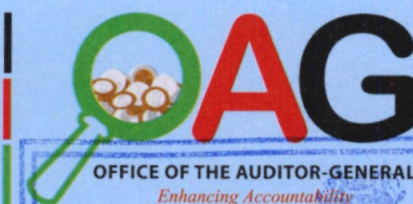


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 02 JUN 2026

DAY

Thursday

TABLED
BY:

Deputy Majority
Hon. Njirai Wanjau

OF

CLERK-AT
THE-TABLE:

Halima Ahmed

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

AIC NZELUNI GIRLS' SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

KITUI COUNTY



PRINCIPAL
A.I.C NZELUNI GIRLS SEC. SCHOOL
P. O. Box 130, MWINGI
Date: Sign:

*IA2 Revised
30th June 2023.*



A.I.C NZELUNI GIRLS' SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2023**

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

(NZELUNI GIRLS SECONDARY SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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PUBLIC SECONDARY SCHOOLS - (NZELUNI GIRLS SECONDARY SCHOOL)
Reports and Financial Statements
For the year ended 30th June 2023

I. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

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

The school was registered in **16.02.2023** under registration number 15830001222183 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had 516 number of students as at **30th June 2023**. It has 3 streams and 22 teachers of which 5 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	STEPHEN M. MUVENGEI	Chairman-B.O.M	
2	MS LUCY M. MWENDA	Secretary - Principal	
3	SYLVESTER NZEKA	PTA chairperson	
4	ESTHER KAMWAKI	Member	
5	JACOB K. NDAVI	Member	
6	DORCAS MWENDWA	Member	
7	SAMUEL K. MUTEMI	Member	
8	HELLEN KOKI	Member	
9	HELLEN MUE	Member	
10	JOHN KASEMBEI	Member	
11	JEREMIAH K, MWENDAKA	Member	
12	BENARD KALEKYE	Member	
13	NATHAN M. KIMANZI	Member-sponsor	
14	SAMMY SAVALI MANG'EE	Member	
15	PHOEBE KISEE	Member-community	
16	LILIAN MWINZI	Member	
17	MICHEAL KIINGWA	Rep-teacher	
18	FAITH WAMBUA	Rep-Student	

(NZELUNI GIRLS SECONDARY SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Stephen m. Muvengei Lilian mwinzi Lucy m. Mwenda Slyvester nzeka Hellen koki vuthi	Bom chair D/chair Bom sec PTA chair Member	none
2	Audit Committee	Stephen m. Muvengei Sylvseter nzeka Lucy m. Mwenda Phoebe kisee Lilian mutuo mwinzi	Bom chair PTA chair Bom sec Member Member	X out of XX
3	Finance,procurement and general purposes Committee	Stephen m. Muvengei Lilian mutuo mwinzi Lucy m. Mwenda Sylevster nzeka Hellen koki vuthi	Bom chair D/chair Bom sec PTA chair Member	
4	Academic Committee	Hellen joseph mue Sylvester nzeka Jacob k. Ndavi Jeremiah k. Mwendaka Samuel k. Mutemi Phoebe kisee	I/C PTA chair Member Member Member Member	
5	Development Committee	Stephen m. Muvengei Lilian mutuo mwinzi Lucy m. Mwenda	Bom chair D/chair Bom sec	

		Sylvester nzeka Hellen koki vuthi	PTA chair Member	
6	Discipline and welfare Committee	Sylvester nzeka Nathan m. Kimanzi Micheal kiingwa Phoebe kisee Sammy savali mang'ee	PTA chair Member Member Member Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	LUCY M. MWENDA	219460
2	Deputy Principal	MRS MUSYOKA E.K	389296
3	School Bursar	MR JAPHETH M. MALUKI	B.O.M

(NZELUNI GIRLS SECONDARY SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 130-904000
Telephone: 0715469959
E-mail:
Website: XXXXXXXXX
Facebook:
Twitter:

(f) School Bankers

The following school operated 04 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: EQUITY
Branch: MWINGI
Account Number: 0590 291758 518 (SCHOOL FUND ACCOUNT)
2. Name of Bank: EQUITY
Branch: MWINGI
Account Number: 0590 291 380 963 (TUITION ACCOUNT)
3. MPESA Pay Bill No. 247247 A/C NO.758518#ADMNO. attached to Equity Bank Account
4. Name of Bank: EQUITY
Branch: MWINGI
Account Number: 0590 294 925 884 (INFRASTRUCTURE ACCOUNT)
5. Name of Bank: KCB
Branch: MWINGI
Account Number: 1107765757 (OPERATIONS ACCOUNT)

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(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:

Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*
2023-(224,764.54) 2022-5,965,192.60 2021-1,349,263.60
- *Capitation grants from the Ministry of Education for the last three years*
2023-8,475,439.81 2022-9,299,680.60 2021-4,731,027.65
- *Ratio of capitation grant per student over the last three years*
2023-1:16,425.27 2022-1:20,10430 2021- 1:10,631.52
- *A three-year overview of growth of other income(s) earned by the school.*
2023-36,245,830.81 2022-51,899,259.60 2021-16,895,631.65
- *A three-year overview of growth in expenditure of the school*
2023-36,470,595.25 2022-45,934,067.00 2021-15,824,786.05
- *Movement of debtors and creditors of the school over the last three years*
Debtors 2023-20,742,877.00 2022-20,969,317 2021-13,160,822.00
Creditors 2023-9,863,330.00 2022-6,067,010.00 2021-4,933,982.00
- *Movement of cash and bank balances over the last three years*
2023-4,005,755.21 2022- 207,759.75 2021-948,265.35

Graphical presentation, ratio

s, tables, and pie charts should be used to show/ indicate trends.

b) Teacher Student ratio:

1:20

Bom teachers 3

c) Mean score in the 2023 KCSE:

2022-4.789 2021 -5.368 2020 -6.1048

d) Number of Candidates in the 2023 KCSE:

2022-114 2021-125 2020-105

e) Capacity of the school:

516 students

Facilities i) dormitories-4 ii) dining hall- 1 iii) laboratories-3 iv) toilets- 48

v) Bathrooms-72

(NZELUNI GIRLS SECONDARY SCHOOL)
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended **30th June 2023**

f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format

<i>Year</i>	<i>RMI</i>	<i>Total</i>	<i>Project</i>	<i>Source of funds</i>
2021	1,962,000.00	1,962,000.00	Not yet started	MOE
2022	1,298,000.00	1,298,000.00	Not yet started	MOE
2023	916,000.00	916,000.00	Not started	MOE

Sign



School Principal

PRINCIPAL
A.I.C NZELUNI GIRLS SEC. SCHOOL
P. O. Box 130, MWINGI
Date: **31/3/2026**

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

The Board of Management of (*AIC NZELUNI GIRLS SECONDARY SCHOOL*) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

Name: MR MUNYOKI MUVENGEI
Designation: Chairman, School Board of Management
Sign:
Date: 31/03/2026

Name: MS LUCY M. MWENDA
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 31/3/2026

Name: MR JAPHETH MALUKI
Designation: Bursar/ Finance Officer
Sign:
Date: 31/3/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON AIC NZELUNI GIRLS' SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023-KITUI 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 AIC Nzeluni Girls' Secondary School set out on pages 10 to 29 which comprise the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments,

Report of the Auditor-General on AIC Nzeluni Girls Secondary School for the year ended 30 June, 2023- Kitui County

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The statement of budgeted versus actual amounts reflects total actual receipts of Kshs.36,245,830. However, recomputation indicated a total Kshs.35,915,330, resulting in an unexplained variance of Kshs.330,500.
- ii. The statement of budgeted versus actual amounts reflects total actual expenditure of Kshs.36,470,595. However, the recomputed amount is Kshs.35,679,672, resulting in an unexplained variance of Kshs.790.923.
- iii. The statement of budgeted versus actual amounts reflects total receipts, original budget of Kshs.33,778,082. However, the recomputation indicated a balance of Kshs.28,969,939, resulting in an unexplained variance of Kshs.4,808,143.
- iv. The statement of budgeted versus actual amounts reflects total payments original budget of Kshs.29,564,566 However, the recomputed amount is Kshs.33,121,621 resulting in an unexplained variance of Kshs.3,557,055.

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

2. Cash and Cash Equivalents

2.1. Unsupported Bank Balance

The statement of financial assets and financial liabilities reflects bank balance of Kshs.4,225,595 as disclosed in Note 8 to the financial statements. However, the balance was not supported with cash books and bank reconciliations statements.

2.3. Unsupported Cash in Hand

The statement of financial assets and financial liabilities reflects a negative cash in hand of Kshs.219,839 as disclosed in Note 9 to the financial statements. However, the amount was not supported with a board of survey report. Further, the amount includes a negative balance of Kshs.219,850 in respect of School fund account that was offset against a positive balance of Kshs.11.

In the circumstances, the accuracy, completeness, existence and fair presentation of the cash and cash equivalents balance of Kshs.4,005,755 could not be confirmed.

3. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.20,742,877 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.11,841,490, which have been outstanding for more than two (2) years. However, there was no policy in place on the impairment of long-outstanding fees, casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.11,841,490 could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.9,863,330 as disclosed in Note 11 to the financial statements. However, Local Service Order/Local Purchase Order, invoices and goods received notes were not provided for audit review.

In the circumstances, the accuracy, completeness, existence and fair presentation of the accounts payable could not be confirmed.

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

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 section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on pages 2 to 8, which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit

or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements' balances presented were not rounded to the nearest whole number. Further, the table of contents indicates that the statement of cash flows is on page 24. However, page 24 contains information relating to inventory/stocks. In addition, several pages do not have appropriate headers, hence affecting the consistency of the financial statements.

In the circumstances, Management did not comply with the PSASB guidelines.

2. Late Submission of Financial Statements for Audit

The financial statements for the year under review were submitted for audit on 11 June 2025, which was after the statutory deadline of 30 September 2023. This was contrary to Section 81(4) of the Public Finance Management Act, 2012, which states that not later than three (3) months after the end of each financial year, the accounting officer shall submit the entity's financial statements to the Auditor-General with a copy to the Controller of Budget and The National Treasury.

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

3. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.1,346,064 and Kshs.7,129,376. respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, the National Education Management Information System (NEMIS) reported an average number of four hundred and twenty-two (422) students, while the

enrolment records provided by the School indicated an average of five hundred and fifty-one (551) students, resulting in an unexplained variance of one hundred and twenty-nine (129) students. As a result of the variance, the School was underfunded by an amount of Kshs.2,002,518.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

4. Unconfirmed Students' Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totaling Kshs.8,475,440. Comparison of data from the National Education Management Information System (NEMIS) with the School register revealed that during the financial year 2023, NEMIS reflected an average of four hundred and twenty-two students (422) while the School's enrollment register had five hundred and fifty-one (551) students, resulting in an underfunding of the School by an amount of Kshs.2,002,518. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021, requiring all learners to be accurately registered in NEMIS.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

5. Failure to Prepare School Improvement Plan

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

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

6. Failure to Pay Outstanding Accounts Payables as a First Charge

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.6,863,330 as disclosed in Note 11 to the financial statements. However, included in the balance is trade payables balance of Kshs.2,569,130, which has been outstanding for more than one (1) year and was not paid as a first charge to the subsequent year budget. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which states that service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure that this is done to the extent possible that the government does not default on debt obligations.

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

7. Lack of a Procurement Plan

The statement of receipts and payments/ statement of financial performance reflects amounts of Kshs.36,245,830 and Kshs.36,470,595 in respect of total receipts and 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 requires a procuring entity to 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.

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

The statement of receipts and payments reflects operation payments amount of Kshs.6,277,225 disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.276,080 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in the Government Funding System and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.276,080 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an Approved Strategic Plan

During the year under review, the School did not have a Strategic Plan defining its long-term vision, mission, and core values, to prioritize and achieve an actionable roadmap.

This was contrary to Regulation 32(5) of Public Finance (National Government) Regulations, 2015, which requires all budget proposals to be supported by the National Government entity's strategic plan.

In the circumstances, the existence of an effective mechanism for implementing the School's strategic objectives could not be confirmed.

2. Lack of an Audit Committee

During the year under review, the School had not constituted an Audit Committee as required by Regulation 166(2) of the Public Finance Management (National Government), 2015, which states that each year the Audit Committee shall carry out an annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report. Further, Section 61(2)(d) of the Basic Education Act 14 of 2013, which requires the Board of Management to establish the Audit Committee among other Board committees.

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

3. Weaknesses in the Board of Management

During the year under review, no evidence was provided for meetings held by the Board sub-committees. Further, the Board of Management did not have a representative member of people with special needs. In addition, records of qualifications of the Board Members were not provided for audit verification. It was therefore not possible to confirm if the Board Members met the minimum qualifications required by the law.

In the circumstances, the effectiveness of the governance mechanisms at the School could not be confirmed.

4. Deficiencies in the School's Accounting System

Review carried out on the School Information Management System (SIMS) revealed significant weaknesses that affect the accuracy and reliability of its financial reporting. Although SIMS is designed to generate general ledgers, trial balances, asset records, adjustments, segregation of duties, and system-assisted backups, these functionalities were not adequately utilized, resulting in incomplete and unsupported financial statements. Further, the general ledgers provided did not have essential details such as narrations, payee information, and budget codes, limiting audit trail and accountability.

In the circumstances, Management did not benefit from the operational effectiveness intended from the software.

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

12 May, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023 Kshs	2021-2022 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,346,063.60	1,571,827.80
Capitation grants for operations	2	7,129,376.21	7,727,852.80
School Fund Income- Parents' Contributions	3	27,113,930.00	37,252,214.00
School Fund Income- Other receipts	4	656,461.00	3,147,365.00
Proceeds from borrowings			
TOTAL RECEIPTS		36,245,830.81	51,899,259.60
PAYMENTS			
Payments for Tuition	5	1,357,660.00	1,562,820.00
Payments for operations	6	6,277,225.00	10,587,922.00
Boarding and school fund payments	7	28,835,710.25	34,407,293.20
TOTAL PAYMENTS		36,470,595.25	46,558,035.20
SURPLUS/DEFICIT		(224,764.54)	5,341,224.40

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

Sign: _____

Name: 31/03/2026

Chair BOM

Date:

Sign: _____ Sign: _____

Name: BETH MUKU Name: JAPHETH MALUKU

School Principal/
Secretary to BOM
PRINCIPAL

A.I.C. NZELUNI GIRLS SEC. SCHOOL
P.O. Box 130, MWINGI
Date: 31/3/2026

Bursar/
Finance Officer

Date: 31/3/2026

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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	4,225,594.91	328,661.35
Cash Balances	9	(219,839.70)	(120,901.60)
Short term Investment	10	0.00	
Total Cash and cash equivalent		4,005,755.21	207,759.75
Account's receivables	10	20,742,877.00	20,969,317.00
TOTAL FINANCIAL ASSETS		24,748,632.21	21,177,076.75
FINANCIAL LIABILITIES			
Accounts Payables	11	(9,863,330.00)	(6,067,010.00)
NET FINANCIAL ASSETS		14,885,302.21	15,110,066.75
REPRESENTED BY			
Accumulated Fund b/fwd	12	15,110,066.75	9,768,842.35
Surplus/Deficit for the year		(224,764.54)	5,341,224.40
NET FINANCIAL POSSITION		14,885,302.21	15,110,066.75

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

Name: Stephen M. Muvengei
Chairman, BoM

Sign: 

Date: 31/03/2026

Name: Ms Lucy Mwenda
School Principal/Secretary to BoM

Sign: 

Date: 31/3/2026

Principal
 A.C. NZELUNI GIRLS SEC. SCHOOL
 P. O. Box 130, MWINGI
 Date: 31/3/2026

Name: Japheth M. Maluki
Bursar/Finance

Sign: 

Date: 31/3/2026

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

		2022-2023	2021-2022
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,346,063.60	1,571,827.80
Capitation grants for operations	2	7,129,376.21	7,727,852.80
School fund income- Parents contributions/ fees	3	24,646,182.00	29,383,041.00
School fund income- other receipts	4	656,461.00	4,369,465.00
Total receipts		33,778,082.81	45,252,186.60
Payments			
Payments for Tuition		1,357,660.00	1,562,820.00
Payments for operations		6,277,225.00	10,587,922.00
Boarding and school fund payments		21,929,681.25	33,841,950.20
Total payments		29,564,566.25	45,992,692.20
Net cash flow from operating activities		4,213,514.56	(740,505.60)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,213,514.56	(740,505.60)
Cash and cash equivalent at BEGINNING of the year		207,759.75	948,265.35
Cash and cash equivalent at END of the year		4,005,755.21	207,759.75

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH 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						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials						
Exercise books	109,759.10	0	109,759.10	109,759.10	-	100%
Laboratory equipment	143,330.00	0	143,330.00	143,330.00	-	100%
Internal exams	0	0	0	0	-	100%
Teaching / learning materials	1,092,974.50	0	1,092,974.50	1,092,974.50	-	100%
Tuition						
Exams and assessment						
Teachers guides						
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,762,745.10	0	1,762,745.10	1,762,745.10	-	100%
Repairs and maintenance	2,075,000.00	0	2,075,000.00	2,075,000.00	-	100%
Local transport / travelling	538,544.00	0	538,544.00	538,544.00	-	100%
Electricity and water	1,363,550.75	0	1,363,550.00	1,363,550.00	-	100%
Medical	130,800.00	0	130,800.00	130,800.00	-	100%
Administration costs	928,236.36	0	928,236.36	928,236.36	-	100%
Activity	0	0	0	0	-	100%
Gratuity						
SMASSE						

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
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,945,650.00	0	1,945,650.00	2,612,080.00	0	115.6%
Repairs and maintenance	1,190,000.00	0	1,190,000.00	1,615,290.00	0	120.53%
Local transport / travelling	981,750.00	0	981,750.00	1,154,055.00	0	107.49%
Electricity and water	2,915,500.00	0	2,915,500.00	3,558,605.00	0	109.99%
Medical	0	0	0	0		
Administration costs	1,100,750.00	0	1,100,750.00	1,454,115.00	0	115.98%
Activity	297,500.00	0	297,500.00	262,700.00	0	75.16%
SMASSE						
Fee on Boarding Equipment and Stores	12,393,850.00	0	12,393,850.00	16,457,085.00		122.70%
OTHER INCOME						
Rent income	0			5,000.00	(5,000.00)	#DIV/0
R/D cheques				202,500.00		
tender				20,000.00		
Fees refund				277,370.00		
Income from Bus Hire	0	0		133,500.00	(133,500.00)	#DIV/0
Salary advance				1000.00		
Rent arears				17,091.00		
TOTAL INCOME	33,778,082.81			36,245,830.81		
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	109,759.10		109,759.10	140,000.00	(30,240.90)	127.56%

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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
Laboratory equipment	143,330.00		143,330.00	140,000.00	3,330.00	97.68%
Internal exams						
Teaching / learning materials	1,092,974.00		1,092,974.00	1,077,000.00	15,974.00	98.54%
Tuition						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges			660.00		(660.00)	#DIV/0
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,762,745.10	0	1,762,745.10	2,459,710.00	(696,964.90)	139.54%
Repairs, maintenance & improvements	2,075,000.00	0	2,075,000.00	1,234,376.00	840,624.00	59.49%
Local transport / travelling	538,544.00	0	538,544.00	189,930.00	348,614.00	35.27%
Electricity, water and conservancy	1,363,550.75	0	1,363,550.75	368,260.00	995,290.75	27.01%
Medical	130,800.00	0	130,800.00		130,800.00	#DIV/0
Administration costs	928,236.36	0	928,236.36	614,206.00	314,030.36	66.17%
Activity Expenses	330,500.00	0	330,500.00	409,010.00	78,510.00	123.76%
Gratuity						
Bank charges			1,733.00		(1,733.00)	#DIV/0
Infrastructure account			1,000,000.00		(1,000,000.00)	#DIV/0
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	2,242,482.00	0	2,242,482.00	2,875,961.00	29,941.00	98.67%

Receipt/expenses Item	Original Budget a K shs	Adjustments b K shs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d K shs	% of Utilization f=d/c % K shs
Repairs, maintenance and improvements	1,434,270.00	0	1,434,270.00	1,127,970.00	485,200.00	66.17%
Local transport / travelling	1,055,315.00	0	1,055,315.00	1,533,275.00	(477,960.00)	145.29%
Electricity, water and conservancy	3,206,545.00	0	3,206,545.00	1,167,890.00	2,609,065.00	18.64%
Medical Expenses	0	0				
Administration costs	1,276,635.00	0	1,276,635.00	4,033,899.00	273,105.00	121.40%
Activity	223,600.00	0	223,600.00	275,130.00	(51,530.00)	123.05%
Fees refund	0			23,150.00		
tender				18,000.00		
Boarding Equipment and Stores	15,207,335.00	0	15,207,335.00	17,444,730.00	781,773.00	94.86%
Salary advance		0		4,500.00		
Caution money				11,500.00		
Other expenses on school bus				303,100.00	(303,100.00)	#DIV/0
Rent Expenses						
Bank Charges				16,605.25	(16,605.25)	#DIV/0
nssf				147,120.00		
shif				50,850.00		
kudheihia				13,500.00		
TOTALS	29,564,566.25			36,470,595.25		

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. xxxx
- ii. Xxxx

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 30th June 2023.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	109,759.10	206,965.00
Laboratory equipment	1,433,30.10	0.00
Internal exams	0.00	0.00
Teaching / learning materials	1,092,974.50	1,364,862.80
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Total	1,346,063.00	1,571,827.80

2 CAPITATION GRANT FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,762,745.10	1,567,252.80
Repairs and maintenance	2,075,000.00	2,834,000.00
Local transport / travelling	538,544.00	904,300.00
Electricity and water	1,363,550.75	1,056,300
Medical	130,800.00	101,600
Administration costs	928,236.36	1,078,700
Activity	330,500.00	0.00
Nssf	0.00	129,600.00
Nhif	0.00	43,500.00
Kudheihia	0.00	9,600.00
Salary advance	0.00	3,000.00
Total	7,129,376.21	7,727,852.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Fee on boarding equipment and stores	16,457,085.00	23,288,469.00
Personnel emoluments	2,612,080.00	3,159,294.00
Repairs and maintenance	1,615,290.00	2,364,260.00
Local transport / travelling	1,154,055.00	1,178,412.00
Electricity and water	3,558,605.00	5,068,623.00
Medical	0.00	0.00
Administration costs	1,454,115.00	1,857,111.00
Activity	262,700.00	336,045.00

	2022-2023	2021-2022
	Kshs	Kshs
Total	27,113,930.00	37,252,214.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Rent income	5,000.00	21,000.00
R/D cheque	202,500.00	10,702.00
tender	20,000.00	17,000.00
Income from Bus hire	133,500.00	125,000.00
Fees refund	277,370.00	1,370,617.00
Caution money	0.00	81,950.00
Bursary fund	0.00	1,294,576.00
Salary advance	1,000.00	2,000.00
Rent arrears	17,091.00	0.00
Prepaid fees	0.00	623,968.00
Nssf	0.00	155,520.00
Nhif	0.00	52,200.00
kudheih	0.00	16,800.00
Total	656,461.00	3,771,333.20

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

5 PAYMENTS FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	140,000.00	131,400.00
Laboratory equipment	140,000.00	100,000.00
Internal exams	0.00	246,820.00
Teaching / learning materials	1,077,000.00	1,084,600.00
Exams and assessment	0.00	0.00
Administration Costs	0.00	0.00
Bank Charges	660.00	0.00
Total	1,357,660.00	1,562,820.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments-Non teaching staff	816,220.00	861,528.00
-sub staff	1,208,490.00	1,305,462.00
- teaching staff	435,000.00	594,000.00
Service Gratuity	0.00	
Administration Cost	614,206.00	996,235.00
Repairs and maintenance & improvements	1,234,376.00	2,227,510.00
Local transport / travelling	189,930.00	1,436,542.00
Electricity and water	368,260.00	113,065.00
Medical/insurance	0.00	10,500.00
Activity Expenses	409,010.00	9,450.00
SMASSE	0.00	0.00
Bank Charges	1,733.00	140.00
Infrastructure	1,000,000.00	2,845,790.00
Nssf	0.00	129,600.00
Nhif	0.00	43,500.00
Kudheihia	0.00	9,600.00
Salary Advance	0.00	5,000.00
TOTAL	6,277,225.00	10,587,922.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments-Non teaching staff	1,104,740.00	925,835.00
-subordinate staff	1,771,221.00	2,038,810.00
Service Gratuity	0.00	0.00
Repairs and maintenance & Improvements	1,127,970.00	1,080,650.00
Local transport / travelling	1,533,275.00	1,613,452.00
Electricity and water	1,167,890.00	1,115,181.00
Medical Expenses	0.00	0.00
activity	275,130.00	151,930.00
Administration costs	4,033,899.00	3,240,974.00
Hire of school bus	303,100.00	163,900.00
Bank Charges	16,605.25	0.00
Expenses on Income Generating Activities	0.00	0.00
Fee on Boarding Equipment and Stores	17,444,730.00	20,042,130.00
Fees refund	23,150.00	1,793,885.00
R/D cheques	0.00	38,102.00
Nssf	0.00	155,520.00
Nhif	0.00	52,200.00

kudheihha	0.00	16,800.00
Salary advance	4,500.00	2,000.00
bursary	0.00	1,307,956.00
Caution money	11,500.00	15,000.00
Tender	18,000.00	29,000.00
Acquisition of Assets	0.00	0.00
TOTAL	28,835,710.25	33,783,325.00

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

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8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	0590291380963	1,368.00	12,964.40
Operations Account	1107765757	37,444.01	(843,015.20)
School Fund Account/Boarding	0590291758518	10,962.90	50,118.15
Savings Account		0.00	
Parent Association Development Account		0.00	
Income generating activities Account		0.00	
Infrastructural Account	0590294925884	4,175,820.00	1,108,594.00
Total		4,225,594.91	328,661.35

9 CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account	10.70	28,318.70
School Fund account	(219,850.40)	(149,220.40)
Total	(219,839.70)	(120,901.70)

10 SHORT TERM INVESTMENTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed deposit	xxx	xxx
Equity stock	xxx	xxx
Other investments	xxx	xxx
Total	xxx	xxx

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	20,742,877.00	20,969,407.00
Other non-fees receivables	0.00	0.00
Salary advances	0.00	0.00
Imprest	0.00	0.00
Total	20,742,877.00	20,969,407.00

[Include an ageing of the fees / non fees arrears below]

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	2,467,748.00	7,869,173.00
Fees arrears for the previous year	6,433,639.00	805,327.00
Fees arrears for prior periods (over two years)	11,841,490.00	12,294,907.00
Total	20,742,877.00	20,969,407.00

12 ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	9,485,187.00	6,067,010.00
Prepaid fees	378,143.00	
Retention monies	0.00	
Total	9,863,330.00	6,067,010.00

[Include an ageing of the creditor's arrears below]

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	6,916,057.00	5,914,383.00
Trade creditors for the previous year	2,569,130.00	152,627.00
Trade creditors for prior periods (over two years)	0.00	-
Total	9,485,187.00	6,067,010.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	4,225,594.91	328,661.35
Cash balances	(219,839.70)	(120,901.60)
Short Term Investments	0.00	-
Receivables	20,742,877.00	20,969,317.00
Payables	(9,863,330.00)	(6,067,010.00)
Total	14,885,302.21	15,110,066.75

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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.

14 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
Total	0.00	0.00

15 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee or tea plantation		0.00	0.00
Poultry		0.00	0.00
Total		0.00	0.00

16 Borrowings

Description	2022-2023	2021-2022
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	(0.00)	(0.00)
Balance at end of the year	0.00	0.00

Other important disclosure notes

17 Stock/ Inventory

Description	2022-2023	2021-2022
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	0.00	0.00
Stock/ inventory purchased during the year	0.00	0.00
Stock/ inventory issued during the year	0.00	0.00
Balance at end of the year	0.00	0.00

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18 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)

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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 2023	Outstanding Balance 2023-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. MUKAA GENERAL MERCHANTS	598,410.00				598,410.00	
5. GOSHEN SUPPLIES	210,000.00				210,000.00	
6. DAVCO STATIONERS SCHOOL SUPPLIES	128,500.00				128,500.00	
7. ZAYIN COMPANY LTD	993,500.00				993,500.00	
8. CHOMA ZONE BUTCHERY	1,186,350.00				1,186,350.00	
9.FESTUS MULI MUSYOKA	414,000.00				414,000.00	
10.ALICE N. ONDITI	69,000.00				69,000.00	
12.THE COPY CAT	783,643.00				783,643.00	
13.DPL FESTIVE	299,848.00				299,848.00	
14.JOSEPH NGULI NYAMAI	70,000.00				70,000.00	
15.WIZTEK CO. LTD	1,145,746.00				1,145,746.00	
16.IBBEX VENTURES	198,010.00				198,010.00	
17.JAPHETH M. NGUI	44,000.00				44,000.00	
18.BAHATI STORES	832,800.00				832,800.00	
19.UNPAID RECEIPTS	44,270.00				44,270.00	
20.RP GREEN STORES	179,150.00				179,150.00	
Sub-Total	7,197,227.00				7,197,227.00	
Supply of services						
21.HIGH TECH GARAGE	70,050.00				70,050.00	
22.IKOO LTD	94,570.00				94,570.00	
23.SOFTWARE FOR SCHOOLS KENYA	69,700.00				69,700.00	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2023-1	Comments
24.MWINGI SUPERIOR	78,400.00				78,400.00	
25.MATTY HOMES	294,000.00				294,000.00	
26.BAHATI JUA KALI	83,850.00				83,850.00	
27.MWINGUNDO ENTERPRISES	265,000.00				265,000.00	
28.SILENT ENTERPRISES	25,000.00				25,000.00	
29.TEACHERS ALLOWANCES	271,000.00				271,000.00	
30.RD CHEQUES	202,500.00				202,500.00	
31.JAYTOSH IT SOLUTIONS	42,000.00				42,000.00	
32.MIRACLE POSHO MILL	8,470.00				8,470.00	
33.MAY& JUNE SALARIES	783,420.00				783,420.00	
Sub-Total	2,287,960.00				2,287,960.00	
Grand Total	9,485,187.00				9,485,187.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land 1	Donated in 1978	School compound				
Land 2	2012	Tyaa river	400,000.00	0.00	0.00	400,000.00
Buildings and structures	13classrooms 4dormitories 1Dining hall					
Motor vehicles	School bus 52 seater	At school compound	1,600,000.00			1,600,000.00
Phoenix Bicycle			3,500.00			3,500.00
Office equipment, furniture and fittings	580 lockers 580 chairs OFFICE TABLE-119 OFFICE CHAIRS-70					
ICT Equipment, and Other ICT Assets	COMPUTERS-21 TABLE-2 CHAIRS-65 LAPTOPS-4 COMPUTER-1 PRINTERS-6					
Tools and apparatus	AXE-1					

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
	JEMBES-4 PANGAS-4 SLASHERS-7 RECKS-1 HACKSAW-1 WHEELBARROW-3 SPADE-3					
Textbooks	MATHS-F1-198 F2-240 F3-241 F4-230 ENGLISH-F1-209 F2-209 F3-209 F4-209 KISWAHILI-F1-209 F2-209 F3-209 F4-209 CHEMISTRY-F1-209 F2-209 F3-209 F4-209 BIOLOGY-F1-209					

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
	F2-209					
	F3-209					
	F4-209					
	PHYSICS-F1-213					
	F2-209					
	F3-75					
	F4-86					
	GEOGRAPHY- F1-198					
	F2-227					
	F3-72					
	F4-80					
	HISTORY-F1-205					
	F2-219					
	F3-116					
	F4-178					
	CRE-F1-187					
	F2-226					
	F3-206					
	F4-250					
	AGRICULTURE-F1-80					
	F2-56					
	F3-65					
	F4-76					
	BUSINESS-F1-160					
	F2-213					
	F3-93					
	F4-166					
	HOMESCIENCE-F1-80					
	F2-90					

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
	F3-26 F4-14 COMPUTER-F1-71 F2-33 F3-07 F4-04					
Other Machinery and Equipment	2 generators 2 old	At school At school bore hole 1 at power house 1 at bus park				
Heritage and cultural assets						
Intangible assets- soft ware						
Total						

(The School should ensure that a detailed fixed assets register is maintained).