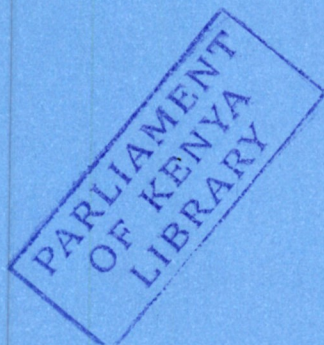


REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY	
REPORT	
DATE: 23 NOV 2023	DAY: Thurs
TABLED BY: OF	Hon. Kimani Ichungu MP Leader of the Majority Party
CLERK AT THE TABLE:	Miriam Moko

**THE AUDITOR-GENERAL**

**ON**

**SEKO GIRLS HIGH SCHOOL**

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

**UASIN GISHU COUNTY**



Revised 30<sup>th</sup> June 2022.

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30034 - 00100, NAIROBI  
REGISTRY

10 AUG 2023



RECEIVED

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**SEKO GIRLS HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>th</sup> June 2022**

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



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**KEY SCHOOL INFORMATION AND MANAGEMENT**

**SEKO GIRLS' HIGH 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 **Uasin Gishu County, Moiben Sub-County**.

The school was registered in **March (03)/2001** under registration number **27S30000998** 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 **579** and **578 (exclusive of 2020 candidates who had done KCSE)** number of students as at **30<sup>th</sup> April 2021** and **30<sup>th</sup> June 2022** respectively.

It has **4** streams and **38** teachers of which **9** 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:

**BOM MEMBERS 2022**

SN	NAME	DESIGNATION	DATE OF APPOINTMENT
1	DR. MARY SAMBU	CHAIRPERSON	5-06-2021
2	MRS. JANET OTIENO	SECRETARY	5-06-2021
3	DR. WILLIAM KOECH	MEMBER-COMMUNITY	5-06-2021
4	MRS. JACQUELINE KIPCHOGE	STUDENTS/PARENT	5-06-2021
5	MR. KIPKOECH SIMUKWO	STUDENTS/PARENT	5-06-2021
6	MR. SYLVESTOR MURTO	COMMUNITY	5-06-2021
7	MR. SIMION TANUI	COMMUNITY	5-06-2021
8	MRS. MARGRET BATOTE	COMMUNITY	5-06-2021
9	MR. SILAS ROTICH	REP CEB	5-06-2021
10	DR. CAROLINE BIWOTT	SPONSOR	5-06-2021
11	MR. SAMMY KIPTOO	SPONSOR	5-06-2021
12	QS. PAULINE OLBARA	SPECIAL INTEREST	5-06-2021
14	MR. JOASH SITIENEI	SPECIAL NEEDS	5-06-2021
15	MR. NICKSON RUTTO	REP TEACHERS	5-06-2021



**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 students' 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 paragraph 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board-2022-2025**

<b>EXECUTIVE COMMITTEE</b>			<b>NO OF SITTING ATTENDED DURING THE YEAR</b>
<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	
1	DR. MARY SAMBU-	CHAIRPERSON	3/3
2	MRS. JANET OTIENO	SECRETARY	3/3
3	MR. SIMION KOECH	MEMBER	3/3
4	DR. CAROLYNE KIPSAAT	MEMBER	3/3
5	MR. TANUI SIMION	MEMBER	3/3
<b>SIC COMMITTEE</b>			<b>SITTINGS</b>
<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	
1	QS PAULINE OLBARA – <b>CHAIRPERSON</b>	CHAIRPERSON	3/3
2	MRS. ALICE OPIJA	SECRETARY	3/3
3	DR. MARY SAMBU	MEMBER	3/3
4	MRS. JANET OTIENO	MEMBER	3/3
5	MR. SIMION KOECH	MEMBER	3/3
6	DR. CAROLYNE KIPSAAT	MEMBER	3/3
7	S.C.D.E – <i>Mandatory member</i>		



**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

**FINANCE , PROCUREMENT & GENERAL PURPOSES COMMITTEE**

SN	NAME	DESIGNATION	SITTINGS
1	MR. SIMION TANUI – CHAIRPERSON	CHAIRPERSON	3/3
2	MR. SAMMY KIPTOO	SECRETARY	3/3
3	JACQULINE KIPCHOGE	MEMBER	3/3
4	FRIDAH RUTO – BURSAR	MEMBER	3/3

**DISCIPLINARY , ETHICS & INTERGRITY COMMITTEE**

SN	NAME	DESIGNATION	SITTINGS
1	JACQULINE KIPCHOGE	CHAIRPERSON	1\3
2	MR. SAMMY KIPTOO	SECRETARY	1\3
3	MRS. ALICE OPIJAH	MEMBER	1\3

**AUDIT COMMITTEE**

SN	NAME	DESIGNATION	SITTINGS
1	MR. SYLVESTER MURTO – CHAIRPERSON	CHAIRPERSON	0/3
2	QS.OLBARA PAULINE -	SECRETARY	0/3
3	MR.SIMION KOECH	MEMBER	0/3

**HUMAN RIGHTS & STUDENT WELFARE**

SN	NAME	DESIGNATION	SITTINGS
1	MARGARET BATOTE	CHAIRPERSON	3/3
2	MR. JOASH SITIENEI	SECRETARY	3/3
3	MR. NICKSON RUTTO	MEMBER	3/3
4	MR. SILAS KIBII		3/3

**ACADEMIC STANDARDS , QUALITY & ENVIRONMENT COMMITTEE**

SN	NAME	DESIGNATION	SITTINGS
1	DR. KOECH WILLIAM	CHAIRPERSON	3/3
2	DR. CAROLINE KIPSAT	SECRETARY	3/3
3	MR. SILAS ROTICH	MEMBER	3/3
4	MR. KIPKOECH SUMUKWO	MEMBER	3/3
5	MR.MOSES OTIENO	MEMBER	3/3

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the school day-to-day management was under the following persons:



**SEKO GIRLS' HIGH SCHOOL  
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Ref:	Designation	Name	TSC Number
1	Chief Principal	Mrs Janet Otieno	364234
2	Deputy Principal-Administration	Mrs Alice Opijah	229144
3	School Finance Officer	Ms Fridah Ruto	25753798

**(e) Schools contacts**

Post Office Box: 8366-30100; Eldoret  
 Mobile Number: 0722609575  
 E-mail: [sekogirls@yahoo.com](mailto:sekogirls@yahoo.com), [sekogirlsh@gmail.com](mailto:sekogirlsh@gmail.com)  
 Website: [www.sekogirls.co.ke](http://www.sekogirls.co.ke)

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(f) School Bankers**

The school operated 6 number of bank accounts and 1 Pay bill number as follows:

1. Name of Bank: Standard Chartered  
 Branch: Eldoret  
 Account Number: 0102017663900
2. Name of Bank: Standard Chartered  
 Branch: Eldoret  
 Account Number: 0102817663900
3. Name of Bank: KCB  
 Branch: Eldoret  
 Account Number: 1103488716
4. Name of Bank: KCB  
 Branch: Eldoret  
 Account Number: 1284017044
5. Branch: Eldoret  
 Account Number: 1111254931
6. Name of Bank: KCB  
 Branch: Eldoret  
 Account Number: 1168444837
7. Name of Bank: KCB  
 Account Number: 1281762113  
 Branch: Eldoret  
 Account Number:
8. MPESA PayBill No.: Business Number: 823350,  
 Account Number: ADM No &Name  
 Attached to bank account  
 0102017663900



**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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**(g) Independent Auditors**

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

**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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For the year ended 30<sup>th</sup> June 2022**

**I. 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:

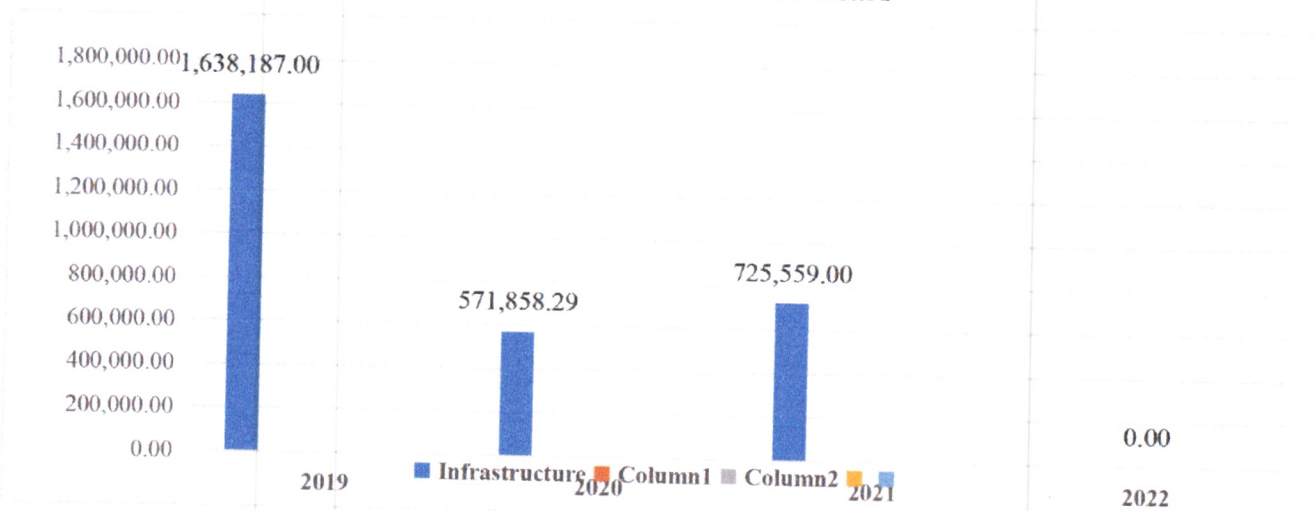
**a) Financial performance:**

Under this section, it reflects the actual financial performance trend for the last four years period between 1<sup>st</sup> January 2019 to 31<sup>st</sup> June 2022 which covers a period of 12 months while 30<sup>th</sup> June 2021 covers a period of 6 months and is summarized as follows:

**SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS**

S/NO	ACCOUNTS	2022	2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	6,988,928.00	3,254,105	49,554.20	625,395.00
2	Operations Account	(230,087.00)	(1,241,901.00)	-149,301.00	940,126.60
3	Tuition Account	(1,469,472.00)	(1286,645.00)	(1171550.00)	(1510368.10)
4	Infrastructure A/c	6,470,077.00	725,559.00	571,858.29	1,638,187.00
	<b>TOTAL</b>	<b>13,459,005.00</b>	<b>4,993,299.00</b>	<b>-699,438.51</b>	<b>1,693,340.50</b>
	<b>Increase/Decrease</b>	<b>8,465,706.000</b>	<b>(4,293,860)</b>	<b>(2,392,779.01)</b>	<b>1,161,509</b>

**Trend over the Last Three Years**



The surplus for the year 2022 increased by **8,465,706.000** from a surplus of Kshs **(4234839.49)** in the year 2021 which was attributed by 12-months accounting period

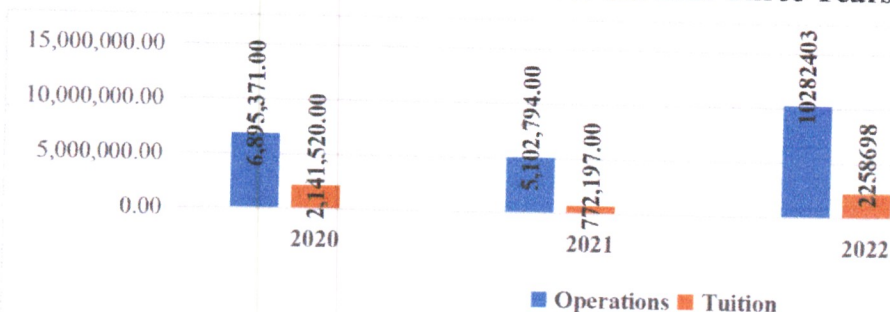


**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

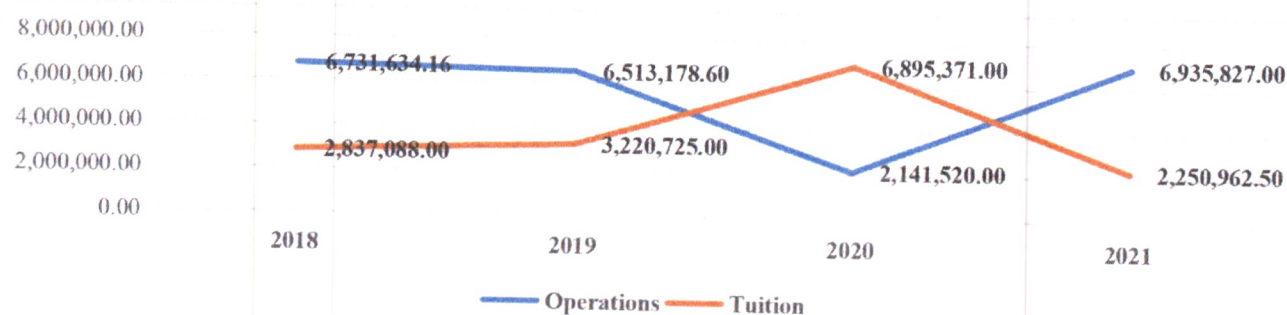
**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS**

S/NO	ACCOUNTS	2022	2021	2020
			<b>KSHS</b>	<b>KSHS</b>
1	Operations Account	10,282,403	5,102,794	6,895,371.00
2	Tuition Account	2,258,698	772,197	2,141,520.00
	<b>Total</b>	<b>12,541,101</b>	<b>5,874,991</b>	<b>9,036,891.00</b>
	<b>Increase/Decrease</b>	<b>6,666,110</b>	<b>(9,3161,900)</b>	<b>(14,252,577.00)</b>
	No of Students	727	694	524
	<b>Ratio of Capitation per student</b>	<b>1:1725048</b>	<b>1:8465.40</b>	<b>1:17245.96</b>

**Trend Over the Last Three Years**



**Trend over the Last Three Years**



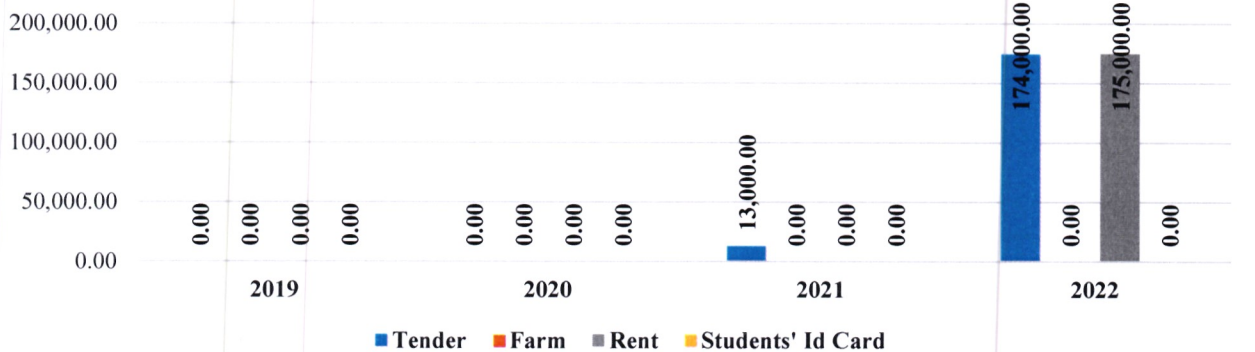
The total capitation grants for the financial year 2022 was Kshs **12,541,101.00** as compared to Kshs **5,874,991** in the financial year 2021 representing an increase of Kshs **6,666,110**

The net increase is mainly attributed by all students' receiving the capitation and increase in enrolment as shown in the ration above.

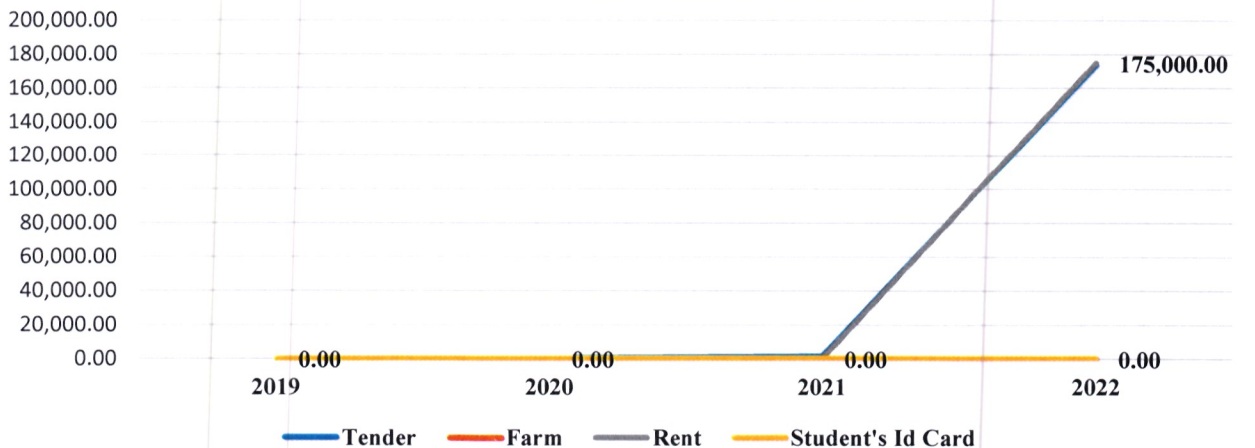
**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)**

<b>OVERVIEW OF NET GROWTH OF OTHER INCOME(S)</b>					
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
1	Tender	13,000	13,000	0.00-	0.00-
2	Rent	175,000	0.00	0.00	0.00
3	Bus Hire	231,500			
	<b>Total</b>	<b>419,500</b>	<b>13,000</b>	<b>0.00</b>	<b>0.00</b>
	<b>Increase/Decrease</b>	<b>406,500</b>	<b>13,000</b>	<b>0.00</b>	<b>0.00</b>

**Trend over the Last Four Years**



**Trend Over the Last Three Years**



The School has no reliable income generating activities and therefore depends heavily on the parents' contributions and government subsidies because income on Bus Hire is minimal.

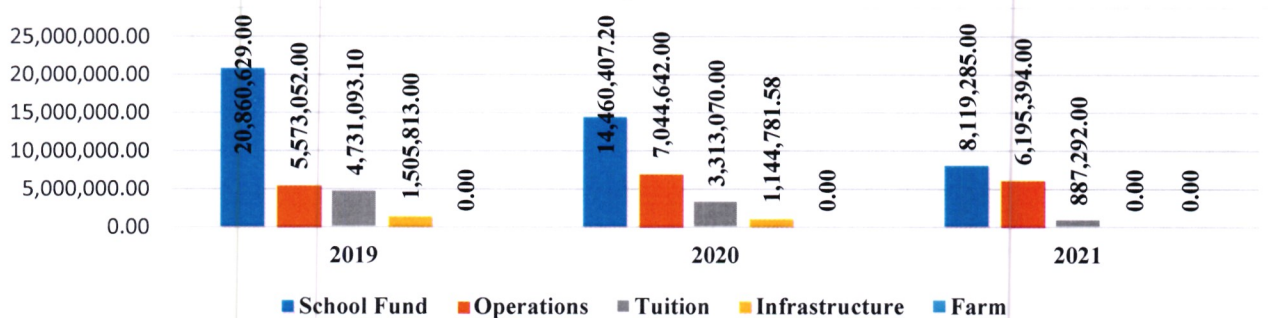


**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

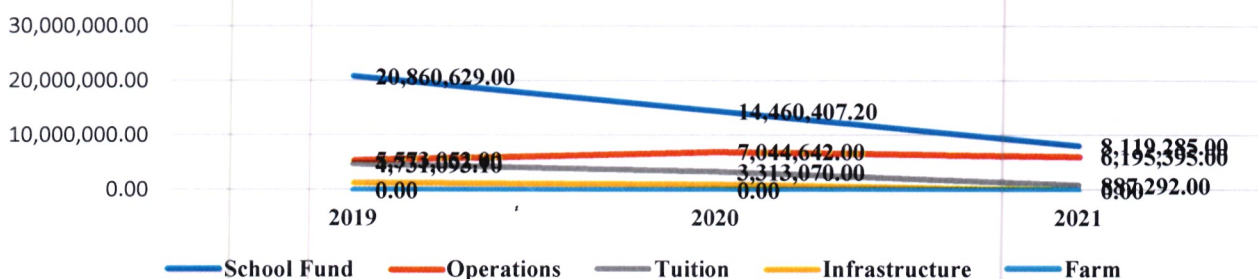
**OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

SN O	ACCOUNTS	2022 Kshs	2021 Kshs	2020 Kshs	2019 Kshs
1	School Fund Account	28,755,493	8,119,285	14,460,407.20	20,860,629.00
2	Operations Account	10,512,490	6,195,394	7,044,672.00	5,573,052.00
3	Tuition Account	3,728,170	887,292	3,313,070.00	4,731,093.10
4	Infrastructure Account	2,493,568	-	1,144,781.58	1,505,813.00
	<b>Total</b>	<b>47,983,244</b>	<b>15,201,971</b>	<b>25,962,930.78</b>	<b>19,383,010.10</b>
	<b>Increase/Decrease</b>	<b>32,781,273</b>	<b>(10,760,959.78)</b>	<b>6,579,920.68</b>	<b>3,433,571.78</b>

**Trend over the Last Three Years**



**Trend over the Last Three Years**

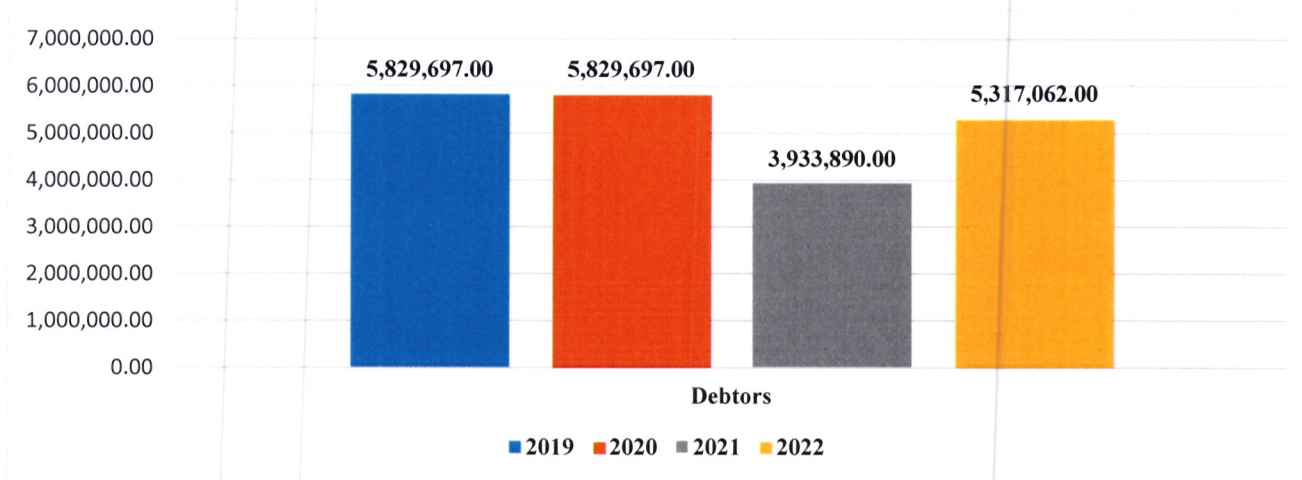


In the financial year 2022 shows an increase of growth in expenditure which has resulted from the current year covering a period of 12 months, even though the financial year 2021 covers a period of 6 months a decrease has resulted from short period of financial reporting.

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

SNO	ACCOUNTS	2022	2021-2020	2019
<b>1</b>	<b>School Fund Account</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
a	Debtors	5,317,062	5,829,697	<b>3,933,890.00</b>
	<b>Total</b>	<b>5,317,062</b>	<b>5,829,697</b>	<b>3,933,890.00</b>
	<b>Increase/Decrease</b>	<b>512,635</b>	<b>3,350,923</b>	<b>1,111,300.00</b>

**Trend over the Last Three Years**



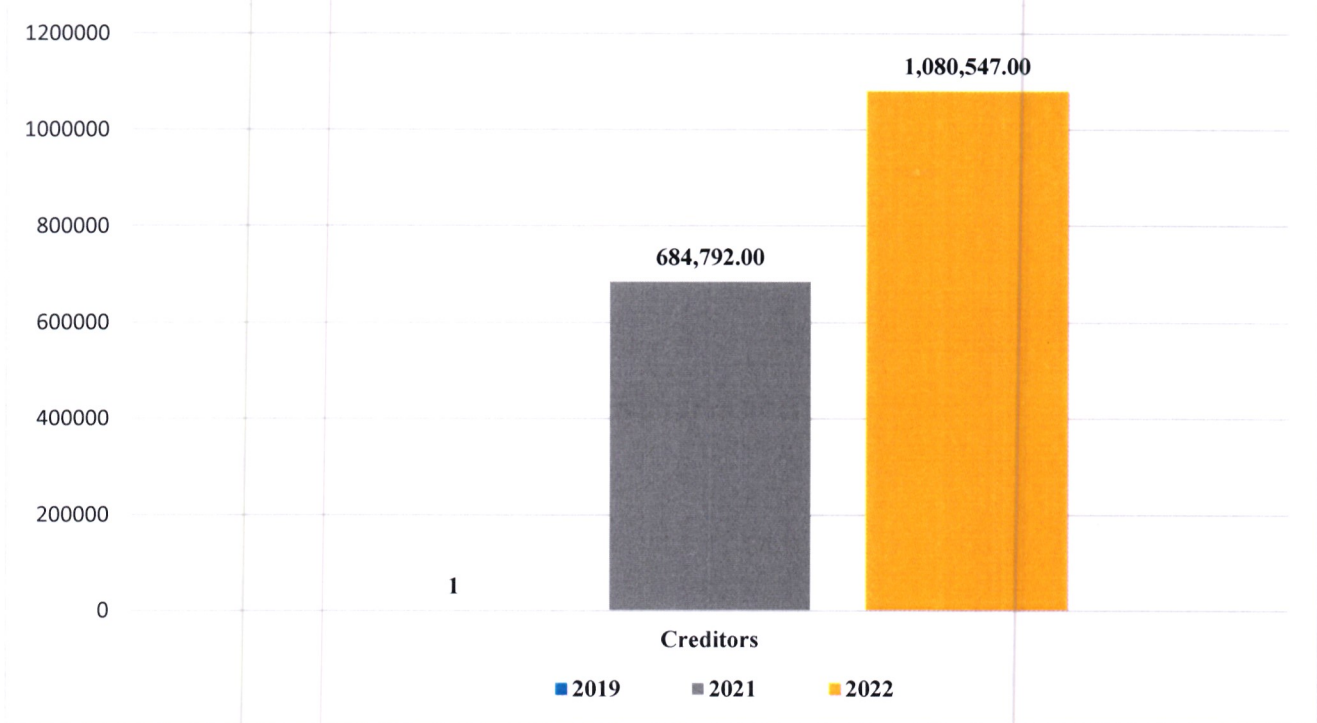
Total debtors as at 30<sup>th</sup> June 2022 increased by 63.67% to Kshs **5,317,062** compared to Kshs **3,601,209** as at the end of the financial year 2021. The main contributors to the decrease in total debtors is the students' having less fees balances.

SNO	ACCOUNTS	2022	2021-2020	2019
<b>1</b>	<b>School Fund Account</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
a	Creditors	4,084,433.00	3,495,608	1,024,532
	<b>Total</b>	<b>4,084,433.00</b>	<b>3,495,608</b>	<b>1,024,532</b>
	<b>Increase/Decrease</b>	<b>588,825</b>	<b>2,471,076</b>	<b>236,373.50</b>



**SEKO GIRLS' HIGH SCHOOL  
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For the year ended 30<sup>th</sup> June 2022**

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**



**Trend over the Last Three Years**

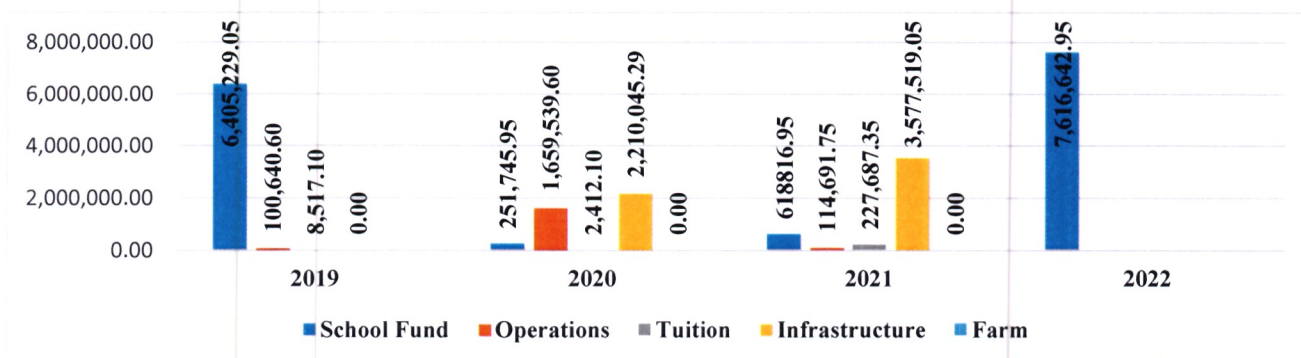
Total creditors as at 30<sup>th</sup> June 2022 increased by Kshs **2,679,644.00** compared to Kshs **130,463.00**) as at the end of the financial year 2021. The main contributors to the increase in total creditors are trade and other payables (prepaid fees).

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

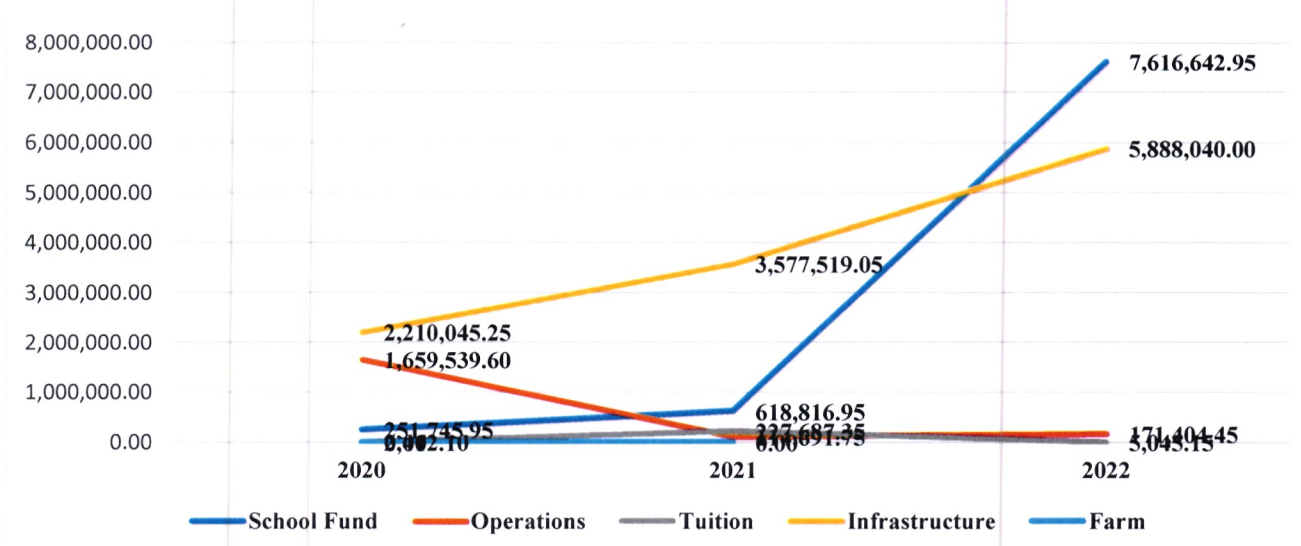
**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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For the year ended 30<sup>th</sup> June 2022**

<b>MOVEMENT OF CASH AND BANK BALANCES</b>					
<b>S/NO</b>	<b>ACCOUNTS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
1	School Fund Account	7,616,642.95	618,816.95	251,7645.95	6,405,229.05
2	Operations Account	171,404.45	114,691.75	1,659,539.60	1,005,640.60
3	Tuition Account	5,045.15	227,687.35	2,412.10	8,517.10
4	Infrastructure Account	5,888,040	3,577,519.05		
5	Farm Account	0.00	-	-	-
	<b>Total</b>	<b>13,681,132.55</b>	<b>4,625,063.05</b>	<b>4,179,597.65</b>	<b>7,419,386.75</b>
	<b>Increase/Decrease</b>	<b>9,056,069.5</b>	<b>445,465.40</b>	<b>(3,239,789.10)</b>	<b>5,677,191.95</b>

**Trend over the Last Three Years**



**Trend Over the Last Three Years**





**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

**b) Teacher Student ratio:**

Between the month of January 2021 and June 2022, the status of the teaching staff is as follows:

There are 30 teachers posted by the Teachers Service Commission and 2 recruited by the Board of Management. We are grateful that 3 teacher has been posted to school after one (1) transferred to Moiben County. Although the teacher student ratio lies at 1: 24. We have a shortage of 6 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

**c) Mean score in the year 2019, 2020,2021 and 2022 KCSE:**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2022	149	50934	41	28	7.5	
2021	127	5.67	37	29	7.5	.
2020	111	6.65	58	52	7.5	

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

**d) Development projects carried out by the school:**

S/no.	Project	Year	Status	Amount	Fund Source
1	Construction of 4No. Classrooms & Library Block	2018-2019	InComplete-4no.classrooms Library Block	8,047,925.28	CDF Project
2	Construction of 4No. Classrooms & Library Block	2020-2021	Complete-4no.classrooms Library Block (Stalled)	8,047,925.28	CDF Project
3	construction of Home Science-classroom	2021-2022	Completed	3,950,000.0	Maintenance & Improvement from G.O.K and Parents
4	Construction of Dormitory storey -Phase	2021-2022	Contract Award Stage	19,860,987.00	Maintenance & Improvement from G.O.K and Parents

**Dr. Mary Sambu (Mrs)**

**Chair,  
Board of Management**

**Seko Girls' High School**

**Date: 31/7/23**

**Janet A.O Otieno (Mrs)**

**Secretary,  
Board of Management  
/Principal**

**Seko Girls' High School**

**Date: 31/7/2023**



**Fridah Ruto (Mrs)**

**Finance Officer**

**Seko Girls' High School**

**Date: 31/7/2023**



## **II. 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 Extra County 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 that the Board of Management of a public institution of basic education keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of **Seko Girls' 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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.




**Dr. Mary Sambu (Mrs)**

**Chair,  
Board of Management**

**Seko Girls' High School**

**Date: 31/7/23**



**Janet A.O Otieno (Mrs)**

**Secretary,  
Board of Management  
/Principal**

**Seko Girls' High School**

**Date: 31/7/2023**



**Fridah Ruto (Mrs)**

**Finance Officer**

**Seko Girls' High School**

**Date: 31/7/2023**



# REPUBLIC OF KENYA

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



**HEADQUARTERS**  
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## **REPORT OF THE AUDITOR-GENERAL ON SEKO GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - UASIN GISHU COUNTY**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Seko Girls High School – Uasin Gishu County set out on pages 18 to 32, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and

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*Report of the Auditor-General on Seko Girls High School for the year ended 30 June, 2022 - Uasin Gishu County*



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 Seko Girls High School – Uasin Gishu County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Variances in the Financial Statements**

Review of the financial statements for the year revealed the following variances;

- i. The statement of financial assets and financial liabilities and as disclosed in Note 15 to the financial statements reflects accounts payables balance of Kshs.4,084,433 while the Annex 1 – analysis of pending accounts payable reflects a balance of Kshs.2,613,055, resulting in an unexplained variance of Kshs.1,471,368.
- ii. Note 2 to the financial statements reflects capitation grant for operations amount of Kshs.10,282,403 while re-casted amount reflects Kshs.11,404,671, resulting to variance of Kshs.1,122,268.
- iii. The statement of receipts and payments reflects infrastructure amount of Kshs.8,963,645 while Note 5 to financial statements reflects Kshs.8,383,145 resulting to a variance of Kshs.580,500.
- iv. Note 8 to the financial statements reflects payments for operations amount of Kshs.10,512,490 while recasting reflects Kshs.10,506,490, resulting to a variance of Kshs.6,000.
- v. The statement of financial assets and financial liabilities reflects accumulated fund balance brought forward of Kshs.2,404,951 while the corresponding Note 16 balance of Kshs.2,795,801, resulting to variance of Kshs.390,850.
- vi. The statement of financial assets and financial liabilities reflects net financial position of Kshs.15,880,644 while recasting reflects Kshs.14,966,187 resulting to a variance of Kshs.914,457 implying that the statement of financial assets and financial liabilities is not balanced.
- vii. The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,551,617 while summary of account receivables



schedule reflects a balance of Kshs.3,986,666 resulting to a variance of Kshs.1,564,951.

- viii. The approved budget reflects budgeted receipts amount of Kshs.26,879,094 while the statement of budgeted versus actual amounts reflects total receipts budget of Kshs.95,424,000 resulting to a variance of Kshs.68,544,906.
- ix. The school approved budget reflects budgeted expenditure of Kshs.25,714,330 while the statement of budgeted versus actual amounts reflects an expenditure of Kshs.95,829,200 resulting to a variance of Kshs.70,114,870.

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

## **2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects payments for operation amounts of Kshs.10,512,490 as disclosed in Note 8 to the financial statements. Included in the amount is transfer to co-curricular funds of Kshs.515,200 to Kenya Secondary School Heads Association (KESSHA), a private entity that is not subject to Public Finance Management Act, 2012.

in the circumstances, the propriety and regularity of the expenditure of Kshs.512,200 could not be confirmed.

## **3. Unsupported Accounts Payables Balance – Prepaid Fees**

The statement of financial assets and financial liabilities reflects accounts payables of Kshs.4,084,433. Included in the balance is Kshs.1,471,378 relating to prepaid fees. However, Management did not provide the ledgers, age analysis and schedules in support of the balance.

In the circumstances, the validity and authenticity of the prepaid fees of Kshs.1,471,378 could not be confirmed.

## **4. Unsupported Accounts Receivables Balance**

The statement of financial assets and financial liabilities reflects accounts receivables a balance of Kshs.5,551,617. However, Management did not provide supporting schedules for the accounts receivables balance. Further, no age analysis and ledger details were provided to support the accounts receivables balance.

In the circumstances, the accuracy and completeness of the account receivables balance of Kshs.5,551,617 could not be confirmed.

## **5. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.14,413,460. Review of the bank account statements and cash books revealed that three (3) accounts had balances totalling Kshs.752,203 that were erroneously omitted from the total cash and cash equivalents balance. Further, the



bank reconciliation statements were not provided for audit. Further, the cash balance of Kshs.1,483 was not supported by board of survey report.

In circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,413,460 could not be confirmed.

## **6. Unsupported Expenditure**

### **6.1 Payment of Tuition**

The statement of receipts and payments reflect payments for tuition of Kshs.3,728,170. Included in the balance is Kshs.343,650 and Kshs.3,382,414 related to laboratory equipment and teaching/learning materials respectively. However, the expenditure was not supported by annual audit plan, advertisements, list of registered suppliers, request for quotations, award or regret letters, procurement ad hoc committees, professional opinions inspection and acceptance committee reports.

### **6.2 Boarding and School Fund Operations**

The statement of receipts and payments reflects boarding and school fund payments of Kshs.28,755,493. However, the expenditure was not supported by annual audit plan, advertisements, list of registered suppliers, request for quotations, award or regret letters, procurement ad hoc committees, professional opinions inspection and acceptance committee reports.

in the circumstances, the propriety and regularity of the expenditure of Kshs.343,650; Kshs.3,382,414 and Kshs.28,755,493 all totaling Kshs.32,481,557 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Seko Girls High School Management 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.

## **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 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. Irregular Recruitment of Staff**

The statement of receipts and payments reflects payments for operations amount of Kshs.10,512,490, which included personnel emoluments amount of Kshs.3,100,635 as disclosed in Note 8 to the financial statements. During the year, the Management employed two (2) board of management teachers and two (2) non-teaching staff. However, there was no evidence of competitive recruitment of the two (2) teaching staff. This is contrary to Paragraph B.4 (1) of the Human Resource Policies and Procedures Manual for the Public Service May, 2016. Further, the school did not have an approved staff establishment.

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

#### **2. Irregular in Procurement of Goods - Administration Costs**

The statement of receipts and payments reflects payments for operations amount of Kshs.10,512,490, which includes administration costs amount of Kshs.1,510,412 as reflected in Note 6 to the financial statements. However, the expenditure was not supported by an evidence that a professional opinion was given by the Principal before tenders were awarded, inspection and acceptance reports prepared on item suitability and conformity to specifications and goods received notes prepared before using the goods.

In the circumstances, the value for money of the expenditure of Kshs.1,510,412 could not be confirmed.

#### **3. Failure to Maintain Updated Fixed Assets Register**

The financial statements at Annex 2 for summary of fixed assets register reflects total assets costs of Kshs.361,004,593. However, the Management did not maintain an updated fixed asset register for buildings and structures, motor vehicles, office equipment, furniture and fittings, ICT equipment and other ICT assets, tools and apparatus, textbooks, other machinery and equipment, and intangible assets-software. Further, fixed assets valuation report was not provided for audit. In addition, the School's motor vehicle's logbook had not been transferred to the School.

In the circumstances, the ownership and valuation of the fixed assets costing Kshs.361,004,593 could not be confirmed.

#### **4. Irregular Procurement of Works for Construction of Science Laboratory**

The financial statements disclose under Annex 2 – Summary of fixed assets register building and structures historical cost balance brought forward of Kshs.300,540,000. Included in that amount is a project for the proposed construction of home science



laboratory initiated on 29 September, 2020 by the County Director of Works. The State Department of Public Works forwarded a bill of quantities on 9 November, 2020 for tendering purposes of Kshs.5,192,300.

The school Management on 2 July, 2021 advertised for a tender for the project with a deadline of 16 July, 2021. A total of 8 bids were collected and only six (6) bids were received and opened by the opening committee on the 16 July, 2021 and a report issued on the same day.

However, the following anomalies were observed:

- i. The tender evaluation committee composed of four (4) members held a meeting on 16 July, 2021 at the school boardroom where the preliminary evaluation adjudged that only one bidder was responsive at a contract sum of Kshs.6,063,245 and which was the highest amount compared to other bidders. However, only one evaluation committee member signed the report.
- ii. A professional opinion was issued and signed on the same day by the County Supply Chain Management Officer from Ministry of Interior & Coordination of National Government. However, the Principal did not append her signatures.
- iii. The Principal vide letter dated 20.08.2021 to the Regional Works Officer, North Rift Region on behalf of the board members, requested for an agreement for a negotiated contract of Kshs.3,950,000 which was done between the Committee and the winning contractor. However, the Committee that negotiated was not identified and its minutes not provided for audit review.

In the circumstances, the School may not have realized value for money on the project.

#### **5. Lack of Risk Assessment Policy and Disaster Recovery Plan**

During the year under review, the Management had not developed a risk assessment policy disaster recovery plan. This is contrary to Regulation 165(1) and 170(1) of the Public Finance Management (National Government) Regulations, 2015 which requires each national government entity to develop risk management strategies and a system of risk management. In addition, a disaster recovery plan or business continuity plan was not in place.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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 matter described in the Basis for Conclusion 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**

### **Weaknesses in Information Communication Technology (ICT) Environment**

Review of the ICT internal controls revealed the following anomalies;

- i. The school did not have an approved ICT policy, IT security policy, policy on physical access to IT environment and IT continuity and disaster recovery plan in place to guide ICT operations.
- ii. The school did not have an IT strategic committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in achieving organizational objectives in an economic, efficient and effective way.
- iii. The school did not have an IT steering committee and periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.
- iv. Most of the procedures and functions in the finance and accounting department were manually performed as the department is yet to embrace ICT in all of its operational areas.

In the circumstances, the security of the school data could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.



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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that



might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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

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



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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 October, 2023

**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

DESCRIPTION OF VOTE HEAD	Note	2022-2021	2021-2020
		12 Months	18Months
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	2,258,698.00	1,742,167.00
Capitation grants for operations	2	10,282,403.00	11,848,864.00
School Fund Income- Parents' Contributions	3	35,744,421.00	25,181,574.00
School Fund Income- Other receipts	4	419,500.00	13,000.00
Infrastructure	5	8,963,645.00	-
<b>TOTAL RECEIPTS</b>		<b><u>57,668,667.00</u></b>	<b><u>38,785,605.00</u></b>
<b>PAYMENTS</b>			
Payments for Tuition	7	3,728,170.00	3,028,812
Payments for Operations	8	10,512,490.00	13,090,765.00
Boarding and school fund payments	9	28,755,493.00	21,927,469.00
Payments for Infrastructure	10	2,493,568.00	45,000.00
Payment for other expenses	11	260,350.00	
<b>TOTAL PAYMENTS</b>		<b><u>45,750,071.00</u></b>	<b><u>38,092,046.00</u></b>
<b>SURPLUS/DEFICIT</b>		<b><u>11,918,596.00</u></b>	<b><u>693,559.00</u></b>

The accounting policies and explanatory notes to these financial statements for an integral part of the financial statements. The report covers the twelve months for the period ended 30<sup>th</sup> June 2022 and accompanying comparatives cover the six months period ended 31<sup>st</sup> December 2021. The financial statements should be read in conjunction with the accompanying notes.

.....  
**Dr. Mary Sambu (Mrs)**  
  
**Chair,  
Board of Management**

.....  
**Janet A.O Otieno (Mrs)**  
  
**Secretary,  
Board of Management  
/Principal**

.....  
**Fridah Ruto (Mrs)**  
  
**Finance Officer**

**Seko Girls' High School**

Date: 31/7/23

**Seko Girls' High School**

Date: 31/7/2023  
  
 Date ..... Sign.....

**Seko Girls' High School**

Date: 31/7/2023



**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

**STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

	Note	2022-2021	2021-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	12	14,411,977.00	13,227,657.00
Cash Balances	13	1,483	5,216.00
Total Cash and cash equivalent		<b>14,413,460.00</b>	13,232,873.00
Account's receivables	14	5,551,617.000	5,829,697.00
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>19,965,077.00</u></b>	<b><u>19,062,570.00</u></b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	15	4,084,433.00	3,495,608.00
<b>NET FINANCIAL ASSETS</b>		<b><u>15,880,644.00</u></b>	<b><u>15,566,962.00</u></b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	16	2,404,951.00	11,190,571.00
Surplus/Deficit for the year		11,918,596.00	693,559.00
Prior year adjustments		642,640.00	3,682,832.00
<b>NET FINANCIAL POSITION</b>		<b><u>15,880,644.000</u></b>	<b><u>15,566,962.00</u></b>



Dr. Mary Sambu (Mrs)

Chair,  
Board of Management

Seko Girls' High School

Date: 31/7/23



Janet A.O Otieno (Mrs)

Secretary,  
Board of Management  
/Principal

Seko Girls' High School

Date: 31/7/2023





Fridah Ruto (Mrs)

Finance Officer

Seko Girls' High School

Date: 31/7/2023

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

	Notes	2022-2021 Kshs	2021-2021 Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	2,258,698.00	1,742,167.00
Capitation grants for operations	2	10,282,403.00	11,848,864.00
School fund income- Parents contributions/ fees	3	35,744,421.00	25,181,574.00
School fund income- other receipts	4	419,500.00	13,000.00
Infrastructure	5	8,383,145.00	
<b>Total receipts</b>		<b>57,088,167.00</b>	<b>38,785,605.00</b>
<b>Payments</b>			
Payments for Tuition	7	3,728,170.00	30,288,812.00
Payments for Operations	8	10,512,490.00	13,090,765.00
Boarding and school fund payments	9	28,755,493.00	21,927,469.00
Payments for Infrastructure	10	2,493,568.00	
	11		
<b>Total payments</b>		<b>45,489,721.00</b>	<b>38,047,046.00</b>
<b>Net cash flow from operating activities</b>		<b>11,598,446.00</b>	<b>738,559.00</b>
<b>Adjusted for</b>			
Changes in Accounts Receivables	14		1,372,721.00
Changes in Accounts Payable	15		1,334,514.00
Accrual to cash adjustments	17		<b>38,207.00</b>
<b>Net cash flow from operating activities</b>		<b>11,598,446.00</b>	
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Asset	18	(2,493,568.00)	<b>34,000.00</b>
Decrease in Investment	18	-	-
Decrease in Livestock	18	-	-
Decrease in Farm	18	-	-



**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For the year ended 30<sup>th</sup> June 2022**

<b>Net cash flows from Investing Activities</b>			<b>2,493,568.00-</b>	<b>-</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>				
Proceeds from borrowings/ loans			-	
Repayment of principal borrowings	<b>18</b>		-	
<b>Net cash flow from financing activities</b>				
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>				
<b>Cash and cash equivalent at BEGINNING of the year</b>			<b>5,206.00</b>	<b>10</b>
<b>Cash and cash equivalent at END of the year</b>			<b>1,483.00</b>	<b>5206</b>

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 cash flow as recommended by IPSAS.

**SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL**  
Annual Report and Financial Statements  
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**IV. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

STATEMENT OF BUDGETED VERSUS AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022						
Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable	Budget Utilization	% of Utilization
				Basis	Difference	
	a	b	c = a+b	d	e = c - d	f = d/c
<b>RECEIPTS</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>(1) CAPITATION GRANT ON TUITION</b>						
Exercise Books	969,696,000	0	969,696,000	402,000.00	234,000.00	63.21%
Lab.Equipment	808,080.00	0	800,000.00	199,758.00	600,242.00	24.97%
T/L Materials	646,464.00	0	366,500.00	65,100.00	301,400.00	17.76%
Internal Exam	323,232.00	0	650,000.00	79,776.00	570,224.00	12.27%
Ref/Lib(Textbooks)	484,848.00	0	343,500.00	19,200.00	324,300.00	5.59%
SMASSE	-	0	-	0		
<b>SUB-TOTAL</b>	<b>2,796,000.00</b>	<b>0</b>	<b>2,796,000.00</b>	<b>2,796,000.00</b>	<b>2,030,166.00</b>	<b>=</b>



SEKO GIRLS' HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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<b>(2) CAPITATION GRANT ON OPERATIONS</b>										
Local, Transport & Travelling	2,230,000.00				2,230,000.00	1,165,212.00			1,064,788.00	52.25%
Electricity, Water & Conservancy	1,115,000.00				1,115,000.00	990,029.30			124,970.70	88.79%
Repair, Maintenance & Improvement	5,575,000.00				5,575,000.00	3,358,500.00			2,216,500.00	60.24%
Activity (i)	16,772,500.00				16,772,500.00	0			16,772,500.00	0.00%
Medical/Insurance	2,230,000.00				2,230,000.00	138600			2,091,400.00	6.22%
Personal Emoluments	4,906,000.00				4,906,000.00	2,865,067.00			2,040,933.00	58.40%
Administration Costs	2,230,000.00				2,230,000.00	12,608,869.40			-10,378,869.40	565.42%
<b>SUB-TOTAL</b>	<b>35,058,500.00</b>				<b>35,058,500.00</b>	<b>21,126,277.70</b>			<b>13,932,222.30</b>	-

**STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022 (Continued)**

<b>(3) FEES CHARGED ON PARENTS</b>										
Boarding, Equipment & Stores	23,332,000.00				23,332,000.00	16,142,612.00			7,189,388.00	69.19%
Local, Transport & Travelling	1,115,000.00				1,115,000.00	1,090,465.00			24,535.00	97.80%
Electricity, Water & Conservancy	5,505,000.00				5,505,000.00	5,078,830.00			426,170.00	92.26%
Repair, Maintenance & Improvement	2,230,000.00				2,230,000.00	2,165,479.00			64,521.00	97.11%
Activity	557,500.00				557,500.00	545,040.00			12,460.00	97.77%
Personal Emoluments	22,670,000.00				22,670,000.00	3,954,364.00			18,715,636.00	17.44%
Administration Costs	2,160,000.00				2,160,000.00	2,138,815.00			21,185.00	99.02%
<b>SUB-TOTAL</b>	<b>57,569,500.00</b>				<b>57,569,500.00</b>	<b>31,115,605.00</b>			<b>26,453,895.00</b>	-

**STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022 (Continued)**





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Administration Costs	2,160,000.00		2,160,000.00	481,133.00	1,678,867.00	22.27%
Expenditure from Income Generating Activities	404,000.00		404,000.00	260350	143,650.00	
<b>SUB-TOTAL</b>	<b>57,973,500.00</b>		<b>57,973,500.00</b>	<b>26,996,599.00</b>	<b>30,976,901.00</b>	

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

- i. The school has only received 54.05% of the expected revenue from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022.
- ii. The school has only utilized 46.57% of the fees collected from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022.

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

### **5. Accounts Receivable**

For the purposes of these financial statements, imp-rests 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 imp rest payments are recognized as expenditure when fully accounted for by the imp rest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.



**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

**VI. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Exercise books			386,004.75
Laboratory equipment			412,204.75
Teaching / learning materials		2,258,697.80	882,559.25
Internal exams			40940.00
Textbooks and reference materials			20458.50
SMASSE			
<b>Total</b>		<b>2,258,698.00</b>	<b>1,742,167.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments		3,267,208.00	4,431,698.99
Repairs and maintenance		3,460,484.00	4,232,500.00
Local transport / travelling		1,165,212.00	769,302.43
Electricity and water		990,029.00	1,066,955.28
Medical		1,260,869.40	240,000.00
Administration costs		1,260,869.40	230,120.00
Activity			878,287.45
<b>Total</b>		<b>10,282,403.00</b>	<b>11,848,864.00</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Boarding, Equipment & Stores		20,243,264.00	17,505,439.00
Local transport / travelling		1,090,465	455,801.00
Electricity, Water & Conservancy		5,078,830.00	2,713,264.00
Repairs and maintenance		2,165,479.00	1,379,980.00
Activity		545,040.00	125,094.00
Personnel emoluments		4,476,628	1,824,061.00
Administration costs		2,138,815	1,095,035.00
KCSE exams		5,900.00	82,900.00
<b>Total</b>		<b>35,744,421.00</b>	<b>25,181,574.00</b>



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Bus Hire		231,500	
Tender		13,000	13,000
Rent		175,000	-
<b>Total</b>		<b>419,500.00</b>	<b>13,000.00</b>

**5 INFRASTRUCTURE**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
1.No.Home Science Classroom		8,383,145.00	0.00
<b>Total</b>		<b>8,383,145.00</b>	<b>0.00</b>

**6. PAYMENTS FOR TUITION**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Exercise books			105,200.00
Laboratory equipment		343,650.00	1,010,508.00
Teaching / learning materials		3,382,414.00	1,910,815.00
Internal exams			
Textbooks and reference materials			
SMASSE			
Bank Charges		2,106.00	2,289.00
<b>Total</b>		<b>3,728,170.00</b>	<b>3028812.00</b>

**8PAYMENTS FOR OPERATIONS**

		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments		3,100,635.00	4,604,038.00
Repairs and maintenance		3,633,750.00	3,484,177.00
Local transport / travelling		1,309,015.00	1,066,924.00
Electricity and water		936,568.00	1,481,353.00
Medical		-	457,672.00
Administration costs		1,510,412.00	1,756,601.00
BOM teachers			240,000
Bank Charges		1,6110.00	
<b>Total</b>		<b>10,512,490.00</b>	<b>13,090,765.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. BOARDING AND SCHOOL FUND PAYMENTS**

	2022-2021	2021-2020
	Kshs	Kshs
Boarding, Equipment & Stores	19,334,035.00	15,315,401.00
Local transport / travelling	838,510.00,	1,845,520.00
Electricity, Water & Conservancy	1,495,593.00	1,313,097.00
Repairs and maintenance	1,680,270.00	640,063.00
Activity	590,200.00	81,330.00
Personnel emoluments	3,298,257.00	1,648,546.00
Administration costs	1,219,830.00	1,015,723.00
Expenses on Income Generating Activities	260,350.00	
Insurances		19,333.00
KCSE Exams	5,900	
Bank Charges		3,456.00
<b>Total</b>	<b>28,755,493.00</b>	<b>21,882,469.00</b>
<b>10. OTHER PAYMENTS</b>	<b>2022-2021</b>	<b>2021-2020</b>
tender	42,000	11,000
Bus hire	201,600	34,000
Rent	16,750	
<b>Total</b>	<b>260,350.00</b>	<b>45,000.00</b>
	<b>2022-2021</b>	<b>2021-2020</b>
<b>TOTAL</b>	<b>Kshs</b>	<b>Kshs</b>
3no. Science Laboratories	2,493,568	00
<b>Total</b>	<b>2,493,568.00</b>	<b>00</b>

**11. BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2022-2021	2021-2020
		Kshs	Kshs
Standard Chartered -OPERATION	0102817663900	170,917.45	1,769,672.35
Standard Chartered-SCH/FUND	0102017663900	7,615,646.95	869,915.90
KCB-TUITION	11034887164	5,045.15	230,099.35
KCB-M & I	1284017044	5,888,040.00	3,577,519.00
KCB- PTA	1111254931	349,892.29	2,554,693.58
KCB- CDF	1168444837	86,361.40	4,150,698.80
KCB-GRATUITY	128176113	296,074.00	75,058.00
<b>Total</b>		<b>14,411,977.00</b>	<b>13,227,657.00</b>



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13. CASH IN HAND**

Description		2022-2021	2021-2020
		Kshs	Kshs
School Fund account		996.00	4,559.00
Operation accounts		487.00	657.00
<b>Total</b>		<b>1,483.00</b>	<b>5,216.00</b>

**14. ACCOUNTS RECEIVABLE**

Description		2022-2021	2021-2020
		Kshs	Kshs
Fees arrears		5,523,217.00	5,623,897.00
Other non-fees receivables		28,400.00	205,800.00
<b>Total</b>		<b>5,551,617.00</b>	<b>5,829,697.00</b>

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

Description		2022-2021	2021-2020
		Kshs	Kshs
Fees arrears for current year		5,066,519.00	2,969,573.00
Fees arrears for the previous year		485,098.00	866,570.00
Fees arrears for prior periods (over two years)		00.00	5,111,326.93
<b>Total</b>		<b>5,551,617.00</b>	<b>8,947,469.93</b>

**15. ACCOUNTS PAYABLE**

Description		2022-2021	2021-2020
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		2,613,055.00	3,141,811.00
Prepaid fees		1,471,378.00	353,797.00
<b>Total</b>		<b>4,084,433.00</b>	<b>3,495,608</b>

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

Description		2022-2021	2021-2020
		Kshs	Kshs

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Trade creditors for current year		4,087,433.00	1,080,547.00
Trade creditors for the previous year		-	2,415,061.00
Trade creditors for prior periods (Over two years)		-	1,495,536.00
<b>Total</b>		<b>4,084,433.00</b>	<b>4,991,144</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**16. ACCUMULATED FUND BALANCE BROUGHT FORWARD**

<b>SURPLUS/DEFICIT FOR THE YEAR</b>			
<b>Description</b>		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Tuition		(1,469,472.00)	(115,095.00)
Operations		(230,087.00)	(1,092,600.00)
Boarding and School Fund		4,495,360.00	6,141,973.00
Infrastructure		0.005	-
<b>Total</b>	<b>-</b>	<b>2,795,801.00</b>	<b>4,934,278.00</b>

**17. ACCRUALS TO CASH ADJUSTMENTS**

<b>Description</b>		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
School Fund		0.00	0.00
Tuition		0.00	0.00
Infrastructure		0.00	0.00
<b>Total</b>		<b>0.00</b>	<b>0.00</b>

**18. FUND BALANCE BROUGHT FORWARD**

<b>Description</b>		<b>2022-2021</b>	<b>2021-2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Bank balances		14,411,977.00	13094024
Cash balances		1,483.00	20
Receivables		5,551,617.00	4,456,976.00
Payable s		4,084,433.00	4,830,122.00
Investments		0.00	
Bus Project		0.00	0
Livestock		0.00	0
Farm		0.00	0
Project Fund		0.00	-



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Total		24,049,510.00	22,381,142.00
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15. Non-current Liabilities Summary

Description	2019-2020
	Kshs
Bank loan(s)	
Outstanding Leases	
Hire purchase	
Gratuity and leave provision	
<b>Total</b>	
<b>16. Biological assets</b>	

Description	Numbers	2021-2020
		Kshs
Cattle		
Goats		
Trees	155	620,000.00
Coffee or tea plantation		
Poultry		
<b>Total</b>		<b>620,000.00</b>
Description		2021-2020
		KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
<b>Balance at end of the year</b>		
<b>Other important disclosure notes</b>		
Description		2021-2020
		KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
<b>Balance at end of the year</b>		

Other important disclosure notes





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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

S/no	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2022	Comment
		Kshs	Kshs	Kshs	Kshs	
		a	b	c	d=a-c	
<b>1</b>	<b>Supply of goods</b>			-	-	
	<b>SCHOOL FUND ACCOUNT</b>					
a)	Pauls Bakery	6,210.00	30/06/2022		6,210.00	
b)	Lifecare Pharmaceuticals	9,100.00	30/06/2022		9,100.00	
c)	Inland Electronics	47,490.00	30/06/2022		47,490.00	
d)	Kamolol Hardware	57,060.00	30/06/2022		57,060.00	
e)	Gurdit Sign Shop	92,275.00	30/06/2022		92,275.00	
f)	Irene Jepkorir	300,000.00	30/06/2022		300,000.00	
	<b>Sub-Total (A)</b>	<b>512,135.00</b>			<b>512,135.00</b>	
	<b>Tuition Account</b>					
a)	TALENT ACCESSO	226,340.00	30/06/2022	-	226,340.00	
b)	KINDO LAB	114,400.00	30/06/2022	-	114,400.00	
c)	Yokhama Enterprises	192,790.00	30/06/2022		192,790.00	
d)	Eldoline Ent.	229,250	30/06/2022		229,250	
e)	Luja Educational	55,600	30/06/2022		55,600	
f)	Edupez Business	948,240.00	30/06/2022	-	948,240.00	
g)	Idealprice Enterprises	40,000.00	30/06/2022		40,000.00	
h)	Masterpiece Enterprises	7,500.00	30/06/2022		7,500.00	
	<b>Sub-Total (B)</b>	<b>1,814,120.00</b>		-	<b>1,814,120.00</b>	
<b>2</b>	<b>OPERATION Account</b>					
a)	Edupez Business	188,750	0/06/2022		188,750	
b)	MFI Document Solution	47,500	0/06/2022		47,500	

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c)	Frayz links	10,000	0/06/2022		10,000	
d)	Frankphix Signs	5,500	0/06/2022		5,500	
e)	Charles Gakinya	35,050.00	30/06/2022	-	35,050.00	
	<b>Sub-Total ( C )</b>	<b>286,800.00</b>		-	<b>286,800.00</b>	
	<b>Grand Total (E=A+B+C+D)</b>	<b>2,613,055.00</b>	-	-	<b>2,613,055.00</b>	

**ANNEX 2 - SUMMARY OF FIXED ASSETS REGISTER**

S/no	Asset class	Date purchased	Historical Cost b/f	Historical Cost c/f
			Kshs	Kshs
1	Land	Balance b/f 01/01/2022	40,000,000.00	40,000,000.00
2	Buildings and Structure	Balance b/f01/01/2022	300,540,000	300,540,000
3	Motor Vehicles	Balance b/f01/01/2022	8,000,000.00	8,000,000.00
4	Office Equipment, furniture and fittings	Balance b/f01/01/2022	2,161,949.00	2,161,949.00
5	ICT Equipment and Other ICT Assets	Balance b/f01/01/2022	3,033,204.00	3,033,204.00
6	Tools and Apparatus	Balance b/f01/01/2022	1,708,730.00	1,708,730.00
7	Textbooks	Balance b/f01/01/2022	3,543,710.00	3,543,710.00
8	Other Machinery and Equipment	Balance b/f01/01/2022	1,717,000.00	1,717,000.00
9	Intangible assets-software	Balance b/f01/01/2022	300,000.00	300,000.00
	<b>Total</b>		<b>361,004,593.00</b>	<b>361,004,593.00</b>