Cash and cash equivalent at beginning of the year		1,859,188	460,555
Cash and cash equivalent at end of the year		731,343	1,859,188

DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Textbooks And Reference Materials	2,272,900		2,272,900		2,272,900	0%
Exercise Books	2,475,200		2,475,200	2,670,867	-195,667	108%
Laboratory Equipment	1,298,800		1,298,800	433,745	865,054	33%
Internal Exams	338,300		338,300	215,448	122,851	64%
Teaching / Learning Materials	192,100		192,100	687,643	-495,543	358%
Chalks	8,500		8,500	2,839	5,661	33%
Teachers Guides	119,000		119,000	39,741	79,258	33%
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	8,255,000		8,255,000	5,193,667	3,061,332	63%
Repairs And Maintenance	8,500,000		8,500,000	7,219,081	1,280,919	85%
Local Transport / Travelling	2,550,000		2,550,000	1,544,700	1,005,300	61%
Electricity And Water	2,575,000		2,575,000	2,299,835	275,165	89%
Medical	3,400,000		3,400,000	1,044,721	2,355,278	31%
Administration Costs	2,575,000		2,575,000	2,279,085	295,915	89%
Activity	2,575,000		2,575,000	650,491	1,924,509	25%
Gratuity						

**DR KRAPP MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
(3) Fees Charged on Parents						
Personnel Emoluments	13,430,000		13,430,000	16,316,590	-2886590	122%
Repairs And Maintenance	3,400,000		3,400,000	2,843,568	556,432	84%
Local Transport / Travelling	1,700,000		1,700,000	890,425	809,575	52%
Electricity And Water	3,400,000		3,400,000	2,754,528	645,372	81%
Administration Costs	3,400,000		3,400,000	3,014,441	385559	89%
Activity	425,000		425,000	330,075	94,925	78%
Fee On Boarding Equipment and Stores	43,154,500		43,154,500	39,143,953	4,010,547	91%
<i>Other Income</i>						
Total Income						
(1) Expenditure For Tuition						
Textbooks And Reference Materials	2,272,900		2,272,900	585,277	1,687,623	26%
Exercise Books	2,475,200		2,475,200	2,207,103	268,097	89%
Laboratory Equipment	1,298,800		1,298,800	903,550	395,250	70%
Internal Exams	338,300		338,300	178,200	160,100	53%
Teaching / Learning Materials	192,100		192,100	71,000	121,100	37%
Chalks	8,500		8,500		8,500	0%
Teachers Guides	119,000		119,000	28,000	91,000	24%
(2) Expenditure For Operations						
Personnel Emoluments	8,255,000		8,255,000	6,249,300	2,005,700	75%
Repairs, Maintenance &	8,500,000		8,500,000	7,337,737	1,162,263	86%

DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Improvements						
Local Transport / Travelling	2,550,000		2,550,000	599,800	1,950,200	24%
Electricity, Water and Conservancy	2,575,000		2,575,000	841,631	1,733,369	33%
Medical	3,400,000		3,400,000	47,552	3,352,448	14%
Administration Costs	2,575,000		2,575,000	1,122,975	1,452,025	44%
Activity Expenses	2,575,000		2,575,000	591,000	1,984,000	23%
(3) Expenditure For School Fund						
Personnel Emoluments	13,430,000		13,430,000	13,415,522	14,476	99%
Repairs, Maintenance and Improvements	3,400,000		3,400,000	3,188,548	211,452	94%
Local Transport / Travelling	1,700,000		1,700,000	674,510	1,025,490	40%
Electricity, Water and Conservancy	3,400,000		3,400,000	3,287,526	112,474	97%
Administration Costs	3,400,000		3,400,000	3,381,286	18,714	99%
Activity	425,000		425,000	274,000	151,000	64%
Boarding Equipment and Stores	43,154,500		43,154,500	43,134,605	19,895	99%
Totals						

*The vote heads in operation and tuition account which had below 90% utilisation were supported by boarding/main account. Those vote heads in boarding account like activity and ltt were mostly meals and night outs allowances charged in boarding vote head.

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books	2,670,867	912,371
Laboratory Equipment	433,745	0
Internal Exams	215,448	102,470
Teaching / Learning Materials	687,643	102,470
Chalks	2,839	0
Teachers Guides	39,741	306,010
Total	4,050,283	1423,321

2 Capitation Grant for Operations

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel Emoluments	5,193,668	1,286,122
Repairs And Maintenance	7,219,081	3,424,500
Local Transport / Travelling	1,544,700	894,209
Electricity And Water	2,299,835	894,209
Medical	1,044,722	0
Administration Costs	2,279,085	894,209
Activity	650,491	0
Total	20,231,583	7,393,249

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel emoluments	21,282,788	4,406,634
Repairs and maintenance	3,915,933	724,090
Local transport / travelling	1,263,805	211,765
Electricity and water	3,909,393	712,350
Administration costs	3,858,331	407,371
Activity	481,295	106,584
Total	34,711,545	6,568,794

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022	Jan-Jun 2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	53,366,937	9,968,620
Adjusted sundry creditors	22,874,137	1,922,530
Rent Income	227,000	141,000
Sundry creditors	2,263,740	0
Fees arrears	17,049,936	4,981,224
Tenders	29,500	0
Income From Bus Hire	233,000	89,000
Infrastructure	8,218,623	0
Dormitory damages	4,291,079	0
Total	108,553,952	17,102,374

5 Payments For Tuition

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Textbooks And Reference Materials	585,277	0
Exercise Books	2,207,103	900,500
Laboratory Equipment	903,550	117,704
Internal Exams	178,200	50,000
Teaching / Learning Materials	28,000	0
Bank Charges	4,320	2,982
Total	3,977,450	1,071,186

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel Emoluments	6,249,300	1,004,410
Administration Cost	1,122,975	391,238
Repairs And Maintenance & Improvements	7,337,737	534,000
Local Transport / Travelling	599,800	67,500
Electricity And Water	841,631	120,000
Medical	47,552	15,000
Activity Expenses	591,000	100,000
Total	16,789,995	2,232,148

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Personnel Emoluments	15,325,522	4,526,422
Repairs And Maintenance & Improvements	6,194,833	985,760
Local Transport / Travelling	674,510	296,395
Electricity And Water	3,287,526	1,030,733
Medical Expenses	366,432	108,400
Administration Costs	5,646,258	1,232,982
Prepaid fees	2,407,956	0
Activity	274,000	120,610
Fee On Boarding Equipment and Stores	56,107,323	11,513,676
Creditors	21,476,274	7,580,449
School farm-bus hire	843,062	320,343
Dormitory damages	3,157,550	0
Infrastructure	7,928,857	0
Fees arrears	20,740,500	0
Total	144,430,603	27,715,770

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	Jan-June 2021
		Kshs	Kshs
Tuition Account	1108911749	87,668	366,969
Operations Account	1108915280	146,916	942,896
School Fund Account/Boarding	1106468708	383,286	515,292
Savings Account	1125799137	9,760	9,760
Parent Association Development Account	1106468775	101,072	18,622
Infrastructural Account	1106468708	2,264	4,870
Total		730,966	1,858,410

9 Cash In Hand

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Tuition Account	0	0
Operation Account	0	0
School Fund account	377	778
Total	377	778

Notes To The Financial Statements (Continued)

10 Accounts Receivable

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Fees Arrears	56,409,544	51,940,523
Salary Advances	42,500	70,000
Total	56,452,044	52,010,523

Ageing of the fees / non fees arrears

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Fees Arrears For Current Year	20,514,668.	8,533,473
Fees Arrears For The Previous Year	6,829,553	15,346,136
Fees Arrears For Prior Periods (Over Two Years)	29,065,323	28,060,913
Total	56,409,544	51,940,523

11 Accounts Payable

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	24,285,271	22,871,410
Prepaid Fees	1,259,810	2,407,956
Total	25,545,081	25,279,366

Ageing of the creditor's arrears

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Trade Creditors for Current Year	22,874,137	9,607,116
Trade Creditors for The Previous Year	642,784	12,206,178
Trade Creditors for Prior Periods (Over Two Years)	768,350	1,058,116
Total	24,285,271	22,871,410

Notes To The Financial Statements (Continued)

12 Fund Balance Brought Forward

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Bank Balances	1,858,410	459,839.55
Cash Balances	778	715.00
Receivables	53,014,933.	49,392,683
Payables	(25,585,130)	(23,037,291)
Total	29,288,991	26,815,947

Other important disclosure notes

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

13 Biological assets

Description	Numbers	2021-2022	Jan-June 2021
		Kshs	Kshs
Cattle		160,000	160,000
Goats		0	0
Trees		80,000	80,000
Coffee Or Tea Plantation		0	0
Poultry		0	0
Total		240,000	240,000

Other important disclosure notes

14 Stock/ Inventory

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	1,468,000	1,282,000
Stock/ inventory purchased during the year	117,236,741	32,487,000
Stock/ inventory issued during the year	(116,645,192)	(32,301,000)
Balance at end of the year	2,059,549	1,468,000

**DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

15 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)
4.1.1	Late submission of Financial statements to the Auditor General	We concur with auditors comments. The reports were ready in time but they were not in IPSAS format as prescribed by the OAG. By the time they were ready the time had already lapsed. we will ensure going forward the delay is avoided.	Resolved	11/07/024
4.1.3	Inaccuracies in the financial statements	Its true we accept auditors observations. This has been corrected.	Resolved	11/07/024
4.1.3.2	Figures in the ledgers not supporting the financial statements	The observation is correct and the discrepancies have been corrected, going forward this will not occur.	Resolved	11/07/024
4.2.1	Accuracy of students enrolment data.	During this year in general, the school went through a phase of indiscipline leading to burning of a dormitory. At the time there was majorly exit by many students from the school and at the same time updating NEMIS was a challenge particularly from ones who	Resolved	11/7/024

**DR KRAPF MEMORIAL SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		reported at school without birth certificates. This has however been addressed and our numbers are updated.		
4.3.1	Budget and procurement plan	We are in agreement with the audit report. Going forward the school will prepare a budget report and procurement plan and adhere to it.	Resolved	11/07/024
4.2.2	Variance between amounts expected to be transferred to the infrastructure account and actual amounts received.	We agree with the observations made. This could be as a result of delay of circulars showing disbursements. Going forward the school will follow the laid down regulations.	Resolved	11/07/024
4.4	Failure to maintain cashbooks and bank reconciliation preparations for PTA, Saving accounts	Its true the saving and PTA accounts had no cashbooks neither reconciliations because they were being operated in the main account. However going forward we shall maintain their cash books separately and prepare bank reconciliations.	Resolved	11/7/024

DR KRAPF MEMORIAL SECONDARY SCHOOL
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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.5.1	Long outstanding students accounts receivables	Observation made by the auditor is accurate. Many students who finish school with balances fail to come to pick their certificates or pay the fees arrears. Many have taken advantage of government announcements of picking certificates without paying making the problem even worse. The school will write to the PS to write off long term arrears and also the PA chair has mobilised all parents class reps as point people in fees remittance in various classes.	Resolved	11/7/024
4.6.1	Long Outstanding trade payables	We concur with the auditors observation. The huge creditors debt arose from fact that in 2021, the students enrolment dropped after school experienced fire incident. Parents relocated their students without using proper process. Delay in FDSE in some cases has caused strains. Going forward school will comply with regulations by ensuring non essential expenses are removed and prompt banking of collections	Resolved	11/7/024

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.7.1	Lack of fixed asset register	We agree with the auditors observations. Further the school will maintain an upto date register.	Resolved	11/07/24
4.8.1	Inadequate representations of composition of BOM	We agree with the auditors observation. Going forward the school will ensure the students reps is equally coopted as board member as per the law.	Resolved	11/07/24
4.8.1	Frequency of BOM meetings and board committees to be held in a year	We agree to the observation. The board has had regular meetings but we had a challenge. We have since taken care of the filling problem.	Resolved	11/7/24

Sign and Date
 Warra Mar
 Principal

THE PRINCIPAL
DR. KRAPF MEMORIAL
SECONDARY SCHOOL
P.O. Box 501, 50114,
MAZERAS

12/8/24

DR KRAPF MEMORIAL SECONDARY SCHOOL
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Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance June2021	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Naldeco Enterprise	3,941,054	1.07.021	3,462,285	478,769	0	
2. Chimu Enterprise	3,791,875	1.07.021	3,165,830	626,045	0	
Sub-Total	7,732,929		6,628,115	1,104,814		
Supply Of Goods						
3. Jukalu Enterprises	5,658,230	1.07.2021		7,243,015	5,658,230	
4. Tawakal Wholesalers	2,399,950	1.07.2021	300,000	2,099,950	2,399,950	
5. Oghil Investments	460,200	1.07.2021	460,000		460,200	
7.Mbodza general supplies	728,500	1.07.2021	454,610	273,890	728,500	
8.Dzek Enterprises	340,000	1.07.2021	180,000	160,000	340,000	
9.Kulmis trading co ltd	3,059,300	1.07.021		4,696,300	3,059,300	
10.Kitondawa investments	534,080	1.07.021	275,460	258,620	534,080	
11.Josechings enterprises	458,250	1.07.021	458,250		458,250	
12.RLC services	67,960	1.07.021		92,451	67,960	
13.Pendo pwani	99,890	1.01.021	99,890	0	99,890	
14.Mykson investments co ltd	50,500	1.01.021	50,500	0	50,500	
15.Bebimedika enterprise	40,000	01.01.021	40,000	0	40,000	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance June 2021	Comments
16.Hilkath ventures	808,000	1.0.1021	293,000	515,000	808,000	
17.Gentrade	2,057,224	1.01.021	0	1,755,685	2,057,224	
18.Kalmar marketing	972,640	1.01.021	22,640	950,000	972,640	
19.Jaglad printers	260,000	1.01.021	260,000	0	260,000	
20.Ziyah investments	224,000	01.01.021	224,000	0	224,000	
21.Watsa munga	146,450	01.01.021	146,450	0	146,450	
22.Premier cuts	552,000	01.07.021	0	552,000		
23.Tawakal Generation	367,700	01.07.021	0	367,700		
24.Liam lab supplies	486,462	01.07.021	0	486,462		
25.Gichan	288,250	01.07.021	0	288,250		
Sub-Total				19,859,323	18,402,174	
Supply Of Services						
6. P.E-salaries	4,775,000		2,865,000	1,910,000	4,775,000	
Sub-Total	24,834,586		6,129,800	1,910,000	4,775,000	
Grand Total	32,567,515		12,757,915	22,874,137	23,177,174	

**DR KRAPF MEMORIAL SECONDARY SCHOOL
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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	Donated(1969)	Rabai Kisurutini	5,000,000			5,000,000
Buildings And Structures	Constructed from 1969 to date	Rabai Kisurutini	27,000,000			27,000,000
Motor Vehicles(1 bus kbj 495U 51 seater)	2010	Dr krapf	6,000,000			2,850,000
Electricity generator	2015	Dr krapf	1,600,000			1,200,000
Borehole	Donated 2019	Dr krapf	700,000			700,000
Water tanks(3)	Constructed	Dr krapf	1,800,000			1,800,000
Plastic water tanks(8)	2016 to date	Dr krapf	528,000			528,000
Deep freezer(1)	2020	Dr krapf	45,000			40,000
Student television(1)	2021	Dr krapf	70,000			70,000
Water dispensors(8)	2022	Dr krapf	200,000			200,000
Office equipments	1969-date	Dr krapf	1,600,000			1,600,000
ICT Equipment, And Other ICT Assets	2018 -date	Dr krapf	250,000			250,000
Slashers		Dr krapf	10,000			10,000

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Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Copy printer	2018	Dr krapf	450,000	0	0	450,000
Intangible Assets- Soft Ware	2018	Dr krapf	250,000	0	0	250,000
Total						