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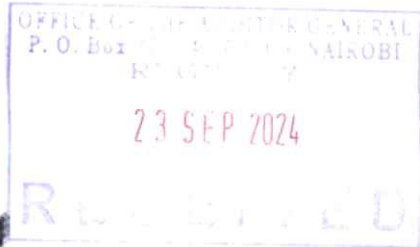
NDURURUMO HIGH SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2023

LAIKIPIA COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 MAR 2025	
DAY. Tuesday	
TABLED BY:	Hon. Owen Baya (Deputy Majority Leader)
CLERK-AT THE-TABLE:	Getrude Chebet



NDURURUMO HIGH SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

NDURURUMO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2023

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**NDURURUMO HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS –
Reports and Financial Statements
For the year ended 30th June 2023**

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 LAIKIPIA County, NYAHURURU Sub-County

The school was registered in 30/07/2019 under registration number 31S30000342 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 1573 number of students as at 30th June 2023. It has 9 streams and 84 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, 2015 is composed of the following members:

Ref	Name of Board Member	Designation	Date of Appointment
1	REV. DR. SAMUEL NDUATI	CHAIRPERSON	28 th June 2022
2	MR. CHEGE KARIUKI	SECRETARY	28 th June 2022
3	M/S. DAMARIS WANJIKU WAIHARO	VICE CHAIRPERSON	28 th June 2022
4	MS. RACHEL WANJIKU MAINA	MEMBER	28 th June 2022
5	MS. GRACE NYAMBURA MWAURA	MEMBER	28 th June 2022
6	MR. JOHN MUKORA WACHIHI	MEMBER	28 th June 2022
7	MR. DANIEL KINYUA MUREITHI	MEMBER	28 th June 2022
8	MR. PETER MWAURA MUIRU	MEMBER	28 th June 2022
9	MS. FRANCISCAH NGIMA GIKAARA	MEMBER	28 th June 2022
10	REV. PETER NJIHIA KABERERE	MEMBER	28 th June 2022
11	VERY. REV. DANIEL GITHU UGUNYU	MEMBER	28 th June 2022
12	MR. EZEKIEL MWANGI WAITHAKA	MEMBER	28 th June 2022
13	MR. BENARD KINYUA NJOGU	MEMBER	28 th June 2022
14	MR. JOSEPH K LERINA	MEMBER	28 th June 2022
15	REV. MICHAEL MUNENE	MEMBER	28 th June 2022
16	MS. JANET KABUGI	MEMBER	28 th June 2022
17	MR. RASHID IREGI	MEMBER	28 th June 2022
18	MR. MOSSES NDURU	STUDENT COUNCIL REP	28 th June 2022

**NDURURUMO HIGH 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

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	1. Rev. Dr. Samwel Nduati 2. Mr. Chege Kariuki 3. Rev. Samuel Karitu 4. Ms. Damaris Wanjiku 5. Rev. Peter Njihia	Chairman Secretary Member Member PA chair	3
2	Audit Committee	1. Mr. Daniel Kinyua 2. Ms. Damaris Wanjiku 3. Adv. Bernard Kinyua	Chairperson Member Member	1
3	Finance, procurement and general purposes Committee	1. Mr. Michael Munene 2. Rev. Samuel Karitu 3. Rev. Dr. Samwel Nduati	Chairman Member Member Member	2

		4. Mr. Chege Kariuki 5. Mr. John Wachihi 6. Ms. Racheal Wanjiku	Member Member	
4	Academic Committee	1. Rev. Ezekiel Mwangi 2. Ms. Francisah Gikaara 3. Dr. Mwaura Muiru 4. Ms. Grace Mwaura 5. Mr. Chege Kariuki	Chairperson Member Member Member Member	1
5	Development Committee	1. Mr. Michael Munene 2. Rev. Samuel Karitu 3. Rev. Dr. Samwel Nduati 4. Mr. Chege Kariuki 5. Mr. John Wachihi 6. Ms. Racheal Wanjiku	Chairperson Member Member Member Member Member	2
6	Discipline and welfare Committee	1. Adv. Bernard Kinyua 2. Rev. Peter Njihia 3. Ms. Lucy Kinuthia 4. Ms. Francisah Gikaara	Chairman Member Member Member	2
7	Adhoc Committee (if any during the year)			1

(d) School operation Management

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

Ref :	Designation	Name	TSC Number
1	Principal	Mr. Chege Kariuki	347290
2	Deputy Principal(Administration)	Mr. James Macharia	279297
3	Deputy Principal(Academics)	Ms. Perpetua Mwangi	358019
4	Finance Officer	Mr. Erastus Nyamu	13543778

**NDURURUMO HIGH 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: 120
Telephone: 0729129618
E-mail: ndururumo@gmail.com

(f) School Bankers

The following school operated 9 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name Of Bank: Equity Bank Branch: Nyahururu Account Number: 0160260835447	6. Name Of Bank: Kenya Commercial Bank – (Tuition) Branch: Nyahururu Account Number: 1102123439
2. Name Of Bank: Kenya Commercial Bank Branch: Nyahururu Account Number: 1102142735	7. Name Of Bank: Kenya Commercial Bank – (Infrastructure) Branch: Nyahururu Account Number: 1212252810
3. Name Of Bank: Cooperative Bank Branch: Nyahururu Account Number: 01139501877500	8. Name Of Bank: Equity Bank –(Cdf) Branch: Nyahururu Account Number: 0160279494026
4. Name Of Bank: Absa Bank Branch: Nyahururu Account Number: 2022289813	9. Name Of Bank: Equity Bank (Gratuity) Branch: Nyahururu Account Number: 0160275941401
5. Name Of Bank: Kenya Commercial Bank - Operation Branch: Nyahururu Account Number: 1102142581	10. Ndururumo Parents Welfare Account Account: 0160282993170

(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

**NDURURUMO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023**

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:

The following are the key information of the performance of the school on key financial areas that includes:

i. COMPARATIVE SURPLUS/DEFICIT FOR LAST 3 YEARS

Accounts	2023	2022	2021
Tuition	(5,655,574.25)	(6,487,634.00)	603,526.00
Operation	1,636,611.15	(1,140,776.00)	(162,768.60)
School Fund	(76,872,599.00)	(8,047,479.00)	5,775,306.00
Others	65,166,180.00		1,672,009.00
Total (15,672,382.10)	(15,672,382.10)	(16,302,786.90)	6,728,376.00
Increase/Decrease %	3.8%	342%	57%

The surplus for 2021 increased by 380% as compared to surplus of year 2020. This can be attributed to the change in academic calendar due to Covid-19. The change of the accounting method from the accrual to the current cash fund accounting and change of financial period positively affected the Surplus.

ii. COMPARATIVE CAPITATION GRANTS RECEIVED FOR 3 YEARS

Accounts	2023	2022	2021
Tuition	5,012,068.75	5,152,968.00	2,640,079.25
Operation	21,916,249.15	22,491,877.3	11,507,204.00
Total	26,928,317.90	27,644,846.10	14,147,283.25
No. Of Students		1573	1451
Ratio Per Student		1:9,287	1:16,374

The notable decrease in the amount of FDSE grants received is attributed to the effect of Covid-19 pandemic which led to closure of school in year 2021. The decrease in amount received in year 2021 as compared to previous years is as a result of the preparation of accounts for a period of 6 months as compared to 12 months on the other years.

iii. **COMPARATIVE GROWTH OF OTHER INCOME FOR 3 YEARS**

Accounts	2023	2022	2021
	Ksh	Ksh	Ksh
Other income	206,961,524.00	163,278,811.30	5,076,657.00
Percentage(%) growth	26.7%		-40%

iv. **COMPARATIVE OVERVIEW OF EXPENDITURE GROWTH 3 YEARS**

Accounts	2023	2022	2021
	Kshs	Kshs	Kshs
Tuition	10,667,643.00	11,640,603.00	2,036,553.00
Operation	20,279,638.00	23,632,653.00	11,669,973.00
School Fund	218,667,943.00	179,601,783.00	32,504,236.00
Farm		-	-
Total	249,615,224.00	215,004,927.00	46,210,762.00
Increase (Decrease)	34,740,185.00	(16,681,023.75)	(31,689,803.26)
% Increase (growth)	16%	-33.50%	14%

v. **DEBTORS AND CREDITOR MOVEMENT**

Accounts	2023	2022	2021
	Ksh	Ksh	Ksh
Debtors	15,736,973.00	8,507,671.00	7,288,909.00
Increase Decrease	7,229,302.00	4,435,668.00	1,572,230.00
Percentage(%) Change	108.16%	60.8%	-27%
	2023	Ksh	Ksh
Creditors	44,996,219.40	20,249,984.50	7,552,467.00
Increase Decrease	24,746,235.00	14,767,118.00	
Percentage(%) Change	122%	195%	0.8%

vi. **MOVEMENT OF CASH AND BANK BALANCES**

Accounts	2023	2022	2021
	Kshs	Kshs	Kshs
Tuition	-	(676,177.15)	590,356.05
Operation	-	(144,969.65)	1,500,206.19
School Fund	-	(5,194,397.5)	4,467,800.50
Farm	-	-	3,466.00
Infrastructure	2,002,968.00	114,415.00	114,415.00
CDF	5,140.00	5,140.00	5,140.00
			327,061.00
Gratuity	351,688.00	104,185.00	466,561.00
Cash	59,921.00	66,498.00	578,987.00
Total	3,005,302.00	(5,725,306.3)	7,144,477.74
%tage change		398%	-120%

b) Teacher Student ratio:

Includes the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

Teacher: student ratio	$\frac{1968}{84} = 1: 23$
Teachers recruited or transferred to the school as from 01/06/2023	7
Teachers transferred from the school as at 01/06/2023	3
Retired teachers	0
Teachers employed by TSC	2
Teachers employed by BoM	10

c) Mean score in the 2023 KCSE:

Gives performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

Year	KCSE Mean score	Grade	University C+ & Above	Diploma	Total	Remarks
2023	7.66	B-	279	86	365	Improved
2022	7.743	B-	254	77	331	Improved
2021	7.883	B-	282	67	349	Improved university intake

d) Number of Candidates in the 2022KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

Year	No. of candidates
2023	365
2022	331
2021	349

e) Capacity of the school:

Indicates the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

Facility	No. Of Students	No. Available	Shortage
Classrooms	1968	31	2
Laboratories	1968	6	2
Library	1968	1	1,500 capacity
Dining Hall	1968	1	1
Dorms	1968	8	2 of 700 capacity
Borehole	1968	1	1
Toilets	1968	117	14
Teachers Houses	1968	16	45
Water Reservoir	1968	3	2

**NDURURUMO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL Annual
Report and Financial Statements For the
year ended 30th June 2023**

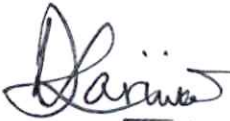
f) Development projects carried out by the school:

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

DEVELOPMENT PROJECT CARRIED OUT BY SCHOOL YEAR 2023

PROJECT	YEAR	COST	STATUS	SOURCE OF FUND
1.Girls dormitory	2022-2023	23,328,560.00	on-going	M&I, parents
4. Borehole	2022	3,092,884.00	complete	M&I, Parents
2.Girls classrooms	2021- 2022	7,984,520.00	On going	MoE&Parents
3.Boys classrooms	2021- 2022	7,478,170.00	Completed	M&I,Parents

Sign



School Principal

**NDURURUMO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL Annual
Report and Financial Statements For the
year ended 30th June 2023**

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of *Ndururumo High 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: REV.DR SAMUEL NDUATI
Designation: Chairman, School Board of Management
Sign:
Date: 30/6/23

Name: CHEGEKARIUKI
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 30/6/23

Name: ERASTUS M. NYAMU
Designation: Finance Officer
Sign:
Date: 30/6/23

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NDURURUMO HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - LAIKIPIA 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 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 the 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 Ndururumo High School – Laikipia County set out on pages 14 to 32, which comprise the statement of financial

assets and financial liabilities as at 30 June, 2023, and the 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 Ndururumo High School - Laikipia County as 30 June, 2023, and of its financial performance and its cash flows for the period 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. Long Outstanding Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.15,736,973. Included in the balance are fees arrears amounting to Kshs.15,551,983 out of which Kshs.3,774,770 had been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. Further, no evidence of the effort made by the school management to recover the balances was provided for audit.

In the circumstances, the accuracy and full recoverability of the accounts receivables balance of Kshs.15,736,973 could not be confirmed.

2. Unsupported and Variance in Accounts Payables

The statement of financial assets and financial liabilities and as disclosed under Note 12 reflects accounts payables balance of Kshs.44,996,219 which rose by 325% from the previous year balance of Kshs.10,581,562. However, the balance was not supported with accounts payables schedule, ageing analysis of the trade creditors and detailed analysis of the payables showing their categorization, original amount, date contracted, amount paid to date and outstanding balance as at 30 June, 2023. Further, accounts payables opening balance of Kshs.10,581,562 differed with closing balance of the previous year of Kshs.20,249,984 resulting in an unexplained variance of Kshs.9,668,422. Additionally, the account payables did not form the first charge during the year as a requirement of Regulation 42 (1)(b) of the Public Finance Management (National Government) which requires that debts service payments to form first charge during the year.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.44,996,219 could not be confirmed.

3. Unsupported School Fund Income - Parents' Contributions

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects School fund income - parents contributions amount of Kshs.141,795,344. However, detailed ledgers and schedules showing details including date, student name, admission number, mode of payment, receipt number, and amount of money received were not provided for audit.

In the circumstances, the accuracy and completeness of school fund income - parents contributions amount of Kshs.141,795,344 could not be confirmed.

4. Unsupported School Fund Income – Other Receipts

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects school fund income – other receipts amount of Kshs.65,219,180. However, supporting schedules for income from farming activities of Kshs.13,368,928, uniforms income of Kshs.12,969,286, other miscellaneous incomes of Kshs.3,064,057, and bakery income of Kshs.21,555,460 were not provided for audit review.

In the circumstances, the accuracy and completeness of School fund income – other receipts amount of Kshs.65,219,180 could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 8 to the financial statements reflects cash and cash equivalents balance of Kshs.3,005,902. Included in the balance is Kshs.2,945,981 in respect to bank balances for the School's ten (10) bank accounts which were not supported with cashbooks, bank statements, bank reconciliation statements and certificate of bank balances, as analyzed in the table below:

No.	Bank Account	Supporting Document not provided for Audit
1.	Tuition Account	Bank Reconciliation Statements, Certificate of Bank Balances
2.	Operations Account	Bank Reconciliation Statements, Certificate of Bank Balances
3.	School Fund Account 1	Bank Reconciliation Statements, Certificate of Bank Balances
4.	School Fund Account 2	Bank Reconciliation Statements, Certificate of Bank Balances
5.	School Fund Account 3	Bank Reconciliation Statements, Certificate of Bank Balances
6.	School Fund Account 4	Bank Statements, Bank Reconciliation Statements, Certificate of Bank Balances
7.	NGCDF PMC Account	Cash Book, Bank Statements, Bank Reconciliation Statements
8.	Gratuity Account	Cash Book, Bank Reconciliation Statements, Certificate of Bank Balances
9.	Infrastructural Account	Cash Book, Bank Reconciliation Statements, Certificate of Bank Balances
10.	Parents Welfare Account	Cash Book, Bank Reconciliation Statements, Certificate of Bank Balances

In the circumstances, the existence, accuracy and completeness of cash and cash equivalents balance of Kshs.3,005,902 could not be confirmed.

6. Unsupported Tuition Payments

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects payments for tuition amount of Kshs.10,667,643. Included in the amount are sampled tuition payments amounting to Ksh.1,027,810 which were not supported with local purchase orders, invoices, delivery notes and stores receipt and issue notes.

In the circumstances, the accuracy and completeness of payments for tuition amount of Kshs.10,667,643 could not be confirmed.

7. Unsupported Biological Assets

Note 15 of the financial statements reflects a balance of Kshs.3,530,000 in respect to biological assets which includes cattle and trees. However, valuation reports, reconciliation statement for the carrying amounts of biological assets between the beginning and end of the year and farm registers were not provided for audit.

In the circumstances, the accuracy, completeness, and valuation of the biological assets balance of Kshs.3,530,000 could not be confirmed.

8. Inaccuracies in Capitation Grants

Review of the National Education Management Information System (NEMIS) capitation grants disbursements against the amount received by the School and amounts reported in the financial statements revealed the following variances:

8.1 Variances Between NEMIS Amounts and School Received Amounts

Account	NEMIS amounts (Kshs.)	School Receipts/ Bank Statements (Kshs.)	Variance (Kshs.)
Capitation Grants for Operations	22,235,073	18,642,070	(3,593,003)
Grants for Infrastructure	7,430,000	7,611,000	(181,000)

8.2 Variance Between NEMIS Amounts and Financial Statements Amounts

Account	NEMIS amount (Kshs.)	Financial Statements (Kshs.)	Variance (Kshs.)
Capitation Grants for Operations	22,235,073.10	21,916,249.15	(318,824)
Grants for Infrastructure	7,430,000	0	(7,430,000)

In the circumstances, the accuracy and completeness of capitation grants for operations and infrastructure of Kshs.21,916,249 could not be confirmed

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor-General

During the year under review, the School management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2023. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Unbalanced Budget

The statement of budgeted versus actual amounts reflects budgeted total income of Kshs.213,554,800 and total budgeted expenditure of Kshs.289,005,426 resulting in an unbalanced budget of Kshs.75,450,626. This is contrary to Regulations 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced. Further, the budget amounts were not supported with any approval from the Board of Management.

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

3. Unconfirmed Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.5,012,068 and Kshs.21,916,249 respectively. However, review of student enrolment data used in the sampled month of June, 2023 capitation grants disbursements revealed variances. National Education Management and information System (NEMIS) records indicated two thousand and thirteen (2,013) students while enrolment record provided by the School indicated a total of one thousand, nine hundred and sixty-eight (1,968) students contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 which mandates that all learners be registered in NEMIS and that School principals ensure the accuracy of their records

In the circumstances, the reliability of enrollment data used to determine capitation grants could not be confirmed and Management was in breach of the law.

4. Non-Compliance with Ministry of Education Guidelines on Income-Generating Activities

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs.65,219,180 in respect to school fund income - other receipts. However, these other receipts income were banked in various School fund accounts instead of a designated income-generating activities account contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which requires Schools with income-generating activities to open separate bank accounts and account for such income in accordance with financial regulations.

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

8. Non-Compliance with the Government School Fees Structure Guidelines

8.1 Unapproved Fees on Additional Parents Contribution

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects Kshs.141,795,344 in respect to School fund income – parents contributions. Whereas the government's annual authorized fee structure per student was Kshs.40,535, the School charged Kshs.58,835 per student which was more than the recommended amount by Kshs.18,300 contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme. Authority to charge extra levy and Board of Management minutes approving the additional fees were not provided for audit.

8.2 Unapproved Fees on Academic Improvement Programme

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs.65,219,180 in respect to School fund income - other receipts which includes academic improvement income amount of Kshs.13,920,725. Examination of the records revealed that the School charged an amount of Kshs.6,000 per student to support the student remedial programme which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government

Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fees structure and lunch for the day scholars.

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

5. Failure to use Imprest on Official Journeys

Note 7 to the financial statements reflects the use of goods and services amounting to Kshs.218,667,943. The amount includes two (2) payments totaling Kshs.3,981,900 made to two (2) officers in April 2023 for a school trip to Mombasa for teachers. However, daily subsistence allowances and travel costs were paid directly to officers' bank accounts without the issuance of imprest warrants contrary Regulations 93(3) of the Public Finance Management (National Government) Regulations, 2015, which states that temporary imprests shall be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses. Further, the Management did not maintain individual imprest ledgers and imprest registers.

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

6. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to the School through Kenya Institute of Curriculum Development (KICD), as analysed below:

Title	No. of books previously received	No. of books received during the year	Number of students taking the subject	Excess books
Fathers of Nations	0	1041	870	171
The Samaritan	0	1041	870	171
A Parliament of Owls	0	1041	0	1041
Nguu za Jadi	0	1041	870	171
A silent Song	392	501	870	23
Bembea ya Maisha	392	501	870	23
An Artist of the Floating World	392	501	0	893
Mapambazuko ya Machweo	392	501	870	23
Total	1,568	6,168	5,220	2,516

Examination of records revealed that the Institute distributed excess two thousand, five hundred and sixteen (2,516) books to the School which were unutilized in the School store.

In the circumstances, value for money on the excess two thousand, five hundred and nineteen (2,519) books could not be confirmed.

7. Non-Compliance with the Law on Ethnic Diversity

Review of the Board of Management records indicated that the board had a total of sixteen (16) members appointed on three-year contract basis. However, eleven (11) members out of the twelve (12) appointed board members were from the same ethnic community contrary to Section 7 of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.472,687,000 in respect of fixed assets which includes School land with a balance of Kshs.90,000,000. However, land ownership documents were not provided for audit.

In the circumstances, the ownership for the School land could not be confirmed.

2. Lack of Valuation of Fixed Assets

Annex 2 of the financial statements on summary of fixed assets register reflects a balance of Kshs.472,687,000 as the historical cost of fixed assets of the School. However, valuation report and the detailed fixed assets register reflecting assets details on; name, date of acquisition, cost, supplier, unique identification number, location and custodian, were not provided for audit.

In the circumstances, the existence of an effective internal controls in safeguarding the fixed assets could not be confirmed.

3. Weaknesses in Information Technology Governance

Review of the School ICT environment revealed the use of various computerized information management systems, including the National Education Management Information System (NEMIS), the Integrated Financial Management System (IFMIS), a library management system, and smart school technologies for student biometric data. However, the School management did not provide an approved ICT policy, disaster recovery plan, or an ICT strategic plan for audit review.

In the circumstances, the School's ability to ensure data integrity, business continuity, and effective ICT management could not be confirmed.

4. Inadequate Infrastructural Facilities

Physical verification of the School revealed overcrowding in classrooms, where the optimal capacity of 45 students per class was exceeded, with classes accommodating between 56 and 71 students. A review of documentation confirmed that the School was overpopulated by 361 boys and 239 girls, resulting in a total excess population of 542 students. Additionally, dormitory inspections showed that the spacing between beds did not meet the recommended 1.2 meters.

In the circumstances, the effectiveness of the School's existing facilities to provide a conducive learning environment for students 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 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to as 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 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 overall control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 October, 2024

**NDURURUMO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL Annual
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	30 TH JUNE 2023	30 TH JUNE 2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	5,012,068.75	5,152,968.80
Capitation grants for operations &Infrastructure	2	21,916,249.00	22,491,877.30
School Fund Income- Parents' Contributions	3	141,795,344.00	140,786,934.00
School Fund Income- Other receipts	4	65,219,180.00	30,270,360.00
TOTAL RECEIPTS		233,942,841.90	198,702,140.10
PAYMENTS			
Payments for Tuition	5	10,667,643.00	11,640,603.00
Payments for operations	6	20,279,638.00	23,739,941.00
Boarding and school fund payments	7	218,667,943.00	179,624,383.00
TOTAL PAYMENTS		249,615,224.00	214,982,327.00
SURPLUS/DEFICIT		(15,672,382.10)	(16,302,786.90)

The school financial statements were approved on 30/06/2023 and signed by:

Chair BOM Name: REV. DR SAMUEL NDUATI Sign.....

Date: 30/6/23

Principal/Sec. BOM Name: CHEGE KARIUKI Sign.....

Date: 30/6/23

Finance Officer Name: ERASTUS M. NYAMU

Sign.....

Date: 30/6/23

**NDURURUMO HIGH SCHOOL
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2023**

The School's financial statements were approved on 31st July 2023 and signed by:

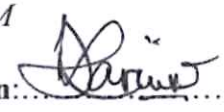
	Note	30 TH JUNE 2023	30 TH JUNE 2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,945,981.00	1,094,253.20
Cash Balances	9	59,921.00	66,498.00
Short term Investment	10		
Total Cash and cash equivalent		<u>3,005,302.00</u>	<u>1,160,751.20</u>
Account's receivables	11	15,736,973.00	8,507,671.00
TOTAL FINANCIAL ASSETS		18,742,275.00	9,668,422.20
FINANCIAL LIABILITIES			
Accounts Payables	12	44,996,219.40	10,581,562.30
NET FINANCIAL ASSETS		(26,253,944.40)	(10,581,562.30)
REPRESENTED BY			
Fund balance bfwd 1 st July 2020	13	(10,581,562.30)	5,721,224.10
Surplus/Deficit for the year		(15,672,382.10)	(16,302,786.90)
NET FINANCIAL POSITION		(26,253,944.40)	(10,581,562.30)

Name: DR SAMUEL NDUATI
Chairman, BoM

Sign: 

Date: 30.06.2023

Name: CHEGE KARIUKI
School Principal/Secretary,
BoM

Sign: 

Date: 30.06.2023

Name: ERASTUS M. NYAMU
Finance officer

Sign: 

Date: 30.06.2023

**NDURURUMO HIGH SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

		30th June 2023	30th June 2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	5,012,068.75	5,152,968.80
Capitation grants for operations & infrastructure	2	21,916,249.00	22,491,877.00
School fund income- Parents contributions/ fees	3	141,795,344.00	140,786,934.00
School fund income- other receipts	4	65,219,180.00	30,270,360.00
Total receipts		233,942,841.90	198,702,140.00
Payments			
Payments for Tuition		10,667,643.00	11,640,603.00
Payments for operations		20,279,638.00	23,739,941.00
Boarding and school fund payments		218,667,943.00	179,601,783.00
Total payments		249,615,224.00	215,004,927.00
Net cash flow from operating activities		(15,672,382.10)	(16,302,786.90)
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 inter borrowings/ loans		17,516,932.00	10,319,059.00
Repayment of principal borrowings			
Net cash flow from financing activities		17,516,932.00	
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,844,549.90	(5,983,727.90)
Cash and cash equivalent at BEGINNING of the year		1,160,751.20	7,144,479.00
Cash and cash equivalent at END of the year		3,005,301.10	1,160,751.10

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

**NDURURUMO HIGH SCHOOL
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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR

ENDED 30TH JUNE 2023

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Difference e=Ks	
	a	b	c=a+b	d		
	Kshs	Kshs				
RECEIPTS						
(1) CAPITATION GRANT ON TUITION	6,708,800.00		6,708,800.00	5,152,968.80	1,555,831.20	77%
Textbooks and reference materials		-				
Exercise books		-				
Laboratory equipment		-				
Internal exams		-				
Teaching / learning materials		-				
Chalks		-				
SMASSE					-	
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	8,057,000	5,922,000	13,979,000.00	3,398,891.00	10,580,109.00	24% 24%
Mainten.&Improv(infra)	8,000,000.00	6,300,000	14,300,000.00			
Local transport / travelling	2,566,200.00	1,184,400.00	3,750,600.00	434,861.00	3,315,739.00	12%
Electricity and water	4,411,400.00	2,368,800.00	6,780,200.00	1,605,097.00	5,175,103.00	24%
Medical	2,798,600.00	2,520,000.00	5,318,600.00		5,318,600.00	0% 00
Administration costs	2,200,800.00	2,368,800.00	4,569,600.00	1,361,582.00	3,208,018.00	30%
Activity	1,758,400.00	1,470,000.00	3,228,400.00	247,000.00	2,981,400.00	8%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	8,360,800.00	7,869,600.00	16,230,400.00	15,344,157.00	886,243.00	95%
Repairs and maintenance	4,144,000.00	4,068,000.00	8,212,000.00	7,255,845.00	956,155.00	88%
Local transport / travelling	2,269,400.00	2,287,800.00	4,557,200.00	4,650,253.00	(93,053.00)	102%
Electricity and water	8,822,800.00	8,823,600.00	17,646,400.00	15,097,024.00	2,549,376.00	86%
Medical						

Administration costs	4,922,400.00	5,698,800.00	10,621,200.0 0	8,838,388.00	1,782,812.00	83%
Activity	1,117,200.00	986,400.00	2,103,600.00	2,045,617.00	57,983.00	97%
SMASSE						
Fee on Boarding Equipment and Stores	50,025,600.00	45,540,000	95,595,600.0 0	79,580,722.0 0	15,984,878.00	83%
OTHER INCOME						
Rent income	42,000.00	xxx	42,000.00	26,600.00	15,400.00	63%
Income from farming activities	6,620,000.00	-	6,620,000.00	3,424,072.00		52%
TOTAL INCOME					0.00	
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	4,000,000.00	1,800,000.0 0	5,800,000.00	1,208,200.00	4,591,800.00	79%
Exercise books	3,104,580.00	1,047,270.0 0	4,151,850.00	4,442,400.00	(290,550.00)	(7%)
Laboratory equipment	966,545.00	1,303,040.0 0	2,269,585.00	2,034,250.00	235,335.00	89.6%
Internal exams	850,000.00	850,000.00	1,700,000.00	691,980.00	1,008,020.00	40.7%
Teaching / learning materials	2,907,020.00	300,000.00	3,207,020.00	3,232,573.00	(25,553.00)	1 100.8%
Chalks	100,000		100,000.00	31,200.00	68,800.00	31.8%
Exams and assessment						
Teachers guides						
Administration costs SMASSE						
Bank Charges						
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	8,057,000	5,922,000.0 0	13,979,000.00	3,345,945.00	10633055.0	76.10
, maintenance & improvements	8,000,000.00	6,300,000.0 0	14,300,000.00	8,220,000.00		
Local transport / travelling	2,566,200.00	1,184,400.0 0	3,750,600.00	1,241,317.00	2,509,283.0	33.1%

Electricity, water and conservancy	4,411,400.00	2,368,000.0 0	6,780,200.00	3,257,379.00	3,522,821.0	48 48%
Medical	2,798,600.00	2,520,000.0 0	5,318,600.00	724,597.00		
Administration costs						
Activity Expenses	1,758,400.0	1,470,000.0 0	3,228,400.00	782480.00		
Repairs	2,200,800.00		2,200,800.00	4,302,025.00		
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	4,667,853.00	2,373,891.0 0	7,041,744.00	11,312,705.0	(4,270,961)	(60%)
Repairs, maintenance and improvements	4,060,000.00	3,437,824	7,497,824.00	4,582,553.00	2,915,271.0	61%
Local transport / travelling	3,855,800.00	1,737,600.0 0	5,593,400.00	8,704,645.0	(3,111,245.0)	

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Electricity, water and conservancy	2,259,270.00	2,322,580.00	4,581,850.00	5,387,893	(806,043.00)
Medical Expenses					
Administration costs	2,868,825.00	244,009.00	3,112,834.00	8,871,998	(5,759,164.)
Activity	2,407,600	356,000	2,763,600.00	339,824.00	2,423,776.0
Gratuity	1,232,237		1,232,237		
Repairs and maint	4,060,000	3,437,824.00	7,497,824.00	4,582,553	2,915,271.0
Boarding Equipment and Stores	43,293,515.00	46,217,856.00	89,511,371.00	54,194,494	35,316,877.
Expenditure for Income	6,152,275	8,686,638.00	14,838,913	5,646,514.0	
Generating Activity					
Insurance costs					
Other expenses on investments	14,786,946.00	3,738,143.00	18,525,089.00	15,382,681.	
Rent Expenses					
Bank Charges					
BoM teachers	-		-	1,483,000	(1,483,000)
Loan Principal Repayment					
Developments	45,300,888.00		45,300,888.00	38,653,518.	6,647,370
TOTALS	196,295.25	92,710,051.	289,005,426	215,030,039	73,975,387

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.

**NDURURUMO HIGH SCHOOL
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the 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

	30th June 2023	30th June 2022
	Kshs	Kshs
FDSE Tuition Grants	3,573,245.00	5,152,968.80
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	1,438,823.75	
Chalks		
Exams and assessment		
Teachers guides		
SMASSE		
Total	5,012,068.75	5,152,968.80

2 CAPITATION GRANT FOR OPERATIONS

	30th June 2023	30th June 2022
	Kshs	Kshs
Personnel emoluments	4,955,589.45	3,398,891.40
Maintenance improvements	5,562,054.55	2,509,250.00
M&I	5,417,000.00	12,395,196.30
Local transport / travelling		434,860.60
Electricity and water	2,939,893.4	1,605,097.20
Medical	361,000.00	
Administration costs	1,958,711.75	1,361,581.80
Activity	722,000.00	247,000.00
Total	21,916,249.15	22,491,844.30

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	30th June 2023	30th June 2022
	Kshs	Kshs
Personnel emoluments	13,007,845.00	15,344,157.00
Repairs and maintenance	7,278,552.00	7,255,845.00
Local transport / travelling	3,566,951.00	4,650,253.00
Electricity and water	16,252,469.00	15,097,024.00
Students ID	330,800.00	208,600.00
Medical	127,890.00	35,579.00
Maintenance & Improvements (dev)	10,538,916.00	9,430,444.00
Administration costs	10,015,009.00	8,838,388.00
Activity	1,673,143.00	2,045,617.00
Total	141,795,344.00	140,786,934.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	30th June 2023	30th June 2022
	Kshs	Kshs
Fee on Boarding Equipment and Stores		79,580,722.00
Rent income	57,400.00	61,590.00
Income from farming activities	13,368,928.00	3,424,072.00
Uniforms	12,969,286.00	19,379,911.00
Other misc. incomes	3,064,057.00	727,931.00
Computer and Home science	278,524.00	207,861.00
Bakery	21,555,460.00	5,301,300.00
Income from academic improv	13,920,725.00	
Interest income (other miscellaneous)	4,800.00	
Dividends income		
Total	65,219,180.00	171,057,294.00

(Includes 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	160,000.00	1,208,200.00
Exercise books	4,027,940.00	4,442,400.00
Laboratory equipment	2,627,860.00	2,034,250.00
Internal exams	83,500.00	691,980.00
Teaching / learning materials	3,756,239.00	3,232,573.00
Chalks	12,104.00	31,200.00
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges SMASSE		68,400.00
Total	10,667,643.00	2,036,553.00

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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6 PAYMENTS FOR OPERATIONS

	30th June 2023	30th June 2022
	Kshs	Kshs
Personnel emoluments	5,430,556.00	3,345,945.00
Service Gratuity		
Administration Cost	1,194,530.00	818,610.00
maintenance & improvements	5,615,159.00	9,103,267.00
Local transport / travelling	813,998.00	1,241,317.00
Electricity and water	3,797,006.00	3,257,379.00
Medical /Insurance	66,530.00	724,597.00
Activity Expenses	1,688,944.00	782,480.00
BOM Teachers	466,000.00	940,000.00
General repairs	1,206,915.00	4,302,025.00
Transfers		
TOTAL	20,279,638.00	23,739,941.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	30th June 2023	30th June 2022
	Kshs	Kshs
Personnel emoluments	10,337,314.00	11,312,705.00
Service Gratuity	733,785.00	1,232,237.00
Repairs and maintenance & improvements	10,347,195.00	4,582,553.00
Local transport / travelling	12,056,896.00	8,704,645.00
Electricity and water	8,417,303.00	5,387,893.00
Medical	237,875.00	208,385.00
Administration costs	8,150,840.00	8,871,998.00
Daily farming&crop, farm Infrastructure	10,295,348.00	15,382,681.00
Bakery	9,684,676.00	5,646,514.00
Fee on boarding Equipment and stores	87,525,583.00	54,194,494.00
BoM Teachers salaries	1,110,500.00	1,483,000.00
Rent expenses	101,000.00	61,500.00
Maintenance &Improvements (developme)	26,331,221.00	38,653,518.00
Students ID	451,800.00	103,200.00
Activity	3,841,640.00	339,824.00
Uniform	12,852,297.00	23,436,636.00
Miscadm	22,685,670.00	22,600.00
TOTAL	218,667,943.00	179,624,383.00

*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*

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank	30 th June 2023	30 th June 2022
	Account		
	Number	Kshs	Kshs
Tuition Account	1102123439	-	-
Operations Account	1102142581	-	-
School Fund Account/Boarding			
i. Equity	0160260835447	-	-
ii. KCB	1102142735	-	-
iii. COOP	113950187750	-	-
iv. ABSA	2022289813	495,705.00	977,801.00
CDF Account	0160279494026	5,140.00	5,140.00
Gratuity Account	0160275941401	351,688.00	104,185.00
Infrastructural Account	1212252810	2,002,968.00	7,127.00
Parents welfare account	O160282993170	89,880.00	
Total		2,945,381.00	1,094,253.20

9 CASH IN HAND

Description	June 2023	30 th June 2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account Other Accounts	59,921.00	66,498.00
Total	59,921.00	66,498.00

10 SHORT TERM INVESTMENTS

Description	30 th June 23	30 th June 2022
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	30 th June 2023	30 th June 2021
	Kshs	Kshs
Fees arrears	15,551,983.00	8,364,681.00
Rents Arrears	95,990.00	11000.00
Salary advances	89,000.00	111,600.00
Operations		27,600.00
Tuition to boarding		3,209,996.00
Total	15,736,973.00	77,724,577.00

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

Description	June 2023	30 th June 2022
	Kshs	Kshs
Fees arrears for current year	11,777,213.00	4,407,380.00
Fees arrears for the previous year	2,415,166.00	2,207,857.00
Fees arrears for prior periods (over two years)	1,359,604.00	1,749,444.00
Total	15,551,983.00	8,364,681.00

12 ACCOUNTS PAYABLE

Description	June 2023	2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	32,841,178.00	8,407,203.00
Prepaid fees	3,592,350.00	4,849,436.00
Equity Bank	4,415,984.00	2,786,106.00
Cooperative bank	533,998.80	1,290,651.00
Kenya Commercial Bank	3,131,190.70	2,095,441.70
Tuition Accounts	7,618.40	676,177.15
Operations accounts	473,899.50	144,969.65
Tuition interborrowings		
Operations Interborrowings		
Total	44,996,219.40	20,249,984.00

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

Description	30 th June 2023	30 th June 2022
Trade creditors for current year	32,841,178.00	8,407,203.00
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)	-	-
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	30th June 2023	30th June 2022
	Kshs	Kshs
Bank balances	1,094,253.20	6,565,491.00
Cash balances	66,498.00	578,987.00
Receivables	8,507,671.00	6,129,214.00
Short term deposits		
Payables	(20,249,984.50)	(7,552,467.00)
Total	(10,581,562.30)	5,721,225.00

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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	30th June 2022	2021
	Kshs	Kshs
Bank loan(s)	-	xxx
Outstanding Leases	-	xxx
Hire purchase	-	xxx
Gratuity and leave provision		
Total		

15 Biological assets

Description	Numbers	2022	2021
		Kshs	Kshs
Cattle	37	1,530,000.00	1,530,000.00
Goats		-	-
Trees		2,000,000.00	2,000,000.00
Coffee or tea plantation		-	-
Poultry		-	-
Total		3,530,000.00	3,530,000.00

16 **Borrowings**

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

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Other important disclosure notes

17 Stock/ Inventory

Description	30th June 2023	30th June 2022
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	7,335,600.00	2,464,125.00
Stock/ inventory purchased during the year	61,214,360.00	53,611,040.00
Stock/ inventory issued during the year	65,272,163.00	48,739,565.00
Balance at end of the year	3,277,797.00	7,335,600.00

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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 20XX	Outstanding Balance 20XX-1
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Supply of goods					
4.					
5.					
6.					
Sub-Total					
Supply of services					
8.					
9.					
Sub-Total					
Grand Total					

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals of the
Land 1			50,000,000.00		
Land 2			30,000,000.00		
Buildings and structures			201,900,000.00	65,250,000.00	1,000,000.00
Motor vehicles			10,000,000.00	-	-
Office equipment, furniture and fittings			11,574,000.00	7,492,000.00	-
ICT Equipment, and Other ICT Assets			10,141,000.00	1,255,000.00	-
Tools and apparatus			-	-	-
Textbooks			-	-	-
Other Machinery and Equipment			3,037,500.00	-	-
Heritage and cultural assets			-	-	-
Intangible assets- soft ware			-	-	-
Total			472,687,000.00	-	-

CREDITORS SCHEDULE AS AT 30TH JUNE 2023

	NAME	VOTEHEAD	AMOUNT	PAID	BALANCE
1	SAMUEL THUO WAINAINA	FARM	44,600.00	-	44,600.00
2	STENE E VENTURES	EWC/RMI	1,219,250.00	-	1,219,250.00
3	SYKAVI ELECTRICALS	EWC/RMI	125,555.00	-	125,555.00
4	IMMACULATE DEALERS	FARM/BES	1,529,315.00	-	1,529,315.00
	KNITSTAR ENTERPRISES	ADM	354,550.00	-	354,550.00
6	PATMAT BOOKSHOP	TUITION	2,757,940.00	-	2,757,940.00
7	FRANCIS NDUNGU	BES	1,159,125.00	-	1,159,125.00
8	HERI GEN MERCHANTS	TUITION	50,400.00	-	50,400.00
9	MALEWA CHEMISTS	FARM	19,910.00	-	19,910.00
10	LOISE WAHOME	BES	955,822.00	-	955,822.00
11	KABETHI HOLDINGS	RMI	80,000.00	-	80,000.00
12	LISAJoy LIMITED	BES	296,600.00	-	296,600.00
13	BITITEC SYSTEMS	ADM/TUITION	423,000.00	-	423,000.00
14	JOSEPH MURIITHI	BES	1,014,980.00	-	1,014,980.00
15	KINGS AND QUEENS	ADM	723,400.00	-	723,400.00
16	DATA CHEM INDUSTRIES	BES	161,395.00	-	161,395.00
17	MIRIUM WANGECHI	BES	158,795.00	-	158,795.00
18	RAKIM GAS	TUITION	8,300.00	-	8,300.00
19	LANES ENTERPRISES	BES/RMI	882,840.00	-	882,840.00
20	NJADRI CONSTRUCTION	RMI	523,010.00	-	523,010.00
21	MUGI BUSINESS CENTRE	ADM	19,260.00	-	19,260.00
22	ORIENT CORE SYSTEMS	DEV	1,238,000.00	-	1,238,000.00
23	SIDEWAY WELDING AND FABRI	RMI	1,040,000.00	-	1,040,000.00
24	COPYCATE	UNIFORMS	1,877,700.00	-	1,877,700.00
25	ANN KARURI	BES	463,060.00	-	463,060.00
26	OLJABET HOSPITAL	MED	14,435.00	-	14,435.00
27	STEM IMPACT	ACTIVITY	169,000.00	-	169,000.00
28	SYLVIA MUTHONI	BES	5,000.00	-	5,000.00
29	ZEBRA TRADERS	BES	3,600.00	-	3,600.00
30	ESTHER W NJERU	BES	1,574,000.00	-	1,574,000.00
31	FOODCHAIN SUPPLIERS	BES	2,233,919.00	-	2,233,919.00
32	HEMSOFT	TUITION	12,104.00	-	12,104.00
33	BIG BRAIN GEN MERCHANTS	ADM	52,500.00	-	52,500.00
34	DAJORN ENT	TUITION	135,800.00	-	135,800.00
35	IZINGA ENTERPRISES	LTT	642,062.00	-	642,062.00
36	MAGENTA DIGQUIP	ADM	16,500.00	-	16,500.00
37	SHEM MUTAI	DEV	64,000.00	-	64,000.00
38	JOYFARM LANET	FARM	432,345.00	-	432,345.00
39	CENTRAL LINK	DEV	1,260,000.00	-	1,260,000.00
40	BISSLS ENGINEERING	DEV	2,350,000.00	-	2,350,000.00
41	ZEROLAND	RMI	606,500.00	-	606,500.00
42	MAWLA LAB	TUITION	1,005,160.00	-	1,005,160.00
43	WEAVER BIRD GARMENTS	UNIFORMS	1,037,000.00	-	1,037,000.00
44	PRIME MATRESSES	UNIFORMS	629,200.00	-	629,200.00
45	BIDII ENTERPRISES	BES	2,155,362.00	-	2,155,362.00
46	PENTATECH	EWC	265,884.00	-	265,884.00
47	FRAMU CONTRACTORS	RMI	550,000.00	-	550,000.00
48	ELECTRICITY AND WATER	ESTIMATED	500,000.00	-	500,000.00
	TOTAL		32,841,178.00	-	32,841,178.00

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