

REPUBLIC OF KENYA



Enhancing Accountability



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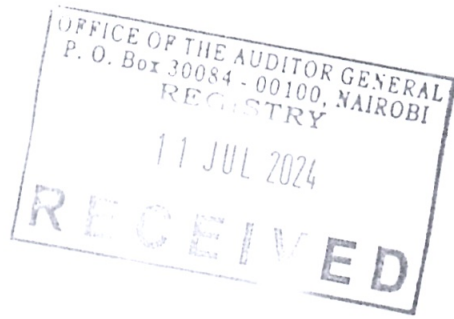
THE AUDITOR-GENERAL

ON

CHAVAKALI HIGH SCHOOL

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

VIHIGA COUNTY



CHAVAKALI HIGH 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)

CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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CHAVAKALI HIGH SCHOOL

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

I. Key School Information and Management

(a) Background information

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

The school was re-registered in March 2020 under registration number 38S00300073 and is currently categorized as a National School.

The school is a boarding school and had **2195** number of students as at 30th June 2023. It has **12 streams** and **84 teachers** of which **27 teachers** are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref	Name of Board Member	Designation	Date of appointment
1	Mr. Rodgers Mulemi	Chairman	28 th May 2022
2	Mr. Edward Wachilonga	Secretary - Principal	28 th May 2022
3	Mr. Tom Alex Majani	Member -Rep CEB	“
4	Ms. Emily Kadenyi	Member - PA Chair	“
5	Mrs. Beatrice Agala	Member - Sponsor	“
6	Mr. Francis Omayo	Member - PA	“
7	Eng. Samson Kigen	Member- PA	“
8	Mrs. Lilian Gitau	Member -Community	“
9	Dr. Malweyi Inwani	Member -Community	“
10	Mr. Phelix Opondo	Members – PA Rep	“
11	Dr. Aggrey Lihanda	Member - Community	“
12	Mrs. Mical Wagah	Member -Community	“
13	Ms. Irene Wandia	Member –Teacher Rep	“
14	Ms. Pauline Anyango	Member – PA Rep	“
15	Ms. Milicent Anyango	Member – Special Needs	“
16	Mrs. Peninah Vulimu	Member -Sponsor	“
17	Beatrice Agala	Member - Sponsor	“
18	Mr. Benedict Khayati	D/Principal Acad	“
19	Mr. Evans Mackenzie	D/Principal Admin	“

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

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Rodgers Mulemi Mical Wagah Francis Omayo Edward Wachilonga Emily Kadenyi SCDE Benedict Khayati Evans Mackenzie	Chair person Member " " " " " "	4
2	Finance, procurement and general purposes Committee	Felix Opondo Peninah Vulimu Edward Wachilonga Rodgers Mulemi Emily Kadenyi Evans Mackenzie Benedict Khayati	Chair Person Member " " " "	3
3	Academic Committee	Aggrey Lihanda Mical Wagah Edward Wachilonga Tom Alex Majani Emily Kadenyi Benedict Khayati Evans Mackenzie	Chair person Member " " " " "	4
4	SIC Committee	Samson Kigen Rodgers Mulemi Edward Wachilonga Emily Kadenyi CDE/SCDE	Chair person Member " " "	5

CHAVAKALI HIGH SCHOOL

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
		Beatrice Agala Benedict Khayati Evans Mackenzie	“ “ “	
5	Discipline and welfare Committee	Francis Omayo Rodgers Mulemi Edward Wachilonga Emily Kadenyi Lilian Gitau Milicent Anyango Evans Mackenzie Benedict Khayati	Chair person Member “ “ “ “ “ “	5
6	Audit Committee	Tom Alex Majani Aggrey Lihanda Edward Wachilonga Samson Kigen Pauline Anyango Francis Omayo Evans Mackenzie	Chair person Member “ “ “ “ “	1

(d) School operation Management

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

Ref :	Designation	Name	TSC Number
1	Principal	John Kuira Warutere(June-Dec 2022)	199176
2	Principal	Edward wachilonga (Jan-June 2023)	
2	Deputy Principal- Finance & Admin	Evans Mackenzie	314622
3	Deputy Principal- Academics	Benedict Khayati	380239
4	School Bursar	Jared Omunyole (March-June 2023)	CPA -14051

CHAVAKALI HIGH SCHOOL

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

(e) Schools contacts

Post Office Box: 144-50300
Telephone: 0714726527
E-mail: chavahigh@yahoo.co.uk
Web site:

(f) School Bankers

The following school operated 10 number of bank accounts in the following banks:

1. Name of Bank: KCB Bank
Branch: Mbale
Account Number: 1102302228 – Boarding Account
1102302082 – Tuition Account
1102309605 - Operations Account
1110511930 – Savings A/c P.Emoluments
1110511647 – Savings A/c Service Gratuity
1255083204 - Parents Association A/c
2. Name of Bank: Equity Bank
Branch: Mbale
Account Number: 0960297321233 – SIC Account
0960297321162 – Fees Collection Account - Boarding
3. Name of Bank: Cooperative Bank
Branch: Mbale
Account Number: 01129471133000 – Fees Collection A/c – Boarding
4. Name of Bank: Absa Bank
Branch: Mbale
Account Number: 2037268197 – Fees Collection A/c

(g) Independent Auditors

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

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****II. Summary Report of Performance of the School**

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

a) **Financial performance:****Surplus and Deficit**

Year	June 2023	-	14,734,844.54
Year	June 2022	-	32,366,120.87
Year	Jan – June 2021	-	(316,699.00)

Capitation grants

Year	Tuition	Operations	Infrastructure	Total
June 2023	6,853,323	26,068,624	-	32,921,947
June 2022	6,633,211	19,190,312	9,428,059	35,251,582
Jan-June 2021	2,583,070	10,359,782	7,047,498	19,990,350

Ratio of Capitation Grants per Student

Year	2023	-	37,107,861.83/2195	=Kshs. 14,998.61 per student
Year	2022	-	35,251,582.40/2263	=Kshs. 15,577.40 per Student
Year	Jan – June 2021	-	19,990,349.60/1686	=Kshs. 11,856.60 per Student

Other Income Growth

Year	Parents Fees	Perimeter Wall	School Farm	Damages	Total
2022-2023	160,769,590	-	-	-	160,769,590
2021-2022	160,573,957	-	-	7,663,532	168,237,489
Jan-June 2021	55,714,792	-	-	-	55,714,792

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Growth in Expenditure**

Year	Tuition	Operations	Boarding	Infrastructure	Total
2022-2023	7,547,084	23,914,440	160,936,218	-	192,397,742
2021-2022	6,947,301	14,375,556	168,585,406	7,860,216	197,768,479
Jan-June 2021	2,533,704	9,600,110	60,268,870	9,512,445	81,915,129

Movement of Debtors (School Fees Arrears)

Year	Arrears 1996-2014	Arrears 2015-2022	Total
2022-2023	38,777,347	55,015,647	93,792,994
2021-2022	38,777,347	36,413,751	75,191,097
Jan-June 2021	38,777,347	30,192,165	68,969,512

Movement of Trade Creditors

Year	Tuition	Operations	Boarding	Total
2022-2023	473,201	-	30,274,928	30,748,129
2021-2022	8,870,545	-	16,372,049	25,242,594
Jan-June 2021	8,870,545	-	15,852,215	24,722,760

Movement of Cash and Bank Balances

Account	Dec 2021		June 2022		June 2023	
	Cash	Bank	Cash	Bank	Cash	Bank
Tuition	-	393,700	-	79,610	-	329,774
Operations	1,479	1,898,532	1,479	7,364,529	581	847,551
Boarding A/Cs	3,863,909	12,553,966	-	14,018,143	714,000	(1,326,438)
Infrastructure	-	8,064,264	-	16,309,910	-	27,036,190
Total	3,865,388	22,910,462	1,479	37,772,193	714,581	26,887,077

CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

b) Teacher Student ratio:

Total No. of teachers	-	84
No. of TSC teachers	-	57
No. of BOM teachers	-	27
No. of students	-	2195

Teacher to student ratio - 57 : 2195 = 1 : 39

c) Mean score, candidature and university transition in the 2020, 2021 and 2022 KCSE:

Year	Mean	Deviation	Candidature	University Entry
2020	8.5545	0.7987	404	404
2021	8.0098	-0.5447	452	401
2022	7.9121	-0.09	535	417

d) Capacity of the school:

Enrolment	Facilities				
	Classrooms	Dormitories	D/Hall	Laboratories	Toilets, Urinals & Water Points
2195	44	17	1	8	68

e) Development projects carried out by the school:

None.

NAME : Edward Wachilonga Namasaka

DESIGNATION: Senior Principal

SIGN:

[Handwritten Signature]

DATE:

8/7/2024



CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

III. Statement of School Management Responsibility

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

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

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

Name: - CPA Rodgers Mulemi
Designation: Chairman, School Board of Management

Sign: 

Date: 08/07/24

Name: Mr. Edward Wachilonga Namasaka
Designation: Senior Principal & Secretary Board of Management

Sign: 

Date: 8/7/2024



Name: CPA Jared Omunyole Ochieng

Designation: Bursar/ Finance Officer

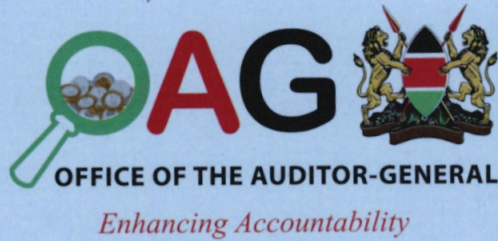
Sign: 

Date: 8/7/2024



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON CHAVAKALI HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – VIHIGA COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for 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 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 Chavakali High School – Vihiga County set out on pages 11 to 25, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows

and the 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 provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Chavakali High School – Vihiga 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 the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed that the statement of financial assets and financial liabilities reflects accumulated fund balance brought forward of Kshs.98,088,469. However, Note 13 to the financial statements reflects accumulated balance brought forward of Kshs.91,193,170 resulting to unexplained variance of Kshs.6,895,299.

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

2. Unsupported School Fund Income- Parents Contributions

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.160,769,590 in respect of school fund income- parents' contributions. However, the amount was not supported by detailed listings or schedule indicating the name of student and amount paid.

In the circumstances, the accuracy and completeness of school fund income - parents' contributions fees could not be confirmed.

3. Inaccuracies in the Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects a cash and cash equivalents balance of Kshs.45,219,693 and as disclosed in Note 9 and 10 to the financial statements. Review of the cash and cash equivalents revealed that the statement reflects bank balance of Kshs.44,505,112 which related to eleven (11) bank accounts as disclosed in Note 9 to the financial statements. However, the Management did not provide bank reconciliations statements for eight (8) bank accounts with a balance of Kshs.41,754,225.

Further, details of four (4) bank accounts previously reported were not disclosed under Note 9 to the financial statements and no evidence was provided whether they were closed. In addition, seven (7) cashbooks with a balance amounting to Kshs.14,718,035

were not provided for audit. The statements reflects an amount of Kshs.714,581 in respect of cash in hand. However, the amount was not supported with a Board of Cash Survey Report.

In addition, included in the bank balance of Kshs.44,505,112 is an overdrawn School fund bank account with a credit balance of Kshs.1,326,438. This is contrary to Paragraph 1.3.20 of the International Public Sector Accounting Standards on requirements for reporting of cash receipts, payments and balances on a gross basis which provides that assets and liabilities, receipts and payments shall not be offset unless required or permitted by the Accounting Standards.

In the circumstances, the accuracy of the cash and cash equivalents could not be confirmed.

4. Unsupported and Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.98,823,490. The accounts receivables balance was in respect of fees arrears, rent arrears and salary advances which was not supported by ledgers and debtors' schedule showing the opening balances, receivables for the year, amount received during the year and the outstanding balances. Further, receivable in respect of fees arrears amounting to Kshs.67,841,436 or 69% of the account receivables was outstanding for a period of over one (1) year.

In the circumstances, the accuracy and completeness of the accounts receivables could not be confirmed.

5. Inaccuracies of Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payable balance of Kshs.30,610,303 in respect of trade creditors, prepaid fees, pocket money, caution money and NHIF. Payable in respect of trade creditors amounting to Kshs.15,668,880 or 51% of the accounts payable was outstanding for a period of over one (1) year.

Further, Note 12 in the notes to the financial statements reflects accounts payable balance of Kshs.30,610,303. However, the schedule on ageing of accounts payables in the Note reflects a balance of Kshs.23,489,407 on aging of trade creditors only resulting to unexplained variance of Kshs.7,120,896.

In the circumstances, the accuracy and completeness of the accounts payables could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.180,986,050 and Kshs.207,742,154 respectively resulting to over-funding of Kshs.26,756,104 or 15% of the budget. However, the School spent amount of Kshs.192,397,742 against actual receipts of Kshs.207,742,154 resulting to an under-utilization of Kshs.15,344,412 or 7% of the actual receipts.

The source of the over-funding was not explained and the under-utilization 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2023. The

financial statements were submitted on 20 May, 2024 which was eight (8) months after the statutory deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. Late submission of financial report adversely affects the Office of the Auditor-General in meeting the statutory timelines.

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

2. Non-compliance with the Public Sector Accounting Standards Board

Review of the financial statements revealed that the financial statements were not paginated in accordance with the prescribed reporting template as issued by the Public Sector Accounting Standards Board. All the pages were numerically paginated whereas the reporting template requires that the pages containing the non-financial information be in roman numbers and pages from the statement of receipts and payments to the Annexes be in numerical numbers

Further, Annex 1 to the financial statements on analysis of pending accounts payables did not have the date the supplier was contracted and comparative outstanding balance (2022) and Annex 2 to the financial statements on summary of fixed assets register did not reflect the date assets were purchased as required by the template issued by the Public Sector Accounting Standards Board (PSASB).

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

3. Non-Compliance with the Public Procurement and Asset Disposal Act, 2015

Review of payment vouchers and supporting documentation revealed that there was no evidence that the goods were inspected after delivery to confirm if what was requested is what was delivered. This is contrary to Section 48 (1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to establish an *ad hoc* committee known as the Inspection and Acceptance Committee and the Committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.

Further, goods received and issued were not supported by counter requisition and issue vouchers to confirm the user department. This is contrary to provisions of Regulation 168 of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets by ensuring that they are received and taken on charge. In addition, Management did not prepare a procurement plan for the year under review.

This was contrary to Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior

to commencement of each financial year as part of the annual budget preparation process.

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

4. Conflict of Interest in Procurement of Goods

Review of payment records provided for audit revealed that amount of Kshs.3,672,900 was paid to the School workers group for supply and delivery of beef during the year under review. This group was a registered, owned and operated by members of non-teaching staff of the School who did not declare interest. This was contrary to Section 66 (5) (a) of the Public procurement and Asset Disposal Act, 2015 which states that an employee or agent of the procuring entity or a member of the Board or committee of the procuring entity who has a conflict of interest with respect to a procurement shall not take part in the procurement proceedings.

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

5. Non-Compliance with the Elections Act, 2011

Review of personal records revealed that a former Bursar did not resign six (6) months prior to the General elections and was duly elected as the Member of County Assembly in Kakamega County vide IEBC Kenya Gazette Notice No.9952. This was contrary to Section 43 (5) of the Elections Act, 2011 which states that, a public officer who intends to contest an election under this Act shall resign from public office at least six months before the date of election. Further, records provided for audit revealed that the bursar continued to perform his duties up to September, 2022 which was after being elected as a Member of County Assembly. Further, the personal file did not contain his resignation letter or the terms under which he left the office.

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

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

During the year under, the School transferred an amount of Kshs.1,308,420 to Kenya Secondary Schools Heads Association (KESSHA) to support the association activities. 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 the Schools.

In the circumstances, value for money of the funds transferred to KESSHA could not be confirmed.

7. Lack of Adequate Facilities in the Institution

Physical inspection of the School carried out on 29 June, 2024 revealed that dormitories beds were not spaced at the required minimum distance of 1.2 metres and movement

areas within the dormitories lacked corridors or pathways. This was contrary to Regulation 83 (k) of Basic Education Regulation, 2015 which states that the Board of Management of an institution shall ensure boarding facilities have space between the beds of at least 1.2 metres and corridors or pathways shall be at least 2 metres. Further, physical inspection of the classrooms revealed that the classrooms were congested and had between 51 students and 63 students contrary to the guidelines requiring 45 learners for Secondary Schools per a standard classroom.

In the circumstances, Management was in breach of the law and the strained facilities may affect the quality of education in the School.

8. Failure to Prepare School Improvement Plan

During the year under review, Management did not develop a School Improvement Plan to be used to measure the School's improvement activities, keep the School in focus in achieving the school target, prioritization of School needs, ensuring prudent utilization of resources and to improve accountability. This was contrary to Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School Funds which requires a School to develop improvement plan which is a road map for changes that a school needs to improve the school environment and learning outcomes.

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

9. Inadequate Management of Inventory

Review of the School's inventory revealed that there were books and stationery, food stuff and repairable furniture stocks. However, inventory management records such as receipts vouchers (S13), receipts counter issue vouchers (S11) and stores ledger cards (S9) were not maintained. This was contrary to Regulation 166(4) of the Public Procurement and Asset Disposal Regulations, 2020 which states that for effective, economic, efficient and transparent use of government inventory, stores and assets at all levels, an Accounting Officer of a procuring entity shall take full responsibility of the management or control of inventory and assets. Further, no evidence was provided for audit to indicate that stock-take exercise was conducted at the end the financial year and no stock/inventory report was disclosed in the annual report and in financial statements as required by the financial reporting template.

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

10. Non-Compliance with Non-Teaching Staffing Level

Review of the non- teaching staff payroll provided for audit revealed that the School employed a total of forty-four (44) non-teaching staff against the set limit of thirty-six (36) staff members. Thus, the School exceeded the maximum number of staffs by eight (8) officers. This was contrary to Section 5.0 of Ministry Circular No.MOE.HQS/3/13/3 dated 19 October, 2017 on Guidelines for Implementation of Free Day Secondary Education that states that in order to minimize the cost of secondary education, it is necessary to

rationalise the recruitment of non- teaching staff as recommended by the taskforce report as detailed in table 3.2 which sets the limit to thirty-six (36) staff members.

In the circumstances, Management was in breach of the Ministerial set guidelines and may lead to the School's inability to sustain the wage bill.

11. Failure to Reconcile Student Enrollment Data

Review of student's records provided for audit revealed unexplained variance in student numbers between National Education Management Information System and School registers resulting in overall under-disbursement of tuition fees on both capitation grants for tuition and operation fees as analyzed below:

Month	No. of Students per NEMIS	No of Students as per Register	Capitation Grant per Student Kshs.	Total Expected Capitation per School Register Kshs.	Actual Capitation Received Kshs.	Capitation not Received Kshs.
25 July, 2022	2,268	2,195	796	1,747,769	1,805,895	(58,126)
25 July, 2022	2,268	2,195	2,806	6,160,246	6,365,119	(204,874)
3 October, 2022	2,263	2,195	896	1,967,269	2,028,214	(60,945)
3 October, 2022	2,263	2,195	3,114	6,835,757	7,047,525	(211,768)
9 Feb, 2023	2,253	2,195	602	1,321,390	1,356,306	(34,916)
9 Feb, 2023	2,253	2,195	3,104	6,814,202	6,994,258	(180,056)
9 June, 2023	1,919	2,195	2,950	6,476,018	5,661,722	814,297
9 June, 2023	1,919	2,195	432	947,143	828,049	119,094

Management explained that the difference was due to failure by the School to fully register all students on National Education Management Information System especially Form One (1) students who at the time of admission, they did not have all the required particulars for uploading to National Education Management Information System. This was contrary to the Ministry of Education Circular No. MOE.HQ/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners to

be registered in National Education Management Information System and the principals to ensure their records are accurate.

In the circumstances, Management was in breach of the circular and the underfunding of the School may have affected service delivery to the students.

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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Weakness in the Accounting System

During the year under review, the School processed revenue and payments through an automated accounting system. However, the system did not produce periodical financial reports needed for internal management and controls purposes or for external analysis purposes such as budget performance reports, bursary reports, detailed revenue and receivables reports. Further, the system did not allow customization of reports to meet specific user needs such as preparation of bank reconciliation statements.

In the circumstances, the effectiveness of internal controls on the reliability of the accounting system could not be confirmed.

2. Failure to Maintain an Imprest Register

During the year under review, the School issued imprests to staff for different purposes. However, the imprests were not issued through imprest warrants and Management did not prepare and maintain an imprest register. It was therefore not possible to confirm whether the imprests issued during the year were accounted for and if the regulations regarding management of imprest were adhered to.

In the circumstances, the existence of effective internal controls on imprest management could not be confirmed.

3. Management of School Text Books

Review of textbooks records revealed that the school did not maintain stores ledger showing numbers of textbooks received, issued and the balances in the library. Further, there were no records indicating how and when one thousand and eighty-eight (1,088) set books copies of *Fathers of Nations* and *The Samaritan*, each received from Kenya Institute of Curriculum development (KICD) were taken charge in the School records.

In the circumstances, the effectiveness of the internal controls on text book management could not be confirmed.

12. Lack of Ownership Documents

Management maintained a fixed asset register which did not contain all information required including identification or serial number, acquisition date, description of asset, location, class, cost of acquisition and assets tag identification codes. Further, ownership documents for a parcel of land of undetermined size and owned by the School were not provided for audit.

In the circumstances, the ownership and safety custody of the fixed assets 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 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 the Management is aware of the intention to terminate the School or to cease operations.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls 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 policies and procedures may deteriorate.

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 September, 2024

Report of the Auditor-General on Chavakali High School for the year ended 30 June, 2023 –Vihiga County

CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

V. Statement of Receipts and Payments Period to 30th June 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	6,853,323	6,633,211
Capitation grants for operations	2	26,068,624	28,618,369
School Fund Income- Parents' Contributions	3	160,769,590	168,237,489
School Fund Income- Other receipts	4	14,050,617	28,847,567
TOTAL RECEIPTS		207,742,153	232,336,636
PAYMENTS			
Payments for Tuition	5	7,547,083	6,947,301
Payments for operations	6	23,914,441	14,472,123
Payments for Infrastructure	7	-	7,584,359
Boarding and school fund payments	8	160,936,218	174,926,354
TOTAL PAYMENTS		192,397,742	203,930,137
SURPLUS/DEFICIT		15,344,411	28,406,499

The school's financial statements were approved on 8/07 2024 and signed by:

.....
 Name: RONGETA MULEMI
 Chair BOM
 Date: 08/07/24

.....
 Name: James Mwangi
 School Principal/ Secretary to BOM
 Date: 8/7/2024

.....
 Name: JARED OMWITOPRE
 Bursar/ Finance Officer
 Date: 8/7/2024



CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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

	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	44,505,112	41,986,620
Cash Balances	10	714,581	1,479
Total Cash and cash equivalent		45,219,693	41,988,099
Account's receivables	11	98,823,490	80,993,772
TOTAL FINANCIAL ASSETS		144,043,183	122,981,639
FINANCIAL LIABILITIES			
Accounts Payables	12	30,610,303	24,893,352
NET FINANCIAL ASSETS		113,432,880	98,088,469
REPRESENTED BY			
Accumulated Fund b/fwd	13	98,088,469	69,681,970
Surplus/Deficit for the year		15,344,411	28,406,499
NET FINANCIAL POSITION		113,432,880	98,088,469

The school financial statements were approved on 8/07 2024 and signed by:

.....
Rodgers Mulum

Name: Rodgers Mulum

Chair BOM

Date: 08/07/24

.....
Emmy Wambui

Name: Emmy Wambui
 School Principal/ Secretary to
 BOM

Date: 8/7/2024

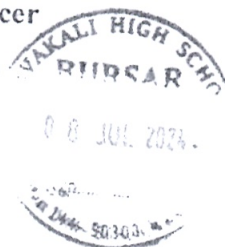


.....
Jared Gwinyore

Name: JARED GWINYORE

Bursar/ Finance Officer

Date: 8/7/2024



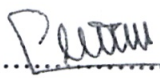
CHAVAKALI HIGH SCHOOL

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

VII. Statement of Cash Flows for The Period Ended 30th June 2023

	2022-2023	2021-2022
	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	6,853,323	6,633,211
Capitation grants for operations	26,068,624	28,618,369
School fund income- Parents contributions/ fees	142,386,639	150,866,164
School fund income- other receipts	14,050,617	28,847,567
Total receipts	189,359,203	214,965,311
Payments		
Payments for Tuition	7,547,083	6,947,301
Payments for operations	23,914,441	14,472,123
Boarding and school fund payments	154,666,085	176,010,618
Total payments	186,127,609	197,430,042
Net cash flow from operating activities	3,231,594	17,535,269
Cashflow From Investing Activities		
Acquisition of Assets	-	7,584,359
Net cash flows from Investing Activities	-	(7,584,359)
Cashflow From Borrowing Activities		
Proceeds from borrowings/ loans	-	-
Net cash flow from financing activities	-	-
Net Increase in Cash and Cash Equivalents	3,231,594	9,950,910
Cash and cash equivalent at BEGINNING of the year	41,988,099	32,037,189
Cash and cash equivalent at END of the year	45,219,693	41,988,099

The school's financial statements were approved on 8/07 2024 and signed by:



Name: ROBERT MUKEMI

Chair BOM

Date: 08/07/24

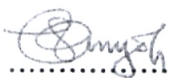


Name: James Mwangi
School Principal/ Secretary to BOM

BOM

Date: 8/7/24





Name: JAMES MWANGI

Bursar/ Finance Officer

Date: 8/7/2024



VIII. Statement of Budgeted Versus Actual Amounts for the Year Ended 30th June 2023

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Teaching / learning materials	9,137,520	-	9,137,520	6,018,463	3,119,057	66%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	9,635,611	-	9,635,611	8,581,938	1,053,673	89%
Repairs and maintenance	10,975,000	-	10,975,000	5,351,945	5,623,055	49%
Local transport / travelling	3,073,000	-	3,073,000	2,138,884	934,116	70%
Electricity and water	5,282,048	-	5,282,048	3,696,718	1,585,330	70%
Medical & Insurance	4,390,000	-	4,390,000	2,738,932	1,651,068	62%
Administration costs	2,641,024	-	2,641,024	2,076,317	564,707	79%
Activity	3,292,500	-	3,292,500	2,318,750	973,750	70%
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	15,336,465		15,336,465	34,383,273	(19,046,808)	224%
Repairs and maintenance	4,390,000		4,390,000	3,547,157	842,843	81%
Local transport / travelling	4,160,842		4,160,842	5,401,189	(1,240,347)	130%
Electricity and water	16,185,930		16,185,930	20,210,123	(4,024,193)	125%
Administration costs	9,032,425		9,032,425	11,607,243	(2,574,818)	129%
Activity	1,751,610		1,751,610	2,397,026	(645,416)	137%

CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Fee on Boarding Equipment and Stores	66,695,075		66,695,075	83,223,579	(16,528,504)	125%
OTHER INCOME						
Bus Hire	-	-	-	150,000	-	
Dormitory Reconstruction	-	-	-	138,540	-	
Student Ids	-	-	-	155,850	-	
Perimeter Wall	5,707,000	-	5,707,000	4,964,200	742,800	87%
Students Uniform x2 intakes	9,300,000	-	9,300,000	8,372,950	927,050	90%
Aviation Fees	-	-	-	269,077	-	
TOTAL INCOME	180,986,050	-	180,986,050	207,742,154	(26,756,104)	115%
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	11,563,420	-	11,563,420	7,547,084	4,016,336	65%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	9,636,050	-	9,636,050	11,980,593	(2,344,543)	124%
Maintenance & improvements	11,025,000	-	11,025,000	369,065	10,655,935	3%
Local transport / travelling	3,073,000	-	3,073,000	615,300	2,457,700	20%
Electricity, water and conservancy	5,281,170	-	5,281,170	2,331,281	2,949,889	44%
Medical & Insurance	4,390,000	-	4,390,000	3,449,329	940,671	79%
Administration costs	2,640,585	-	2,640,585	3,276,616	-636,031	124%
Activity Expenses	3,292,500	-	3,292,500	1,886,713	1,405,787	57%
Bank Charges				5,544	(5,544)	-
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	15,092,653	-	15,092,653	20,799,853	(5,707,200)	138%
Repairs, maintenance and improvements	4,390,000	-	4,390,000	2,341,951	2,048,049	53%
Local transport / travelling	5,437,000	-	5,437,000	5,929,050	(492,050)	109%

CHAVAKALI HIGH SCHOOL

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

Electricity, water and conservancy	4,516,130	-	4,516,130	8,726,571	(4,210,441)	193%
Medical Expenses	450,000	-	450,000	360,355	89,645	80%
Administration costs	9,281,865	-	9,281,865	19,916,124	(10,634,259)	215%
Activity	3,327,500	-	3,327,500	6,971,499	(3,643,999)	210%
Net Salaries	-	-	-	2,057,086	-	-
Student ID	-	-	-	50,000	-	-
Boarding Equipment and Stores	78,889,177	-	78,889,177	83,580,030	(4,690,853)	106%
Dormitory Re-Construction	-	-	-	574,700	-	-
Bank Charges	-	-	-	191,708	-	-
Bakery	-	-	-	130,780	(130,780)	-
Workers Welfare	-	-	-	592,111	(592,111)	-
Bus Hire Expenses	-	-	-	130,000	-	-
Students Uniforms	8,700,000	-	8,700,000	8,584,400	115,600	99%
TOTALS	180,986,050	-	180,986,050	192,397,742	-11,411,692	99%

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****X. Notes to the Financial Statements****1. Capitation Grant for Tuition**

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	495,660	-
Teaching / learning materials	6,018,463	6,633,211
SMASSE	339,200	-
Total	6,853,323	6,633,211

2. Capitation Grant for Operations

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	8,581,938	11,889,666
Infrastructure Fund	4,517,084	9,428,059
Local transport / travelling	2,138,885	1,873,520
Electricity and water	3,696,718	3,420,190
Administration costs	2,076,317	1,806,069
Activity	2,318,750	-
Medical & Insurance	2,738,932	200,865
Total	26,068,624	28,618,369

3. Parents Contribution/Fees - School Fund Account

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	34,383,273	32,610,851
Fee on Boarding Equipment and Stores	83,223,579	85,551,011
Maintenance & Improvement	3,547,157	9,515,503
Local transport / travelling	5,401,189	5,388,536
Electricity and water	20,210,123	20,525,994
Administration costs	11,607,243	11,776,737
Activity	2,397,026	2,868,857
Total	160,769,590	168,237,489

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements****4. Other Receipts – School Fund Account**

	2022-2023	2021-2022
	Kshs	Kshs
Refundable Fees	-	141,276
Perimeter Wall	4,964,200	-
Bus Hire	150,000	-
PA Fund Project	-	3,328,370
Aviation Fees	269,077	-
Dormitory reconstruction	138,540	-
Uniform Fund	8,372,950	16,960,689
Damages	-	7,663,532
Students IDs	155,850	305,700
Magazine		448,000
Total	14,050,617	28,847,567

5. Payments for Tuition

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	495,660	-
Exercise books	400,000	-
Laboratory equipment	986,724	-
Teaching / learning materials	5,291,188	6,947,301
SMASSE	339,200	-
Reference Books	30,000	-
Bank Charges	4,311	-
Total	7,547,084	6,947,301

6. Payments for Operations

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	11,980,593	3,093,000
Dormitory Construction	369,065	-
Administration Cost	3,276,616	6,422,430
Local transport / travelling	615,300	1,164,462
Electricity and water	2,331,281	3,758,884
Activity Expenses	1,886,713	21,780
Medical / Insurance Cost	3,449,329	-
Bank Charges	5,544	11,567
TOTAL	23,914,441	14,472,123

CHAVAKALI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements

7. Payments for Infrastructure Account

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Construction of Dormitory	-	7,584,359
Total	-	7,584,359

8. Boarding and School Fund Payments

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	20,799,853	27,077,943
Repairs and maintenance & Improvements	2,341,951	572,640
Local transport / travelling	5,929,050	7,101,439
Electricity and water	8,726,571	6,573,539
Administration costs	19,916,124	5,523,795
Students IDs	50,000	100,000
Medical	360,355	106,200
Bank Charges	191,708	-
Net Salaries	2,057,086	12,978,531
Fee on Boarding Equipment and Stores	83,580,030	83,984,943
Activity Expenses	6,971,499	322,350
Bakery Expenses	130,780	1,939,697
Damages	-	10,153,238
Magazine	-	600,000
Uniform Fund	8,584,400	17,394,450
Bus Hire	130,000	-
Dormitory Reconstruction	574,700	-
Workers Welfare	592,111	-
PAYE	-	497,589
TOTAL	160,936,218	174,926,354

CHAVAKALI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements****9. BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1102302082	329,774	79,610
Operations Account	1102309605	847,551	7,364,529
School Fund Account/Boarding KCB	1102302228	(1,326,438)	7,232,288
S/ Acc – Absa Bank Collection Acc	2037268197	1,279,595	190,504
S / Acc – Coop Bank Collection Acc	01129471133000	3,268,304	2,696,790
S / Acc – Equity Bank Collection Acc	0960297321162	4,852,160	3,898,161
Parent Association Development Acc	1255083204	533,620	198,170
Farm Account		11,009	11,009
Infrastructural Account	0960297321233	27,036,190	16,310,311
Savings acc – P. Emoluments	1110511930	665,031	665,031
Savings Acc – Gratuity Acc	1110511647	7,008,316	3,340,217
Total		44,505,112	41,986,620

10. CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation Account	581	1,479
School Fund account	714,000	-
Total	714,581	1,479

11. ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	93,792,994	75,191,097
Rent Arrears	4,527,750	4,527,750
Salary advances	502,746	574,692
Imprest	-	-
Total	98,823,490	80,293,540

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An ageing of the fees arrears is as shown below

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	25,951,557.00	8,022,392
Fees arrears for the previous year	672,731.00	10,328,381
Fees arrears for prior periods (over two years)	67,168,705.55	56,840,325
Total	93,792,993.55	75,191,098

12. ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	23,489,407	19,297,120
Prepaid fees	4,645,343	3,267,679
Pocket Money	225,762	78,762
Caution Money	2,235,361	2,235,361
NHIF	14,430	14,430
Total	30,610,303	24,893,352

An ageing of the creditors is as shown below

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	7,820,527	2,831,158
Trade creditors for the previous year		-
Trade creditors for prior periods (over two years)	15,668,880	16,465,962
Total	23,489,407	19,297,120

13. FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	41,986,620	28,171,800
Cash balances	1,479	3,865,388
Receivables	80,293,540	74,209,776
Payables	(31,088,469)	(36,564,994)
Total	91,193,170	69,681,970

Other important disclosure notes

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

14. Non-current Liabilities Summary

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

15. Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	7	370,000	300,000
Goats	-	-	-
Trees	190	1,350,000	1,150,000
Coffee or tea plantation	-	-	-
Poultry	-	-	-
Total		1,720,000	1,450,000

16. Stock/ Inventory

Description	2022-2023	2021-2022
	KShs	KShs
a) Stock / Inventory		
Stock/ inventory at beginning of the year	2,856,609	45,398,724
Stock/ inventory purchased during the year		63,020,675
Stock/ inventory issued during the year		(105,562,790)
Balance at end of the year	2,856,609	2,856,609

17. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

This is the first audit being conducted, and as such, there are no previous years' recommendations to report or follow up on.

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. None						
Sub-Total						
Supply of goods						
2. Vuma Biofuels - Briquettes	400,000			400,000		
3. Nathan Ndiwa – Maize and Beans	1,058,400			1,058,400		
4. Luqman Supermarket – Kitchen Foodstuffs	1,530,350			1,530,350		
5. Linda atonya – Green Grams	648,000			648,000		
6. Ayoyi Investments - Firewood	330,000			330,000		
7. JuaKali Structural Eng. - Tea urn	295,000		250,000	295,000		
8. Medstown Pharmaceuticals – Med. Drugs	528,273			298,273		
9. Philip Ochondo – Fresh fruits	77,550			77,550		
10. Chavakali SHG - Meat	658,398			658,398		
11. Vidhi Store & Hardware – Paints	421,945			421,945		
12. Kimini Hardware – Hardware Materials	167,360			167,360		
13. Twin Eagles Distributors – Classroom Podia	500,000			500,000		
14. Imara supermarket – Kitchen Foodstuffs	350,000			350,000		
15. Pamela Kawai - Vegetables	108,120			108,120		
16. Margaret Kavulani - Vegetables	13,840			13,840		
17. Jeddah Dalidzu Grocers - Vegetables	56,560			56,560		
18. Lilian Irusa - Vegetables	156,440			156,440		
19. Lilian Muyesu - Vegetables	79,040			79,040		
20. Interpoint Supplies – Lab Materials	200,000			200,000		
21. Vic Enterprises - Stationeries	273,201			273,201		

CHAVAKALI HIGH SCHOOL

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22. Sundry Creditors 2015-2018	15,807,251		997,992	14,809,259	15,807,251
23. Sundry Creditors 2021-2022	-	-	-	-	2,901,758
Sub-Total	23,429,728		997,992	22,431,736	18,709,009
Supply of services					
24. Milian Limited – Emptying Latrines	30,000			30,000	
25. Benard Ajuoga – Repair of Furniture	133,050			133,050	
26. Brooks Solar Engineering–Solar lights repair	35,000			35,000	
Sub-Total	198,050			198,050	
Grand Total	23,627,778			22,629,786	18,709,009

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land 1	1959	Chavakali	200,000,000			200,000,000
Buildings and structures		"	557,584,359			557,584,359
Motor vehicles		"	14,400,000			14,400,000
Office equipment, furniture and fittings		"	100,000,000			100,000,000
ICT Equipment, and Other ICT Assets		"	4,392,000			4,392,000
Tools and apparatus		"	2,500,000			2,500,000
Textbooks		"	7,631,000			7,631,000
Other Machinery and Equipment – (Generator, mowers, bakery, posho mill)		"	4,500,000			4,500,000
Heritage and cultural assets –(music band instruments,		"	1,200,000			1,200,000
Intangible assets- soft ware		"	1,800,000			1,800,000
Total			894,007,359			894,007,359