

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF


THE AUDITOR-GENERAL

ON

NAKURU GIRLS' HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

NAKURU COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 NOV 2024	DAY: WEDNESDAY
TABLED BY:	MAJORITY WHIP
CLERK-AT THE TABLE:	FIMAY.



**NAKURU GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. 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 Nakuru County, Nakuru East Sub-County.

The school certificate was renewed in July (07)/2021 under registration number 32S30000254 and is currently categorized as a National public school established, owned and operated by the Government.

The school is a boarding school and had 1469 students as at 30th June 2023. It has 6 and 7 streams in form 4/ 3 and form 2/1 respectively.

Staff Establishment

The school has sixty-six (66) teaching staff of whom five (5) members are employed by the School Board of Management and forty-eight (48) non-teaching staff of whom eleven (11) members are outsourced from a security firm.

(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:

Sno	Name of Board Member	Designation	Date of appointment
1	Mr Benjamin K. Sogomo	B.O.M Chairman/Sponsor	23/05/2022
2	Mrs Rose J. Rono	B.O.M Secretary - Principal	23/05/2022
3	Ms Alice Wanjiru Mwangi	B.O.M Member – Rep Sponsor	23/05/2022
4	Ms Emily R. Leshao	B.O.M Member – Rep Sponsor	23/05/2022
5	Mr Willy Robert Kariuki	B.O.M Member – Rep Parents/Local community	23/05/2022
6	Mr Barnaba K. Kiprotich	B.O.M Member – Rep Parents/Local community	23/05/2022
7	Mr Joshua M. Onduko	B.O.M Member – Rep Parents/Local community	23/05/2022
8	Prof Josiah O. Omolo	B.O.M Member – Rep Parents/Local community	23/05/2022
9	Mrs Sylvia A. Onyango	B.O.M Member – Rep Parents/Local community	23/05/2022
10	Mr Barack Odera	B.O.M Member - Co-opted	23/05/2022
11	Mr Joseph Owino	B.O.M Member - Co-opted	23/05/2022
12	Ms Stella Nkatha	B.O.M Member - Co-opted	23/05/2022
13	Mr Joseph Chebor	B.O.M Member – Rep CEB	23/05/2022
14	Mr Mohammed I. Hassan	B.O.M Member – Rep persons with special needs	23/05/2022
15	Mr Julius Yiega	B.O.M Member – Rep Special Interest group	23/05/2022
16	Mrs Margaret B. Angwenyi	B.O.M Member - Rep Teachers	23/05/2022
17	Ms Asha Nyalal	School Captain	23/05/2022

The functions of the School Board of Management are to:

- 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

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr Benjamin K. Sogomo Mrs Rose J. Rono Mr Willy R. Kariuki Mr Joseph Owino Mrs Sylvia A. Onyango	Chairman Secretary Member Member Member	7
2	Development Committee	Mr Willy R. Kariuki Mrs Lillian Nyandoro Mrs Rose J. Rono Mr Joseph Owino Mrs Sylvia A. Onyango Mr Benjamin K. Sogomo County Director of Education	Chairman Secretary Member Member Member Member Member	2
3	Academic Committee	Mr Joseph Chebor Mrs Rose J. Rono Mr Benjamin K. Sogomo Mr Joseph Owino Mrs Stella Nkatha All Academic Heads of Departments	Chairman Secretary Member Member Member Members	1
4	Discipline and welfare Committee	Mrs Margaret B. Angwenyi Mr Joshua M. Onduko Mrs Rose J. Rono Mr Mohammed I. Hassan Ms Alice W. Mwangi Ms Emily R. Leshao	Chairman Secretary Member Member Member Member	1
5	Farm Committee	Mr Joseph Owino Mr Benjamin K. Sogomo Mrs Rose Menjo Ms Emily R. Leshao Mrs Stella Nkatha	Chairman Secretary Member Member Member	0

(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	Rose Jepleting Rono	TSC No. 309617
2	Deputy Principal-Administration	Regina Kirigo Muhiu	TSC No. 347419
3	Deputy Principal-Academics	Lillian Njoki Nyandoro	TSC No. 267023
4	Finance Officer	Anthony Njoroge Kamau	ID No. 24172248

(e) Schools contacts

Post Office Box: 1352-20100; Nakuru
Mobile Number: 0716 283 822
E-mail: nakurugirlsh@yahoo.com, nakurugirlsh@gmail.com
Website: www.nakurugirls.sc.ke

(f) School Bankers

The school operates 7 bank accounts and 1 Pay bill number as follows:

<u>Name of Bank</u>	<u>Account Number</u>	<u>Branch</u>	<u>Postal Address</u>
1. KCB	1131692578	Nakuru	18-20100, Nakuru
2. KCB	1101669888	Nakuru	18-20100, Nakuru
3. KCB	1198915803	Nakuru	18-20100, Nakuru
4. Equity Bank	0130269268233	Nakuru	12568-20100 Nakuru
5. Standard Chartered	0102828828400	Nakuru	30001-00100 Nairobi
6. Co-Operative Bank	01139025846200	Nakuru	2982-20100, Nakuru
7. Equity Bank	0310296820551	Nakuru	3178-20100, Nakuru
8. MPESA Pay Bill No.:			Business Number: 522123, Account Number: 20144K Attached to bank account 1131692578

(g) Independent Auditors

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

Nakuru Girls' High School
Annual Report and Financial Statements for the year ended 30th June 2023

3. 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:

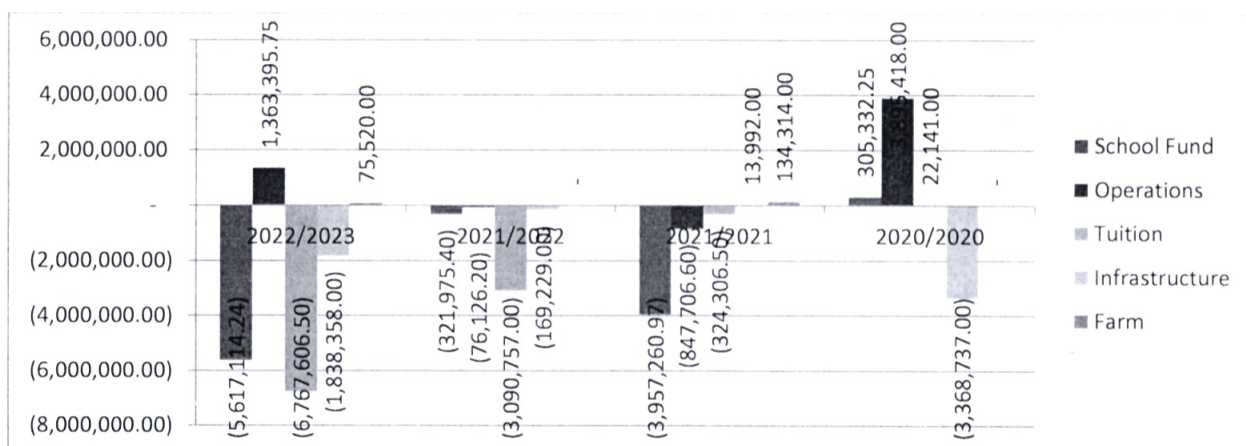
Below is an overview of the financial performance for the year ended 30th June 2023 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Summary of Financial Results

Actual financial performance trend for the four-year period between 1st January 2020 to 30th June 2023 covers a period of 12 months except financial year 2021/2021 ended 30th June 2021 which covers a period of 6 months and is summarised as follows:

Summary of Surplus/Deficit as per the accounts for the year and a comparison of the last three years

Sno	Description	2022/2023	2021/2022	2021/2021	2020/2020
		12 Months	12 Months	6 Months	12 Months
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	(5,617,114.24)	(321,975.40)	(3,957,260.97)	305,332.25
2	Operations Account	1,363,395.75	(79,126.20)	(847,706.60)	3,895,418.00
3	Tuition Account	(6,767,606.50)	(3,090,757.60)	(324,306.50)	22,141.00
4	Infrastructure Account	(1,838,358.00)	(169,229.00)	13,992.00	(3,368,737.00)
5	Farm Account	75,520.00	-	134,314.00	-
	TOTAL	(12,784,162.99)	(3,661,088.20)	(4,980,968.07)	854,154.25
	Increase (Decrease)	(9,123,074.79)	1,319,879.87	(5,835,122.32)	(5,785,963.15)

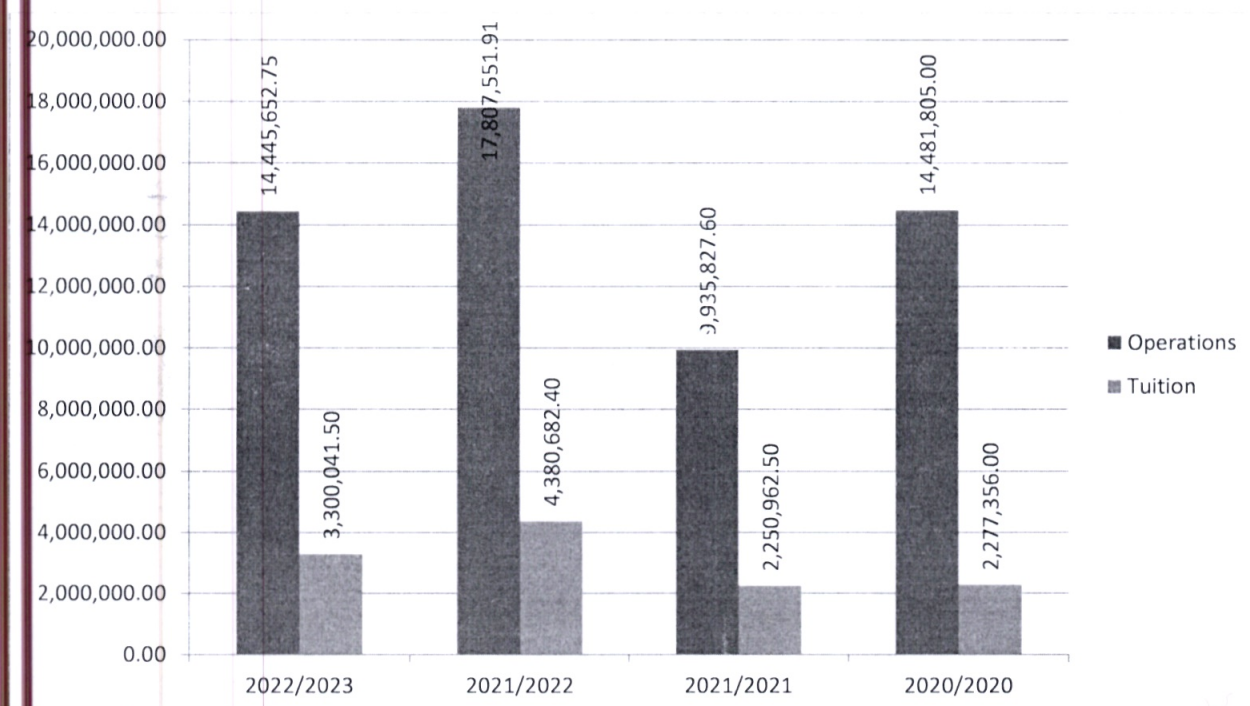


As shown in the table above, it reflects fluctuation in surplus of the school.

The deficit for the financial year 2022/2023 increased by Kshs 9,123,074.79 from a deficit of Kshs 3,661,088.20 in the financial year 2021/2022 to a deficit of Kshs 12,784,162.99.

Capitation Grants from the Ministry of Education for the year and a comparison of the last three years

Sno	Description	2022/2023 12 Months Kshs	2021/2022 12 Months Kshs	2021/2021 6 Months Kshs	2020/2020 12 Months Kshs
1	Operations Account	14,445,652.75	17,807,551.90	9,935,827.60	14,481,805.00
2	Tuition Account	3,300,041.50	4,380,682.40	2,250,962.50	2,277,356.00
	Total	17,745,694.25	22,188,234.30	12,186,790.10	16,759,161.00
	Increase (Decrease)	(4,442,540.05)	10,001,444.20	(4,572,370.90)	1,216,185.32
	No. of Students	1469	1334	1108	1100
	Ratio of Capitation per student	1:12,080.00	1:16,633.00	1:10,999.00	1:15,236.00
	Retained Capitation per student	10,164.00	5,611.00	11,245.00	7,008.00

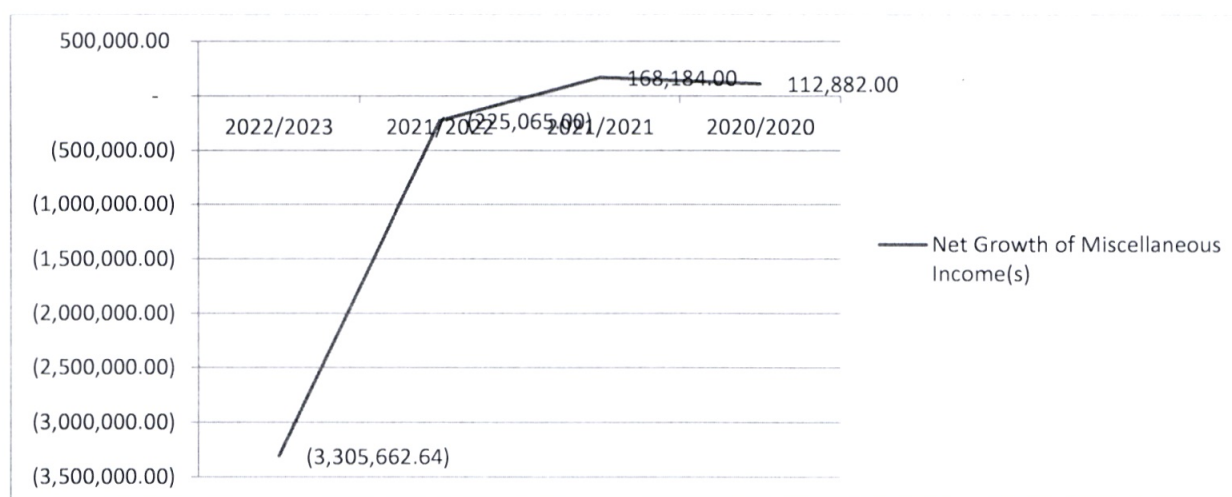


As per the Ministry of Education fee guidelines each student is expected to receive Free Day Secondary Education (FDSE) capitation of Kshs 22,244.00 per year.

In the financial year 2020/2020, 2021/2021, 2021/2022 and 2022/2023 Ministry of Education retained Kshs 7,008.00, Kshs 11,245.00, Kshs 5,611.00, and Kshs 10,164.00 respectively of the expected capitation. Also, all the financial years covers a period of 12 months except the financial year 2021/2021 which covers a period of 6 months.

Overview of net growth of miscellaneous income(s) (Note 21) for the year and a comparison of the last three

Sno	Description	2022/2023	2021/2022	2021/2021	2020/2020
		12 Months	12 Months	6 Months	12 Months
		Kshs	Kshs	Kshs	Kshs
1	Miscellaneous Income(s) (Net)	(3,305,662.64)	(225,065.00)	168,184.00	112,882.00
	Total	(3,305,662.64)	(225,065.00)	168,184.00	112,882.00
	Increase/Decrease	(3,080,597.64)	(393,249.00)	55,302.00	(1,389,370.00)



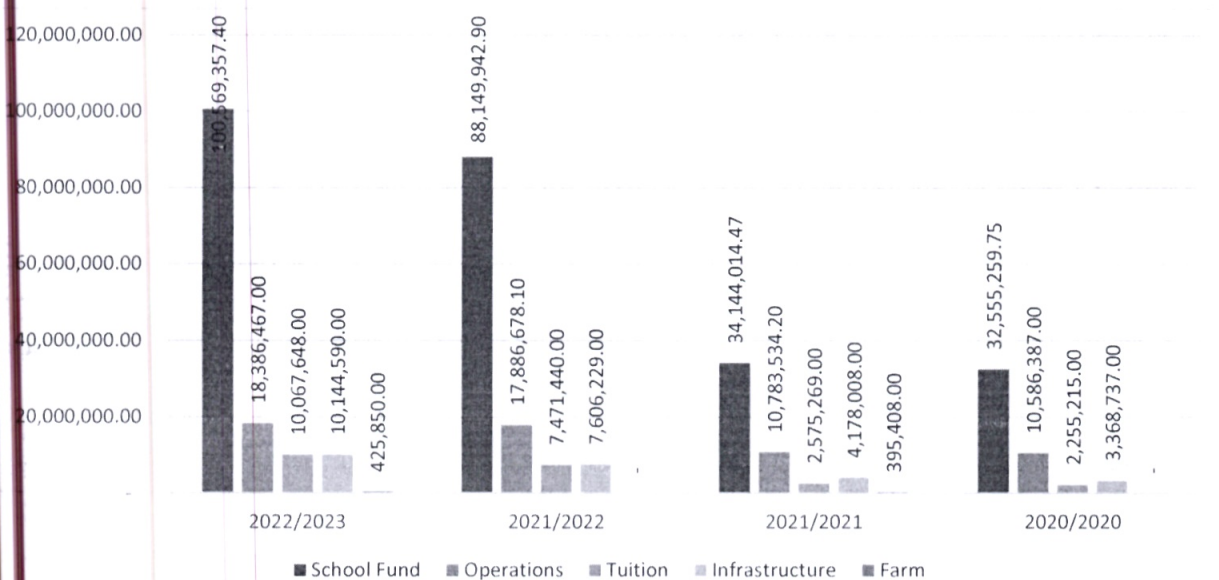
The net growth of other income for the financial year 2022/2023 decreased by Kshs 3,080,597.64 from a deficit of Kshs 225,065.00 to a deficit of Kshs 3,305,662.64.

Both financial years 2022/2023 and 2021/2022 were hardly affected by reduction in number of accommodated students from other schools whenever they have educational trips and hosting players in organized co-curricular activities for either regional and national by the Ministry of Education.

From the financial year 2020/2020 to date, the school has been experiencing low farm output due to prolonged drought which had resulted from unpredicted climatic condition.

Overview of growth in expenditure of the school as per accounts for the year and a comparison of the last three

Sno	Accounts	2022/2023	2021/2022	2021/2021	2020/2020
		12 Months	12 Months	6 Months	12 Months
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	100,569,357.40	88,149,942.90	34,144,014.47	32,555,259.75
2	Operations Account	18,386,467.00	17,886,678.10	10,783,534.20	10,586,387.00
3	Tuition Account	10,067,648.00	7,471,440.00	2,575,269.00	2,255,215.00
4	Infrastructure Account	10,144,590.00	7,606,229.00	4,178,008.00	3,368,737.00
5	Farm Account	425,850.00	-	395,408.00	-
	Total	139,593,912.40	121,114,290.00	52,076,233.67	48,765,598.75
	Increase (Decrease)	18,479,622.40	69,038,056.33	3,310,634.92	(43,420,832.35)



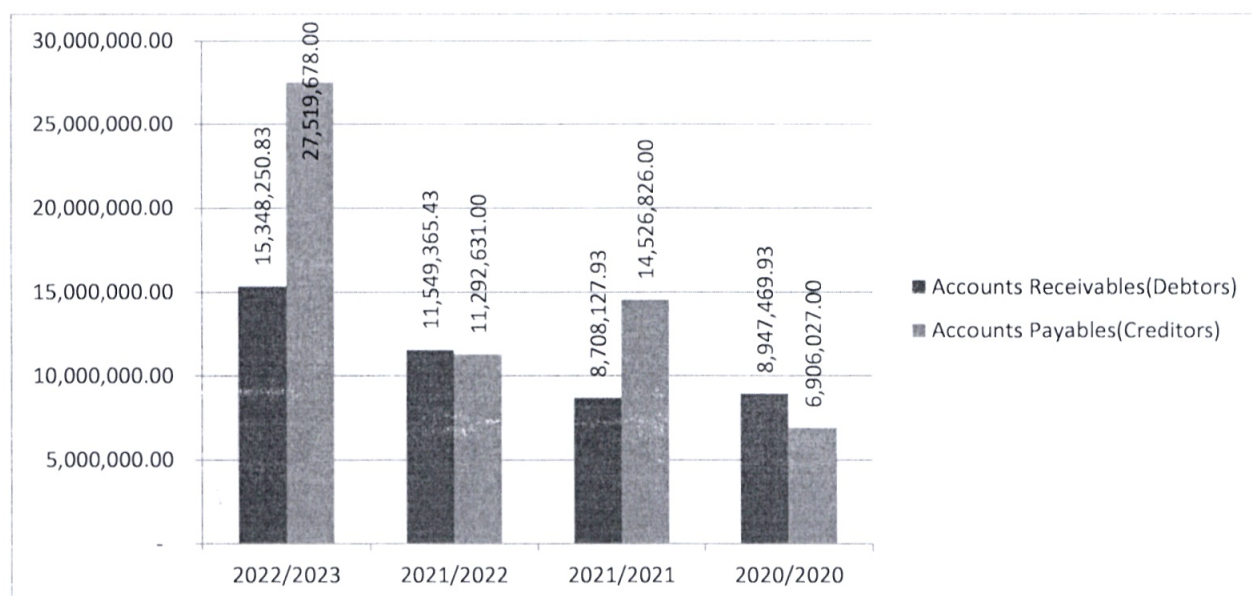
The growth in expenditure in the financial year 2022/2023 increased by Kshs 18,479,622.40 to Kshs 139,593,912.40 from Kshs 121,114,290.00 in the financial year 2021/2022 due to increase in activities during the year.

Nakuru Girls' High School

Annual Report and Financial Statements for the year ended 30th June 2023

Movement of debtors and creditors of the school for the year and a comparison of the last three

Sno	Description	2022/2023	2021/2022	2021/2021	2020/2020
		12 Months	12 Months	6 Months	12 Months
		Kshs	Kshs	Kshs	Kshs
a	Debtors	15,348,250.83	11,549,365.43	8,708,127.93	8,947,469.93
	Total	15,348,250.83	11,549,365.43	8,708,127.93	8,947,469.93
	Increase (Decrease)	3,798,885.40	2,841,237.50	(239,342.00)	(8,903,597.00)
b	Creditors	27,519,678.00	11,292,631.00	14,526,826.00	6,906,027.00
	Total	27,519,678.00	11,292,631.00	14,526,826.00	6,906,027.00
	Increase (Decrease)	16,227,047.00	(3,234,195.00)	7,620,799.00	1,366,454.10



Total debtors as at 30th June 2023 increased by Kshs 3,798,885.40 to Kshs 15,348,250.83 from Kshs 11,549,365.43 in the financial year 2021/2022. The main contributors to the increase in total debtors are the students' having high fee balances.

Total creditors as at 30th June 2023 increased by Kshs 16,227,047.00 to Kshs 27,519,678.00 from Kshs 11,292,631.00 in the financial year 2021/2022. The main reasons to the increase in total creditors is due to low fees collection, high skyrocketed prices of foodstuff/services which resulted from high inflation rate and increased FDSE capitation retention by the Ministry of Education.

b) Teacher Student ratio

Between the month of 1st July 2022 and 30th June 2023, the status of the teaching staff is as follows: There are 61 teachers posted by the Teachers Service Commission and five (5) recruited by the Board of Management. We are grateful that 2 teachers have been posted to school and one (1) teacher was promoted as deputy principal in other school situated in Nakuru North Sub County.

Two (2) were transferred within Nakuru East Sub County. There were two (2) retirees in April 2023.

Financial Year	No. of Teachers (TSC)	No. of Students	Teachers Student Ratio
To 30 th June 2023	61	1469	1:24
To 30 th June 2022	50	1334	1:27
To 30 th June 2021	50	1108	1:22

The teacher student ratio lies at 1: 24 and we have a shortage of 12 teachers from the given CBE. This is due to subject specialization in Form 2, Form 3 and Form 4. The Board of Management has employed five (5) teachers reducing the shortage to 7.

Below is the table tabulating the shortage of teachers per subject combination:

Subject	Number of teachers required
Mathematics	2
Business Studies	2
Computer Studies	1
Geography	2
C.R. E	1
History & Government	1
Chemistry	1
Biology	2
Total	12

Nakuru Girls' High School
Annual Report and Financial Statements for the year ended 30th June 2023

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

Year	Enrolment	Mean	Transition	Transition (%)	School Target	Comments
2022	265	8.1396	221	83.4	10.8	Negative deviation of -0.5752. There is a drop in the mean score attained and in the percentage transition rate.
2021	270	8.7148	253	93.7	10.8	Negative deviation of 2.3% transition rate. The least grade was D+ (1) out of 270 all qualified for TVET, middle level colleges and university
2020	243	8.9506	232	96.0	10.8	Positive deviation of 2.0 in transition rate. The least grade was a C (11) out of 243 all qualified for middle level colleges and university.
2019	233	9.4957	219	94.0	10.51	Positive deviation of 12.0 in transition rate and 1.4718 in the mean grade. Among top 20 schools in the country. The best performance in the last 5 years.

Nakuru Girls' High School
Annual Report and Financial Statements for the year ended 30th June 2023


d) Capacity of the school:

Currently the school has an enrolment of 1469 students and enrolment is expected to increase rapidly up to 1800 students by the end of the next financial year 2023/2024. Below is the table tabulating the capacity of the school facilities

Sno.	Facility	Expected	Current	Shortage	Comment
1	Dinning Hall	4	1	3	The current dining hall has a capacity of 500 students. The school require three(3) more dining halls with capacity of 1500 students.
2	Laboratories	8	6	2	Currently the school has 6 laboratories which are in use and it requires two (2) more laboratories.
3	Toilets	75	105	-	The school has enough toilets.
4	Dormitories	12	11	1	The school requires one(1) dormitory with a capacity of 400 students.
5	Classes	40	26	14	The school has a shortfall of 14 classes to accomodate 630 students.


e) Development projects carried out by the school:

Sno	Project	Source of Funding	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected Completion Time
1	Completion of Classrooms and a Ramp	Maintenance & Improvement	Completed	6,968,000.00	5,680,542.00	1 Year
2	Purchase of furniture	Maintenance & Improvement	Completed	2,300,000.00	2,259,940.00	1 Year
	Total			9,268,000.00	7,940,482.00	




Willy R. Kariuki (Mr)
Chairman,
Board of Management

Nakuru Girls' High School
Date: 30th May 2024



Rose Jepleting Rono (Mr.)
Secretary,
Board of Management
/Principal

Nakuru Girls' High School
Date: 30th May 2024



Anthony Njoroge Kamau (Mr)
Finance Officer

Nakuru Girls' High School
Date: 30th May 2024



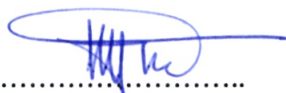
4. Statement of School Management Responsibility

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

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

The Board of Management of Nakuru 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 30th June, 2023, and of the school's financial position as at that date.



.....
Willy R. Kariuki (Mr)
Chairman,
Board of Management

Nakuru Girls' High School
Date: 30th May 2024



.....
Rose Jepleting Rono (Mrs)
Secretary,
Board of Management
/Principal

Nakuru Girls' High School
Date: 30th May 2024



.....
Anthony Njoroge Kamau (Mr)
Finance Officer

Nakuru Girls' High School
Date: 30th May 2024



REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NAKURU GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NAKURU COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nakuru Girls' High School - Nakuru County set out on pages 1 to 13, which comprise of the statement of assets and

liabilities as at 30 June, 2023, 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, notes to the financial statements and other important disclosures 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Nakuru Girls' High School - Nakuru County as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with and the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Long Outstanding Student Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.15,348,251 in respect of fees arrears as disclosed in Note 14 to the financial statements. Included in the balance are receivables amounting to Kshs.5,105,301 or 33% which 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 value of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.15,348,251 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total revenue budget of Kshs.167,680,500 and actual receipts of Kshs.138,622,645 resulting to an underfunding of Kshs.29,057,855 or 18% of the budget. However, the School spent an amount of Kshs.151,406,808 against actual receipts of Kshs.138,622,645 resulting to overutilization of Kshs.12,784,163 or 9% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

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. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.19,749,863 as disclosed in Note 2 to the financial statements. Included in the grants amount is Kshs.1,633,160 in respect of infrastructure grants not transferred to the infrastructure bank account for the maintenance and improvement of the School's facilities as at 30 June, 2023. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education's circular.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.112,382,253 as disclosed in Note 10 to the financial statements. Included in the expenditure is an amount of Kshs.493,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is

not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the School may not have received value for the amount of Kshs.493,000 transferred to the Association.

3. Failure to Prequalify Suppliers

Review of the procurement procedures for the period under review revealed that the School did not have a prequalified list of suppliers as per the provisions of Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of the procurement function of a procuring entity to maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

4. Irregular Procurement of Infrastructure Projects

The statement of receipts and payments reflects an amount of Kshs.10,144,590 in respect of payments for infrastructure as disclosed in Note 9 to the financial statements. Included in these payments is an amount of Kshs.6,751,452 that was paid to suppliers for the supply of construction materials for the construction of Phase II of three (3) classrooms through labour-based contract.

However, the suppliers were single sourced and the School did not follow the provisions of the Second Schedule of the Public Procurement and Asset Disposal Regulations, 2020 on procurement threshold.

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

5. Excess Supply of Books by the Ministry

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the School received one thousand and seventy-five (1,075) books on various subjects that were not being offered in the School.

In the circumstances, value for money on the excess books could not be confirmed.

6. Inaccuracies in the Students Data Uploaded in NEMIS

The statement of receipts and payments reflects receipts from capitation grants for tuition, capitation grants for operations and infrastructure grants amounts of Kshs.3,300,041, Kshs.19,749,862 and Kshs.8,306,232, respectively as disclosed in Note 1, Note 2 and Note 3 to the financial statements. Review of the NEMIS capitation disbursements data against the actual School enrolment revealed variances as listed in the table below: -

	Disbursement	Number of Students In NEMIS Data	Confirmed Number of Students	Variance
1	Operations and Tuition Disbursement July, 2022	1,083	1,227	144
2	Operations and Tuition Disbursement September, 2022	1,305	1,320	15
3	Operations and Tuition Disbursement January, 2023	1,313	1,385	72
4	Operations and Tuition Disbursement April, 2023	1,107	1,433	326

In the circumstances, the underfunding of the School may have affected service delivery to the students.

7. Long Outstanding Accounts Payables

The statement of financial assets and liabilities reflects accounts payables of Kshs.27,519,678 comprising trade creditors of Kshs.25,382,187 and prepaid fees of Kshs.2,137,491. Review of the creditor aging analysis revealed an amount of Kshs.2,944,322 on trade creditors and Kshs.2,137,491 on prepaid fees that has been outstanding for more than one year.

In the circumstances, the School is at risk of incurring penalties for failure to settle its obligations as and when they fall due.

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

Review of the financial statements revealed that the values in the financial statements are not rounded to the nearest Kenya Shillings as provided under significant accounting policies on statements of compliance and basis for preparation of the financial statements.

In the circumstances, Management did not comply with the PSASB reporting template requirements.

The audit was conducted in accordance with the 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 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on

the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Constitute an Audit committee

The School had not constituted an audit committee as required by Section 61(2) of the Basic Education Act, 2013 which requires Board of Management of an institution of basic education to establish an audit committee.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

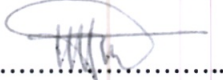
13 September, 2024

Nakuru Girls' High School
Annual Report and Financial Statements for the year ended 30th June 2023

6. Statement of Receipts and Payments for the Year Ended 30th June 2023


Description	Note	2022/2023	2021/2022
		12 Months	12 Months
		Kshs	Kshs
Receipts			
Government Grants for Tuition	1	3,300,041.50	4,380,682.40
Government Grants for Operations	2	19,749,862.75	17,807,551.90
Government Grants for Infrastructure	3	8,306,232.00	7,437,000.00
School Fund Income- Parents' Contributions	4	100,569,357.40	85,373,587.50
Miscellaneous Incomes	5	6,195,781.36	2,454,380.00
Farm	6	501,370.00	-
Total Receipts		138,622,645.01	117,453,201.80
Payments			
Tuition	7	10,067,648.00	7,471,440.00
Operations	8	18,386,467.00	17,886,678.10
Infrastructure	9	10,144,590.00	7,606,229.00
Boarding and School Fund	10	112,382,253.00	88,149,942.90
Farm	11	425,850.00	-
Total Payments		151,406,808.00	121,114,290.00
Surplus/Deficit		(12,784,162.99)	(3,661,088.20)

The school financial statements were approved on 30th May 2024 and signed by:



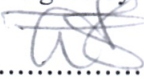
Willy R. Kariuki (Mr)
Chairman,
Board of Management

Nakuru Girls' High School
Date: 30th May 2024



Rose Jepleting Rono (Mrs)
Secretary,
Board of Management
/Principal

Nakuru Girls' High School
Date: 30th May 2024



Anthony Njoroge Kamau (Mr)
Finance Officer


Nakuru Girls' High School
Date: 30th May 2024




7. Statement of Assets and Liabilities as at 30th June 2023

Description	Note	2022/2023	2021/2022
		12 Months	12 Months
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	12	3,192,786.18	2,302,051.63
Cash Balances	13	470,925.00	26,092.00
Total Cash and Cash Equivalent		3,663,711.18	2,328,143.63
Accounts Receivable	14	15,348,250.83	11,549,365.43
Total Financial Assets		19,011,962.01	13,877,509.06
Financial Liabilities			
Bank Balances	12	1,691,568.94	-
Accounts Payable	15	27,519,678.00	11,292,631.00
Total Financial Liabilities		29,211,246.94	11,292,631.00
Net Financial Assets		(10,199,284.93)	2,584,878.06
Represented By			
Fund Balance B/Fwd	16	2,584,878.06	6,245,966.26
Surplus/Deficit for the Year		(12,784,162.99)	(3,661,088.20)
Net Financial Position		(10,199,284.93)	2,584,878.06


The school financial statements were approved on 30th May 2024 and signed by:


.....
Willy R. Kariuki (Mr)
Chairman,
Board of Management

Nakuru Girls' High School
Date: 30th May 2024


.....
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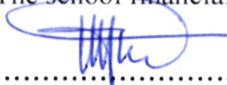
Nakuru Girls' High School
Annual Report and Financial Statements for the year ended 30th June 2023

8. Statement of Cash Flows for the Year Ended 30th June 2023


Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts for operating income			
Capitation Grants for Tuition	1	3,300,041.50	4,380,682.40
Capitation Grants for Operations	2	19,749,862.75	17,807,551.90
Capitation Grants for Infrastructure	3	8,306,232.00	7,437,000.00
School Fund Income- Parents' Contributions	4	100,569,357.40	85,373,587.50
Miscellaneous Incomes	5	6,195,781.36	2,454,380.00
Farm	6	501,370.00	-
Total receipts		138,622,645.01	117,453,201.80
Payments			
Cash Outflows for Tuition	7	10,067,648.00	7,471,440.00
Cash Outflows for Operations	8	18,386,467.00	17,886,678.10
Cash Outflows Boarding and school fund payments	9	112,382,253.00	88,149,942.90
Cash Outflows for Farm	11	425,850.00	-
Total payments		141,262,218.00	113,508,061.00
Net cash flow from operating activities		(2,639,572.99)	3,945,140.80
Adjusted for			
Changes in Accounts Receivables	14	(3,798,885.40)	(2,841,237.50)
Changes in Accounts Payable	15	16,227,047.00	(3,234,195.00)
Net cash flow from operating activities		9,788,588.61	(2,130,291.70)
Cashflow from Investing Activities			
Proceeds from Sale of Assets		-	-
Acquisition of Assets	10	(10,144,590.00)	(7,606,229.00)
Net Cash Flows from Investing Activities		(10,144,590.00)	(7,606,229.00)
Cashflow from Borrowing Activities			
Proceeds from borrowings/ loans	12	1,691,568.94	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		1,691,568.94	-
Net Increase in Cash and Cash Equivalents		1,335,567.55	(9,736,520.70)
Cash and cash equivalent at BEGINNING of the year		2,328,143.63	12,064,664.33
Cash and cash equivalent at END of the year		3,663,711.18	2,328,143.63

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS.

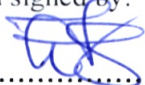
The school financial statements were approved on 30th May 2024 and signed by:



Willy R. Kariuki (Mr)
 Chairman,
 Board of Management



Rose Jepleting Rono (Mrs)
 Secretary,
 Board of Management
 /Principal

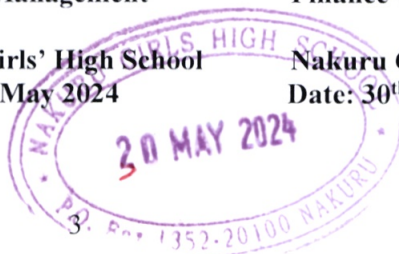


Anthony Njoroge Kamau (Mr)
 Finance Officer

Nakuru Girls' High School
 Date: 30th May 2024

Nakuru Girls' High School
 Date: 30th May 2024

Nakuru Girls' High School
 Date: 30th May 2024



9. Statement of Budgeted versus Actual Amounts for the Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjust Ments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c = a+b	d	e = d/c
Receipts	Kshs	Kshs	Kshs	Kshs	
(1) Capitation Grant on Tuition					
Exercise Books	2,295,000.00	-	2,295,000.00	1,180,902.00	51.46%
Laboratory Equipment	900,000.00	-	900,000.00	516,300.00	57.37%
Teaching/Learning Materials	1,533,000.00	-	1,533,000.00	1,036,916.75	67.64%
Internal Examination	753,000.00	-	753,000.00	505,921.00	67.19%
Reference/Library (Textbooks)	735,000.00	-	735,000.00	60,001.75	8.16%
SMASSE	300,000.00	-	300,000.00	-	0.00%
(2) Capitation Grant on Operations					
Local, Transport & Travelling	1,500,000.00	-	1,500,000.00	750,246.00	50.02%
Electricity, Water & Conservancy	2,700,000.00	-	2,700,000.00	1,501,575.00	55.61%
Repair, Maintenance & Improvement (1)	150,000.00	-	150,000.00	112,210.00	74.81%
Activity (1)	2,250,000.00	-	2,250,000.00	703,487.50	31.27%
Medical/Insurance	3,000,000.00	-	3,000,000.00	261,800.00	8.73%
Personal Emoluments	10,500,000.00	-	10,500,000.00	5,727,227.00	54.55%
Administration Costs	750,000.00	-	750,000.00	693,317.25	92.44%
Repair, Maintenance & Improvement (2) (Grant)	10,000,000.00	-	10,000,000.00	10,000,000.00	100.00%
(3) Capitation Grant on Infrastructure					
Maintenance & Improvement MOE	6,000,000.00	-	6,000,000.00	4,695,790.00	78.26%
Maintenance & Improvement Parents' Contribution	4,500,000.00	-	4,500,000.00	3,610,442.00	80.23%
(4) Fees Charged on Parents					
Boarding, Equipment & Stores	55,162,500.00	-	55,162,500.00	48,747,670.00	88.37%
Local, Transport & Travelling	14,100,000.00	-	14,100,000.00	15,588,083.00	110.55%
Electricity, Water & Conservancy	4,500,000.00	-	4,500,000.00	4,660,851.00	103.57%
Repair, Maintenance & Improvement	5,400,000.00	-	5,400,000.00	5,913,241.00	109.50%
Activity	1,555,500.00	-	1,555,500.00	1,716,973.00	110.38%
Personal Emoluments	5,746,500.00	-	5,746,500.00	4,400,075.00	76.57%
Administration Costs	7,050,000.00	-	7,050,000.00	7,829,299.40	111.05%
PA Project	16,800,000.00	-	16,800,000.00	11,713,165.00	69.72%
(5) Miscellaneous Income					
Accommodation	4,500,000.00	-	4,500,000.00	4,433,051.36	98.51%
Farm	4,300,000.00	-	4,300,000.00	1,668,730.00	38.81%
Tender	100,000.00	-	100,000.00	94,000.00	94.00%
(6) Farm Account					
Farm Output	600,000.00	-	600,000.00	501,370.00	83.56%
Total Income	167,680,500.00	-	167,680,500.00	138,622,645.01	82.67%

Nakuru Girls' High School
Annual Report and Financial Statements for the year ended 30th June 2023

(7) Expenditure For Tuition					
Exercise Books	2,295,000.00	-	2,295,000.00	4,929,098.00	214.78%
Laboratory Equipment	900,000.00	-	900,000.00	2,218,592.00	246.51%
Teaching/Learning Materials	1,533,000.00	-	1,533,000.00	1,659,350.00	108.24%
Internal Examination	753,000.00	-	753,000.00	1,236,208.00	164.17%
Reference/Library (Textbooks)	735,500.00	-	735,000.00	24,400.00	3.32%
SMASSE	300,000.00	-	300,000.00	-	0.00%
(8) Expenditure For Operations					
Local, Transport & Travelling	1,500,000.00	-	1,500,000.00	1,467,100.00	97.81%
Electricity, Water & Conservancy	2,700,000.00		2,700,000.00	2,602,200.00	96.38%
Repair, Maintenance & Improvement (1)	150,000.00	-	150,000.00	-	0.00%
Activity (1)	2,250,000.00	-	2,250,000.00	493,000.00	21.91%
Medical/Insurance	3,000,000.00	-	3,000,000.00	-	0.00%
Personal Emoluments	10,500,000.00	-	10,500,000.00	13,824,167.00	131.66%
Administration Costs	750,000.00	-	750,000.00	-	0.00%
Repair, Maintenance & Improvement (2) (Grant)	10,000,000.00	-	10,000,000.00	-	0.00%
(9) Expenditure For Infrastructure					
Construction of Classrooms and a Ramp	6,000,000.00	-	6,000,000.00	7,884,650.00	131.41%
Purchase of Furniture	4,500,000.00	-	4,500,000.00	2,259,940.00	50.22%
(10) Expenditure For School Fund/Boarding					
Boarding, Equipment & Stores	55,162,500.00	-	55,162,500.00	60,229,531.00	109.19%
Local, Transport & Travelling	14,100,000.00	-	14,100,000.00	15,175,335.00	107.63%
Electricity, Water & Conservancy	4,500,000.00	-	4,500,000.00	5,711,412.00	126.92%
Repair, Maintenance & Improvement	5,400,000.00	-	5,400,000.00	6,807,592.00	126.07%
Activity	1,555,500.00	-	1,555,500.00	1,983,475.00	127.51%
Personal Emoluments	5,746,500.00	-	5,746,500.00	4,329,285.00	75.34%
Administration Costs	7,050,000.00	-	7,050,000.00	8,644,179.00	122.61%
PA Project	16,800,000.00	-	16,800,000.00	-	0.00%
Miscellaneous Expenses	8,900,000.00	-	8,900,000.00	9,501,444.00	106.76%
(11) Expenditure For Farm					
Farm Input	600,000.00	-	600,000.00	425,850.00	70.98%
Total Expenditure	167,680,500.00	-	167,680,500.00	151,406,808.00	90.29%

Budget Commentary

- i. The school received 82.67% of the expected revenue from 1st July 2022 to 30th June 2023.
- ii. The school utilized 90.29% of the fees collected from 1st July 2022 to 30th June 2023.

10. 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 school fees from parents, 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. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

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 and adopted by the parents for implementation in an Annual General Meeting (A.G.M) on 31st March 2023. 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.

11. Notes to the Financial Statements

1 Capitation Grants for tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Exercise Books	1,180,902.00	399,604.00
Laboratory Equipment	516,300.00	542,940.00
Teaching / Learning Materials	1,036,916.75	1,592,834.40
Internal Examinations	505,921.00	977,580.00
Textbooks And Reference Materials	60,001.75	639,624.00
SMASSE	-	228,100.00
Total	3,300,041.50	4,380,682.40

2 Capitation Grants for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	5,727,227.00	10,122,838.00
Repairs Maintenance and Improvement 1	112,210.00	2,437,000.00
Local Travelling and Transport	750,246.00	1,264,817.00
Electricity Water and Conservancy	1,501,575.00	2,597,576.00
Medical	261,800.00	1,297,687.10
Administration Costs	693,317.25	87,633.80
Activity	703,487.50	-
Repairs Maintenance and Improvement 2 (Grant)	10,000,000.00	-
Total	19,749,862.75	17,807,551.90

3 Capitation Grants for Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance and Improvement (MOE & School Fund)	8,306,232.00	7,437,000.00
Total	8,306,232.00	7,437,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Boarding, Equipment and Stores	48,747,670.00	53,241,233.50
Local Travelling and Transport	15,588,083.00	13,234,141.00
Electricity Water and Conservancy	4,660,851.00	5,586,100.00
Repairs Maintenance and Improvement	5,913,241.00	3,868,705.00
Activity	1,716,973.00	932,438.00
Personnel Emoluments	4,400,075.00	4,301,756.00
Administration Costs	7,829,299.40	4,209,214.00
Pa Project	11,713,165.00	-
Total	100,569,357.40	85,373,587.50

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5 Miscellaneous Income(s)

Description		2022/2023	2021/2022
		Kshs	Kshs
Tender		94,000.00	118,000.00
Farm		1,668,730.00	1,779,180.00
Accommodation		4,433,051.36	557,200.00
Total		6,195,781.36	2,454,380.00

6 Farm Income

Description		2022/2023	2021/2022
		Kshs	Kshs
Farm Output		501,370.00	-
Total		501,370.00	-

7 Tuition

Description		2022/2023	2021/2022
		Kshs	Kshs
Exercise Books		4,929,098.00	2,231,433.00
Laboratory Equipment		2,218,592.00	971,553.00
Teaching / Learning Materials		1,659,350.00	2,425,700.00
Internal Examinations		1,236,208.00	1,091,740.00
Textbooks And Reference Materials		24,400.00	522,074.00
SMASSE		-	228,100.00
Bank Charges		-	840.00
Total		10,067,648.00	7,471,440.00

8 Operations

Description		2022/2023	2021/2022
		Kshs	Kshs
Personnel Emoluments		13,824,167.00	10,203,300.00
Repairs Maintenance and Improvement 1		-	2,437,000.00
Local Travelling and Transport		1,467,100.00	1,264,662.00
Electricity Water and Conservancy		2,602,200.00	2,596,529.00
Medical		-	1,297,687.10
Administration Costs		-	87,500.00
Activity		493,000.00	-
Total		18,386,467.00	17,886,678.10

9 Infrastructure

Description		2022/2023	2021/2022
		Kshs	Kshs
Construction of Classrooms and a Ramp		7,884,650.00	7,605,209.00
Purchase of Furniture		2,259,940.00	-
Bank Charges		-	1,020.00
Total		10,144,590.00	7,606,229.00

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10 Boarding and School Fund

Description		2022/2023	2021/2022
		Kshs	Kshs
Boarding, Equipment & Stores		60,229,531.00	53,067,978.67
Local Transport and Travelling		15,175,335.00	12,927,034.00
Electricity Water and Conservancy		5,711,412.00	6,395,060.00
Repairs Maintenance and Improvement		6,807,592.00	3,652,720.00
Activity		1,983,475.00	856,792.00
Personnel Emoluments		4,329,285.00	4,106,136.00
Administration Costs		8,644,179.00	4,464,777.23
Miscellaneous Expenses		9,501,444.00	2,679,445.00
Total		112,382,253.00	88,149,942.90

11 Farm

Description		2022/2023	2021/2022
		Kshs	Kshs
Farm Expenses		425,850.00	-
Total		425,850.00	-

12 a) Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2022/2023	2021/2022
			Kshs	Kshs
Tuition Account	Active	01139025846200	27,534.80	105,476.30
Operations Account	Active	1101669888	1,733,568.25	370,172.50
School Fund Account	Active	0130269238233	-	628,318.30
School Fund Account	Active	1131692578	1,148,853.28	504,125.58
School Fund Account	Active	0102828828400	-	486,649.10
Infrastructure Account	Active	0310298820551	202,995.85	202,995.85
Farm Account	Active	1198915803	79,834.00	4,314.00
Total			3,192,786.18	2,302,051.63

12 b) Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2022/2023	2021/2022
			Kshs	Kshs
School Fund Account	Active	0130269238233	1,141,567.04	-
School Fund Account	Active	0102828828400	550,001.90	-
Total			1,691,568.94	-

13 Cash in Hand

Description		2022/2023	2021/2022
		Kshs	Kshs
Notes, Coins and Cheque		470,925.00	26,092.00
Total		470,925.00	26,092.00

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14 Accounts Receivable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Fees arrears (See ageing below and appendix 1)		15,348,250.83		11,549,365.43
Total		15,348,250.83		11,549,365.43

14 b) Ageing Analysis of Accounts Receivable

Description	2022/2023		2021/2022	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	10,242,950.40	66.75%	3,879,463.00	33.60%
Between 1-2 years	485,313.00	3.16%	93,097.50	0.80%
Between 2-3 years	254,452.00	1.66%	1,598,908.00	13.80%
Over 3 years	4,365,535.43	28.43%	5,977,896.93	51.80%
Total	15,348,250.83	100.00%	11,549,365.43	100.00%

15 Accounts Payable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Trade creditors (See ageing below and appendix 1)		25,382,187.00		9,155,140.00
Prepaid fees		2,137,491.00		2,137,491.00
Total		27,519,678.00		11,292,631.00

15 b) Ageing Analysis of Accounts Payable

Description	2022/2023		2021/2022	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	22,437,865.00	88.40%	8,197,840.00	89.54%
Between 1-2 years	2,146,572.00	8.46%	-	-
Between 2-3 years	-	-	-	-
Over 3 years	797,750.00	3.14%	957,300.00	10.46%
Total	25,382,187.00	100.00%	9,155,140.00	100.00%

16 Fund Balance Brought Forward

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Bank balances		2,302,051.63		11,835,090.33
Cash balances		26,092.00		229,574.00
Receivables		11,549,365.43		8,708,127.93
Payables		(11,292,631.00)		(14,526,826.00)
Total		2,584,878.06		6,245,966.26

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17 Summary of Overview of Net Growth of Miscellaneous Income(s)

Description	2022/2023	2021/2022	2021/2021	2020/2020
Incomes	Kshs	Kshs	Kshs	Kshs
Tender	94,000.00	118,000.00	-	105,000.00
Farm	1,668,730.00	1,779,180.00	529,722.00	1,920,537.00
Accommodation	4,433,051.36	557,200.00	373,870.00	-
Total	6,195,781.36	2,454,380.00	903,592.00	2,025,537.00
Expenditures				
Tender	82,926.00	116,925.00	-	19,000.00
Farm	6,221,050.00	2,006,666.00	395,408.00	1,893,655.00
Accommodation	3,197,468.00	555,854.00	340,000.00	-
Total	9,501,444.00	2,679,445.00	735,408.00	1,912,655.00
Net Growth Incomes				
Tender	11,074.00	1,075.00	-	86,000.00
Farm	(4,552,320.00)	(227,486.00)	134,314.00	26,882.00
Accommodation	1,235,583.36	1,346.00	33,870.00	-
Total	(3,305,662.64)	(225,065.00)	168,184.00	112,882.00

Other important disclosure notes

IPSAS Cash Standard 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.

18 Biological assets

Description	Numbers	2022/2023	2021/2022
		Kshs	Kshs
Cattle	59	1,885,000.00	1,599,000.00
Trees	2405	7,215,000.00	1,560,000.00
Total		9,100,000.00	3,159,000.00

19 Stock/Inventory

Description	2022/2023	2021/2022
	Kshs	Kshs
Food stuffs	6,619,336.00	2,376,649.00
Lab consumables	224,140.00	109,700.00
Medication	39,052.40	-
Boarding Items	173,942.00	173,911.00
Electricals Items	139,828.00	85,855.00
Stationeries	2,197,508.50	3,547,244.94
TOTAL	9,393,806.90	6,293,359.94

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13. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Sno	Supplier of Goods/Services	Balance B/F as at 01/07/2022	Trade Creditors during the year	Total Outstanding Balances	Amount Paid To-date	Net Outstanding Balance as at as 30/06/2023	Comment
		Kshs	Kshs	Kshs	Kshs	Kshs	
		a	b	c=a+b	d	e=c-d	
a	Construction of Buildings						
1	Edward Njeru	365,750.00	-	365,750.00	365,750.00	-	
2	Shawa Contractors	-	1,735,578.00	1,735,578.00	-	1,735,578.00	
3	Sagla Holdings Ltd	-	468,530.00	468,530.00	-	468,530.00	
	Sub-Total (a)	365,750.00	2,204,108.00	2,569,858.00	365,750.00	2,204,108.00	
b	Supply of goods						
	Tuition Account						
1	Remo Stationers & Printers	513,630.00	1,779,578.00	2,293,208.00	513,630.00	1,779,578.00	
2	Patmat Bookshop	931,964.00	1,202,965.00	2,134,929.00	597,121.00	1,537,808.00	
3	Guaca Stationers Ltd	1,846,433.00	4,274,098.00	6,120,531.00	327,385.00	5,793,146.00	
4	Globeville Africa Ltd	204,160.00	797,616.00	1,001,776.00	204,160.00	797,616.00	
	Sub-Total (b)	3,496,187.00	8,054,257.00	11,550,444.00	1,642,296.00	9,908,148.00	
	School Fund Account						
1	Gilani's Supermarket	437,200.00	130,064.00	567,264.00	437,200.00	130,064.00	
2	Weaverbird Garments	467,925.00	313,070.00	780,995.00	467,925.00	313,070.00	
3	Mytiff Enterprises	123,979.00	-	123,979.00	123,979.00	-	
4	Samuel Muyanzi	336,000.00	-	336,000.00	336,000.00	-	
5	Datachem Industries Ltd	32,600.00	-	32,600.00	32,600.00	-	
6	Zen Pharmaceuticals	156,382.00	70,342.00	226,724.00	156,382.00	70,342.00	
7	Green World Feeds	231,800.00	-	231,800.00	115,900.00	115,900.00	
8	Brytlux Supplies Ltd	216,715.00	154,700.00	371,415.00	216,715.00	154,700.00	
9	Eskarift Enterprises	-	335,080.00	335,080.00	-	335,080.00	
10	Shirsif Enterprises	40,500.00	138,979.00	179,479.00	40,500.00	138,979.00	
11	Floan Cereals & Shop Items	700,000.00	664,580.00	1,364,580.00	700,000.00	664,580.00	
12	Mache Hardware Stores	14,720.00	-	14,720.00	14,720.00	-	
13	Prime Mattress Ltd	48,000.00	-	48,000.00	48,000.00	-	
14	Woolshop Ltd	957,300.00	-	957,300.00	159,550.00	797,750.00	
15	Zuprehesh Enterprises	-	1,960,088.00	1,960,088.00	-	1,960,088.00	
16	Copycate Enterprises Ltd	-	465,728.00	465,728.00	-	465,728.00	
17	Nakuru Girls Farm	-	254,590.00	254,590.00	-	254,590.00	
18	Cymo Syfruits	-	102,120.00	102,120.00	-	102,120.00	
19	Jalaram Timber & Hardware	-	1,490,920.00	1,490,920.00	-	1,490,920.00	
20	Generation Tyres Ltd	-	186,000.00	186,000.00	-	186,000.00	
21	Devashish Enterprises Ltd	-	102,160.00	102,160.00	-	102,160.00	
22	Hygienic Matt Ltd	-	1,183,286.00	1,183,286.00	-	1,183,286.00	

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23	Kinamba Evans Enterprises	-	775,665.00	775,665.00	-	775,665.00
24	Hygienic Butchery	-	1,295,770.00	1,295,770.00	-	1,295,770.00
	Sub-Total (c)	3,763,121.00	9,623,142.00	13,386,263.00	2,849,471.00	10,536,792.00
c	Supply of Services					
1	Nakusoft Services	92,000.00	104,000.00	196,000.00	92,000.00	104,000.00
2	Creative Metro Services Ltd	78,000.00	54,000.00	132,000.00	78,000.00	54,000.00
3	Stephen Lovega Musa	82,500.00	-	82,500.00	82,500.00	-
4	Euroten Services	10,500.00	60,740.00	71,240.00	10,500.00	60,740.00
5	Thomas & Associates Mgt	20,000.00	-	20,000.00	-	20,000.00
6	Hemmssoft Solutions	10,680.00	-	10,680.00	10,680.00	-
7	Jopo Electricals Ltd	236,000.00	135,000.00	371,000.00	214,500.00	156,500.00
8	First County Auto Services	160,616.00	149,430.00	310,046.00	160,616.00	149,430.00
9	Ngeton Electrical Services	-	12,000.00	12,000.00	-	12,000.00
10	James Njoroge	254,100.00	-	254,100.00	254,100.00	-
11	David Njuguna Kamau	10,710.00	-	10,710.00	-	10,710.00
12	Kanjasa Enterprises	180,388.00	785,500.00	965,888.00	180,388.00	785,500.00
13	CIC Group	124,571.00	-	124,571.00	-	124,571.00
14	Wilgeton Enterprises Ltd	-	119,350.00	119,350.00	-	119,350.00
15	Nawassco Ltd	270,017.00	1,136,338.00	1,406,355.00	270,017.00	1,136,338.00
	Sub-Total (d)	1,530,082.00	2,556,358.00	4,086,440.00	1,353,301.00	2,733,139.00
	Grand Total (e=a+b+c+d)	9,155,140.00	22,437,865.00	31,593,005.00	6,210,818.00	25,382,187.00
	Less than 1 year	-	-	-	-	22,437,865.00
	Between 1-2 years					2,146,572.00
	Between 2-3 years					-
	Over 3 years					797,750.00

Annex 2 - Summary of Fixed Assets Register

Sno	Asset class	Historical Cost b/f 01/07/2022	Addition during the year	Disposal during the year	Historical Cost c/f 30/06/2023
		Kshs	Kshs	Kshs	Kshs
1	Land	850,000,000.00	-	-	850,000,000.00
2	Buildings and Structure	351,048,024.00	5,680,542.00	-	356,728,566.00
3	Motor Vehicles	14,660,000.00	-	-	14,660,000.00
4	Office Equipment, furniture and fittings	3,706,589.00	2,339,926.00	-	6,046,515.00
5	ICT Equipment and Other ICT Assets	6,271,704.00	686,000.00	-	6,957,704.00
6	Tools and Apparatus	1,906,130.00	1,444,485.00	-	3,350,615.00
7	Textbooks	5,690,892.00	1,342,420.00	-	7,033,312.00
8	Other Machinery and Equipment	6,717,000.00	-	-	6,717,000.00
9	Intangible Assets-Software	198,645.00	-	-	198,645.00
	Total	1,240,198,984.00	11,493,373.00	-	1,251,692,357.00