

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 26 NOV 2024

DAY:

Tuesday

OF:

CLERK-AT
THE-TABLE:

Hon. Naomi Nago
Deputy Majority Whip
horra@

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

NAKEEL SECONDARY SCHOOL

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

KAJIADO COUNTY



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
REGISTRY
25 JUL 2024
RECEIVED



NAKEEL 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)

Table of Contents

Pag

1. Acronyms and Glossary of Terms	iii
2. Key School Information and Management	iv
3. Summary Report of Performance of The School	viii
4. Statement of School Management Responsibility	xi
5. Report Of The Independent Auditors	xii
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2023	1
7. Statement of Assets and Liabilities As At 30 th June 2023.....	2
8. Statement of Cash Flows for the Year Ended 30 th June 2023	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2023.....	4
10. Significant Accounting Policies	10
11. Notes To The Financial Statements	12
12. Annexes	22

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 Funds
KCB	Kenya Commercial Bank
NG-CDF	National Government Constituency Development Fund
CDF	Constituency Development Fund
ICT	Information Communication and Technology
CCTV	Closed Circuit Television

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 in **Kajiado** County, **Kajiado North** Sub-County.

The school was registered on **4/2/2021** under registration number **34S3000167** and is currently categorized as an **Extra County** public school established, owned or operated by the Government.

The school is a **boarding** school and had **1236** number of students as at **30th June 2023**. It has **six** streams and **63** teachers of which **10** teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Harun Kimani Gikera	Chairman	30/06/2022
2	Kennedy Mwaniki	Secretary – Principal	03/01/2020
3	Benjamin Kilelu	Member	30/06/2022
4	Noah Kimpat	Member	30/06/2022
5	Mathew Kipkosgei	Member	30/06/2022
6	Caroline Njema	Member	30/06/2022
7	Sabina Musangi	Member	30/06/2022
8	Esther Githuka W	Member – Rep CEB	30/06/2022
9	Stephen Mungai	Member Rep Teachers	30/06/2022
10	Harun Gikera Esther Githuka David Karuiru	3 Members – Sponsor	30/06/2022
11	Isaack Mburu Marubu	Member – Community	30/06/2022
12	James Lotuno	Member Special Needs	30/06/2022
13	Mary Ngina	Member	30/06/2022
14.	Lemaiyan Moeli	Students Representative	30/06/2023

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 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	1. Harun Gikera 2. Kennedy Mwaniki 3. Benjamin Kilelu 4. Mathew Kipkosgei 5. Caroline Njema 6. Sabina Musangi	Chairman Secretary-Principal Member Member Member Member	1/1 1/1 1/1 1/1 1/1 1/1
2	Audit Committee	1. Harun Gikera 2. Kennedy Mwaniki 3. Benjamin Kilelu 4. Mathew Kipkosgei 5. Esther Githuka W	Chairman Secretary-Principal Member Member Member	1/1 1/1 1/1 1/1 1/1
3	Finance, procurement and general purposes Committee	1. Harun Gikera 2. Kennedy Mwaniki 3. Benjamin Kilelu 4. Mathew Kipkosgei 5. Esther Githuka W	Chairman Secretary-Principal Member Member Member	1/1 1/1 1/1 1/1 1/1
4	Academic Committee	1. David Karuiru 2. Kennedy Mwaniki 3. Sabina Musangi 4. Esther Githuka W 5. Stephen Mungai	Chairman Secretary-Principal Member Member Member	1/1 1/1 1/1 1/1 1/1

NAKEEL SECONDARY SCHOOL

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

		6. Isaack mburu 7. James Lotuno	Member Member	1/1 1/1
5	School Infrastructure Committee	1. Harun Gikera 2. Kennedy Mwaniki 3. Benjamin Kilelu 4. Noah Kimpat 5. Mathew Kipkosgei 6. Caroline Njema	Member Secretary-Principal Member Chairman Member Member	1/1 1/1 1/1 1/1 1/1 1/1
6	Discipline and welfare Committee	1. Harun Gikera 2. Kennedy Mwaniki 3. Benjamin Kilelu 4. Noah Kimpat 5. Mathew Kipkosgei 6. Caroline Njema	Member Secretary-Principal Chairman Member Member Member	1/1 1/1 1/1 1/1 1/1 1/1

(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	Identification
1	Principal	Kennedy Mwaniki	TSC No. 306066
2	Deputy Principal	Peter Karanja Njau	TSC No. 322877
3	School Bursar	Esther Wambui Mwai	ID 13462691
4	Deputy Principal	Gladys Waithera Maina	TSC No.336369

(e) Schools contacts

Post Office Box: 15620-00503
Telephone: 0719352266
E-mail: nakeelboys@yahoo.com
Website: www.nakeelboys.sc.ke
Facebook: Nakeel Naks
Twitter: --

(f) School Bankers

The school operated 8 bank accounts at the following bank.

- Account Name: School Fund Account
Name of Bank: KCB

NAKEEL SECONDARY SCHOOL

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

- Branch: Ongata Rongai
Account Number: 1104480050
2. Account Name: Operation Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1104484536
3. Account Name: Tuition Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1104483866
4. Account Name: Infrastructure Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1257685813
5. Account Name: CDF Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1265967466
6. Account Name: Salary Saving Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1105119807
7. Account Name: PTA Saving Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1105119521
8. Account Name: Farm Saving Account
Name of Bank: KCB
Branch: Ongata Rongai
Account Number: 1105120627
9. M-pesa Pay Bill No. 522123, Acc no. 86539 Kadm.no attached to **KCB** bank account

(g) Independent Auditors

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

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:

1) Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	½ YEAR TO 30 TH JUNE 2021	30TH JUNE 2022	30 TH JUNE 2023
Operation A/C	-	-	-
Tuition A/C	-	-	-
School Fund A/C	-	-	-
Infrastructure A/c	-	-	-
Combination for all account	(345,713)	(972,041)	12,902,950

2) Capitation grants for the last 3 years

YEAR	30 TH JUNE 2021	30TH JUNE 2022	30 TH JUNE 2023
Tuition	984,423.50	3,280,434.40	3,241,336.75
Operations	6,162,583	18,904,203.17	14,309,807.91
Total	7,174,006.50	22,184,637.57	17,551,144.66

3) Ratio of capitation grant per student over the last 3 years

YEAR	2021	2022	30 TH JUNE 2023
Total grant	7174006.50	22,184,637.57	17,551,144.66
No.of students	660	1000/1200=av.1100	1200/1300=av.1250
Amount per student	10870	20167.85	14,041.00
Expected during the year	11122	22244	22244
Ratio	0.98	0.91	0.63

4) Overview of school funds income

YEAR	2021	2022	2023
Income	24,538,400	91,011,034	110,831,982

5) Expenditure growth of the school

NAKEEL SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 2023

YEAR	2021	2022	30 th June 2023
Tuition	975,190	3,310,865	3,238,886
operations, CDF, Infrastructure	8,437,463	18,516,549	9,106,940
School Fund	15,471,460	70,155,661	81,048,939
Infrastructure	-	-	4,543,267
TOTAL	24,884,113	91,983,075	97,929,032

6) Debtors and creditors movement

YEAR	2021	2022	2023
Creditors	5,709,859	10,118,382	8,016,574
Debtors	10,261,957	13,567,521	22,581,475

7) Movement of cash and bank balances over the last 3 years

YEAR	½ YEAR TO 30 TH JUNE 2021	30TH JUNE 2022	30 TH JUNE 2023
Tuition a/c	31,943	1,512.40	3,963.15
Operation a/c	62,288	29,259.70	1,914,739.30
School fund a/c	2,790,349	1,583,818.33	1,635,673.05
Parent Association Development Account	-	190,896.97	222,674.97
Income Generating Activities Account	-	187,775.30	196,215.75
infrastructure	1,542,995	1,398,581.75	1,658,936.75
CDF a/c	293,999	78,873.00	78,873
Savings a/c - Gratuity	204,192	1,682,365	1,244,761.40
Total	4,925,766	5,153,083	6,955,837

8) Teacher Student ratio:

1. Teachers/student ratio - 1:28
2. Teacher recruited/ employed by TSC- 7
3. Transferred teacher – 1
4. BOM teachers - 10

9) Mean score in the 2022 KCSE:

2020	-	6.345
2021	-	4.84
2022	-	5.49

10) Number of Candidates in the 2022 KCSE:

Year	KCSE entry	KCSE Mean Score/ Grade	DEV	Total with C+ & above	Total with C & C-	D+	D & D-

NAKEEL SECONDARY SCHOOL

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

2020	110	6.34 C	+ 0.32	47	49	12	2
2021	185	4.84 C -	- 1.51	33	67	40	45
2022	181	5.49 C-	+0.65	41	85	45	10

11) Capacity of the school:

No. of student 1236

Facility	Dormitory	Toilets	DH	laboratory	classrooms
Capacity	1400	1200	700	600	1150
Deficit	300	500	1000	1100	550

12) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Classrooms	FDSE & parents	Completed	8,040,560.00	816,065.00	30-07-2022
Dormitory	Parents	Ongoing	19,346,130.00	1,016,732.50	30.05.2024
Generator House	FDSE/Parents	Complete	404,136.00	404,136.00	31.-05-2023
Administration Block Extension(Deputy's Office)	FDSE/Parents	Ongoing	1,200,000.00	732,336.00	31-12-2023
Generator	FDSE/Parents	Ongoing	2,900,000.00	1,000,000.00	31-10-2024


.....
School Principal

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 *Nakeel Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

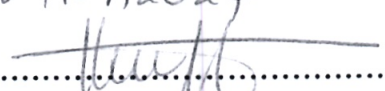
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

.....

Name: **Harun Gikera**

Designation: Chairman, School Board of Management

Date: 24/07/2024

.....

Name: **Kennedy Mwaniki**

Designation: School Principal & Secretary to Board of Management

Date: 24/07/2024

.....

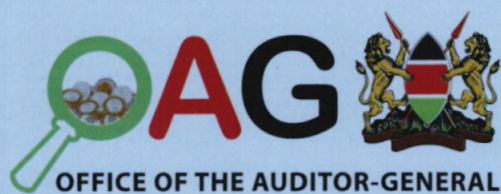
Name: **Esther Wambui Mwai**

Designation: Bursar/ Finance Officer

Date: 24/07/2024

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NAKEEL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KAJIADO 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 the Nakeel Secondary School – Kajiado County set out on pages 1 to 21, which comprise of the statement of financial

Report of the Auditor-General on Nakeel Secondary School for the year ended 30 June, 2023 - Kajiado County

assets and financial liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Nakeel Secondary School - Kajiado 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivable balance of Kshs.22,581,475. Included in the balance are receivables amounting to Kshs.10,281,836 which had been outstanding for one (1) to two (2) years.

In the circumstances, the accuracy, completeness and recoverability and fair statement of accounts receivable balance of Kshs.22,581,475 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Supply of Students' Uniform

The statement of receipts and payments reflects amounts of Kshs.81,048,939 in respect to payments for boarding and school fund. Included in this amount is Kshs.2,015,560 for purchase of uniforms. However, no supporting documents were provided to show board approval of the procurement and inventory of the uniform. This is contrary to Section 67(3) of the Basic Education Regulations, 2015, which states that, no institution shall prescribe a specific supplier of School uniforms or any other materials for the parent or guardian.

In the circumstances, value for money could not be ascertained in the procurement of the school uniform.

2. Unsupported Expenditure on Construction of a Dorm

Review of payment vouchers and other supporting documents for construction of the dormitory for the financial year ended 30 June, 2023 revealed payments amounting to Kshs.499,662.50 as being payment for labor. Physical verification conducted on 25 May, 2024 revealed that the dorm was complete and was occupied. However, no supporting documents were provided to show that completion certificates were approved by County Public Works office.

In the circumstances, value for money for the dorm construction could not be ascertained.

3. Unconfirmed Student Enrollment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.17,551,446. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year ended 30 June, 2023, NEMIS reflected one thousand two hundred and six (1,206) students while records from the County Director of Education had one thousand two hundred and forty-

five (1,245) students, resulting to overfunding of the School by an amount of Kshs.398,951. This was contrary to the Ministry of Education Circular No:MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

4. Losses of Income Generating Activity

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects miscellaneous income of Kshs.1,724,659.25. Included in this amount is income from farming activities Kshs.1,144,980. However, Note 9 to the financial statements reflects against farming expenses of Kshs.2,443,987 resulting in a deficit of Ksh.1,299,007.

In the circumstances, the accuracy and completeness of miscellaneous income of Kshs.1,724,659 could not be confirmed.

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

Basis for Conclusion

1. Inadequate Management of Budgeting Process

The statement of comparison between budget and actual figures for the year ended 30 June, 2023 do reflect the projected income as Kshs.104,672,847 and projected

expenditure as Kshs.106,495,206 while the approved budget reflected Kshs.97,762,860.00 and Kshs.111,624,748.00 respectively. Additionally, there was no evidence of the preparation of quarterly budgetary reports indicative of estimates against actual expenditures and the presentation to the board of management as provided for in the operation manual for utilization of learner capitation grant and other school funds.

In the circumstances, the adequacy of internal controls relating to budgeting, performance and monitoring and evaluation could not be ascertained.

2. Non-Compliance to Statutory Requirements by the Board

Review of records and documents relating to the Board of Management for the School revealed the following unsatisfactory matters:

- i. The School BoM did not constitute a Human Rights and students' welfare committee as required in Section 61(2) of the Basic Education Act, 2013.
- ii. The Board did not prepare annual work plan or schedule of activities for the year under review.
- iii. Although minutes of the Board of Management shows that various Board Committees were formed, none of the committee held any meeting during the financial year under review.
- iv. All minutes submitted for the financial year under audit have not been signed hence the authenticity of the minutes cannot be confirmed.
- v. Review of records provided revealed that the school management held full board and committee meetings within the year under audit review while there was no signed attendance register for all the meetings held within the year.
- vi. Review of the school BOM sub-committee minutes revealed that there were no minutes or invitations for audit committee meetings to provide oversight and direction in matters relating to risk management, control environment and independent review of audit reports.

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

3. Inadequate Capacity

Physical verification and an interview with the Management revealed that the School was operating above the required ratio of teachers to pupil and pupil to textbook of 1:34 against an approved ratio of 1:21 and 1:5 against an approved ratio of 1:1 respectively.

The student enrolment was 1,560 against an approved enrolment of 1,000. It was further noted that there is a shortage of dormitories and toilets and the School lacks proper fencing.

In the circumstances, adequacy of the School facilities to enhance student welfare, quality of education and student security could not be ascertained.

4. Non-Adherence to Procurement Laws and Regulations

The statement of receipts and payments as disclosed in Note 9 to the financial statements reflects Kshs.81,048,939 in respect to payment for boarding and school fund. Included this amount is Kshs.34,529,328 in respect to fee on boarding equipment and stores. This amount includes an expenditure of Kshs.23,390,499 which was incurred by the School to procure goods and services from various suppliers. The following observations were made for the sampled tenders;

- i. The tender documents lacked specifications and evaluation criteria specifically criteria for weighing the technical and financial aspects.
- ii. The School did not maintain a tender register.
- iii. The tender evaluation minutes were not initialed at each page by the evaluating committee members.
- iv. It was not clear the evaluation was done against which specifications since the tender document did not show specifications.
- v. There was no professional opinion and contract agreement for goods and services tenders.

In the circumstances, adequacy of internal controls to ensure adherence to Public Procurement and Asset Disposal Act, 2015 could not be confirmed.

5. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.739,791,309 in respect of fixed assets which includes land with a balance of Kshs.612,000,000. However, records availed showed that the land was owned by Presbyterian Foundation. No records of transfer of ownership were provided for audit.

In the circumstances, the ownership and safe 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal 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 judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of 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 Fund'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 Fund to cease 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 control that are identified during the audit.

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

13 November, 2024


NAKEEL SECONDARY 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

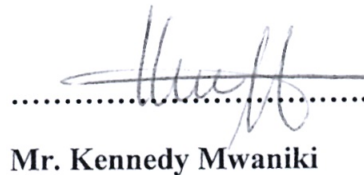
Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	3,241,337	3,280,434
Government grants for operations	2	9,529,109	14,472,269
Government Grants for infrastructure	3	4,781,000	0
School fund income- parents' contributions	4	91,555,877	71,012,039
Miscellaneous incomes	5	1,724,659	2,246,292
Total Receipts		110,831,982	91,011,034
Payments			
Tuition	6	3,238,886	3,310,865
Operations	7	9,106,940	10,491,470
Infrastructure	8	4,534,267	8,025,079
Boarding and school fund	9	81,048,939	70,155,661
Total Payments		97,929,032	91,983,075
Surplus/Deficit		12,902,950	(972,041)

The school financial statements were approved on 10-06- 2024 and signed by:


.....
Mr. Harun Gikera

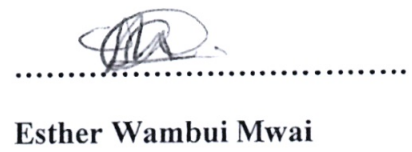
Chair BOM

Date: 24/07/2024


.....
Mr. Kennedy Mwaniki

Principal/ BOM/PA Secretary

Date: 24/07/2024


.....
Esther Wambui Mwai

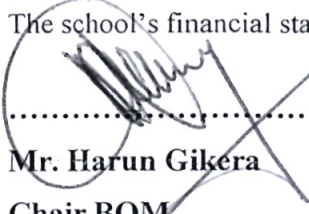
Bursar/ Finance Officer

Date: 24/07/2024

NAKEEL SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 20237. Statement of Assets and Liabilities As At 30th June 2023

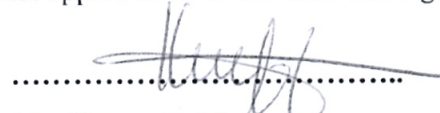
Description	Note	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	6,583,289	5,153,083
Cash balances	11	372,548	15,566
Short term investments	12	0	0
Total cash and cash equivalent		6,955,837	5,168,649
Account's receivables	13	22,581,475	13,567,521
Total financial assets		29,537,312	18,736,170
Financial liabilities			
Accounts payables	14	(8,016,574)	(10,118,382)
Net financial assets		21,520,738	8,617,788
Represented by			
Accumulated fund b/fwd	15	8,617,788	9,589,829
Surplus/deficit for the year		12,902,950	(972,041)
Net financial position		21,520,738	8,617,788

The school's financial statements were approved on 10-06-2024 and signed by:




.....
Mr. Harun Gikera
Chair BOM

Date: 24/07/2024



.....
Mr. Kennedy Mwaniki
Principal/ BOM/PA Secretary

Date: 24/07/2024



.....
Esther Wambui Mwai
Bursar/ Finance Officer

Date: 24/07/2024

NAKEEL SECONDARY 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	Note	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	3,241,337	3,280,434
Government grants for operations	2	9,529,109	14,472,269
Government grants for infrastructure	3	4,781,000	-
School fund income- parents contributions/ fees	4	79,306,238	71,012,039
Miscellaneous incomes	5	1,724,659	2,246,292
Total receipts		98,582,343	91,011,034
Payments			
Cash outflows for tuition	6	3,238,886	3,310,865
Cash outflows for operations	7	7,973,063	10,491,470
Cash outflows Boarding/lunch and school fund payments	9	81,048,939	70,155,661
Total payments		92,260,888	83,957,996
Net cash inflow/outflow from operating activities		6,321,455	7,053,038
Change in accounts Receivables		-	(3,305,564)
Change in Accounts payables		-	4,408,523
Cash flow from investing activities			
Acquisition of assets	8	(4,534,267)	(8,025,079)
Net cash inflow/outflows from investing activities			0
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		1,787,188	130,919
Cash and cash equivalent at beginning of the FY		5,168,649	5,037,731
Cash and cash equivalent at end of the FY		6,955,837	5,168,649

The school's financial statements were approved on 10-06-2024 and signed by:

.....
Mr. Harun Gikera

Chair BOM

Date: 24/07/2024

.....
Mr. Kennedy Mwaniki

Principal/ BOM/PA Secretary

Date: 24/07/2024

.....
Esther Wambui Mwai

Bursar/ Finance Officer

Date: 24/07/2024

9. 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	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Schools equipment and stores	5,594,400	-	5,594,400	3,241,337	58
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	5,931,900	-	5,931,900	3,422,563	58
Repairs And Maintenance	2,082,144	-	2,082,144	0	
Local Transport / Travelling	1,890,000	-	1,890,000	872,227	46
Electricity And Water	3,280,000	-	3,280,000	1,149,588	35
Medical/Insurance	2,700,000	-	2,700,000	235,500	9
Administration Costs	1,620,000	-	1,620,000	3,175,918	196
Activity	2,025,00	-	2,025,000	673,313	33
Gratuity	-	-	-	-	-
<i>3) FDSE for infrastructure</i>					
Maintenance &Improvement MoE	6,750,000	-	6,750,000	4,781,000	71

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	5,115,000	-	5,115,000	4,117,936	81
Repairs And Maintenance	3,300,000	-	3,300,000	3,544,064	107
Local Transport / Travelling	1,072,500	-	1,072,500	951,774	89
Electricity And Water	8,085,000	-	8,085,000	6,588,764	81
Medical	-	-	-	-	-
Administration Costs	3,052,500	-	3,052,500	2,997,005	98
Activity	825,000	-	825,000	635,566	77
M&I parents' contribution	1,930,000	-	1,930,000	1,242,422	64
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	34,369,500	-	34,369,500	45,903,463	134
Fees Arrears	4,535,428	-	4,535,428.00	4,535,428	100
Development-Dorm construction	6,073,024	-	6,073,024	6,073,024	100
Uniform	2,716,792	-	2,716,792	2,716,792	100
5) Miscellaneous Income					
Farm	1,144,980	1,144,980	1,144,980	1,144,980	100
Canteen	496,060	496,060	496,060	496,060	100
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	83,619	83,619	83,619	100
Income From Any Other Investment	-	-	-	-	-
Total Income	104,589,228	83,619	104,672,847	98,582,343	94
(6) Expenditure For Tuition					
Textbooks	180,110	-	180,110.00	180,110	100
Reference Materials	67,740	-	67,740.00	149,595	221
Exercise Books	1,978,650	-	1,978,650.00	331,472	17
Laboratory Equipment	1,718,745	-	1,718,745.00	489,593	28
Internal Exams	2,648,300	-	2,648,300.00	1,220,860	46
Teaching / Learning Materials	436,830	-	436,830.00	639,110	146
Chalks	115,200	-	115,200.00	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Creditors	-	227,540	227,540	227,540	100
Bank Charges	606	-	606	606	100
(7) Expenditure For Operations					
Personnel Emoluments	5,931,900	-	5,931,900	2,918,324	49
Repairs, Maintenance & Improvements	2,082,144	-	2,082,144	550,740	26
Local Transport / Travelling	1,890,000	-	1,890,000	538,154	28
Electricity, Water and Conservancy	3,280,000	-	3,280,000	800,650	24
Medical	2,700,000	-	2,700,000	237,700	9
Administration Costs	1,620,000	-	1,620,000	1,499,957	93

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Activity Expenses	2,025,000	-	2,025,000	1,403,390	69
Insurance cost	24,148	-	24,148	24,148	100
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
(8) Expenditure For infrastructure					
Construction of classrooms	5,475,000	-	5,475,000	816,065	15
Construction of LAB	-	-	-	-	-
Construction of DORMS	226,262	-	226,262	226,262	100
Purchase of furniture	1,500,000	-	1,700,000	1,700,000	113
Purchase of equipment	1,197,988	-	1,197,988	1,197,988	100
Administration Block	593,952	-	593,952	593,952	100
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	5,115,000	-	5,115,000	6,188,066	121
Repairs, Maintenance and Improvements	1,930,500	-	1,930,500	3,678,705	191
Local Transport / Travelling	1,072,500	-	1,072,500	5,417,083	505
Electricity, Water and Conservancy	8,085,000	-	8,085,000	3,203,587	40
Medical and insurance Expenses	2,700,000	-	2,700,000	118,310	4
Administration Costs	3,052,500	-	3,052,500	10,887,719	357
Activity	825,000	-	825,000	3,522,550	427
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Boarding Equipment and Stores	34,369,500	-	34,369,500	34,529,328	100
Expenditure For Income Generating Activity	-	-	-	-	-
Uniform	2,015,560	-	2,015,560	2,015,560	100
Other Expenses On Investments	13,263	-	12,903	13,263	100
Canteen	69,530.00	-	69,530	69,530	100
Insurance Cost (Life Property)	308,879	0	308,879	308,879	100%
Farm	2,415,487	-	2,415,487	2,443,987	101
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Creditors	7,585,639	-	7,585,639	7,585,639	-
Development	1,016,733	-	1,016,733	1,016,733	100%
Totals	106,267,666	227,540	106,495,206	96,745,155	91%

Budget underutilization (below 90% of utilization) and overutilization above 100%]

i. RECEIPTS

ACCOUNT	VOTEHEAD	%UTILIZATION	COMMENT
TUITION	TLM	58	The funding from the Ministry of Education was below the expected
OPERATIONS ACCOUNT	ADMINISTRATION COST	Above 100%	Amounts received includes amount meant for the rest of the vote heads, received as “others”.
OPERATIONS ACCOUNT	P.E,LTT,EWC,MEDICAL,ACTIVITY	Below 90%	Lower funding was received from the MOE.
INFRASTRUCTURE	RMI	Below 90%	Lower funding was received from

ACCOUNT			the MOE.
INFRASTRUCTURE ACCOUNT	M&I Funding by parents	Below 90%	Less fees collected from parents
SCHOOL FUND	BESS,RMI	Above 100%	This was due to ranking in the fees collection program that ranked the vote heads first and also the increase in the number of students.
SCHOOL FUND	E.W.C,P,E,LT&T,ADM,ACTIVITY	Below 100%	Low fees collection.

ii. EXPENDITURE

ACCOUNT	VOTEHEAD	%UTILIZATION	COMMENT
SCHOOL FUND	ADM,P,E, ETT,R.M.I,ACTIVITY	Above 100%	Vote heads used to pay for tuition related materials since capitation by Ministry of Education is acutely insufficient. Also due to lower funding by the MOE in operations account, payments were mostly made from this account.
SCHOOL FUND	EWC,	Below 100%	The vote head is usually over allocated in the budget, the extra amount is used in other vote heads as supported by the school budget.

NAKEEL SECONDARY SCHOOL

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

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. 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

NAKEEL SECONDARY SCHOOL

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

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	3,241,337	3,280,434
Others (<i>specify</i>)*	-	-
Total	3,241,337	3,280,434

2 Government Grants for Operations

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Personnel Emoluments	3,422,563	2,586,177
Repairs And Maintenance-infrastructure	-	1,428,026
Local Transport / Travelling	872,227	333,026
Electricity And Water	1,149,588	544,626
Medical/Insurance	235,500	202,800
Administration Costs	3,175,918	5,403,614
Activity	673,313	-
Infrastructure ac	-	3,974,000
Total	9,529,109	14,472,269

3 Government Grants for infrastructure

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Maintenance & Improvement	4,781,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	4,781,000	-

NAKEEL SECONDARY SCHOOL

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

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Personnel emoluments	4,117,936	4,536,738
Repairs and maintenance	3,544,064	4,656,120
Local transport / travelling	951,774	916,763
Electricity and water	6,588,764	7,143,134
Medical	-	15,000
Administration costs	2,997,005	2,918,966
Activity	635,566	1,113,557
Fee on Boarding Equipment and stores	45,903,463	34,297,591
Development-Dorm construction	6,073,024	4,584,726
Uniform	2,716,792	4,566,527
Prepayments – School Fees	-	2,171,030
Operations Ac	-	198,000
Infrastructure	1,242,422	-
Recovered Fees Arrears	4,535,428	3,871,637
Damages	-	22,250
Sub-Total	79,306,238	71,012,039
Fees receivables	12,249,639	-
Total	91,555,877	71,012,039

5 Miscellaneous Incomes

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Income from Canteen	496,060	482,002
Income From Farming Activities	1,144,980	1,764,290
Insurance Compensation	-	-
Income From Posho Mill	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	83,619	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Operations account	-	-
Total	1,724,659	2,246,292

NAKEEL SECONDARY SCHOOL

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

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	331,472	101,000
Textbooks	180,110	208,741
Reference materials	149,595	15,000
Laboratory Equipment	489,593	1,591,724
Internal exams	-	976,194
Teaching / Learning Materials	639,110	416,760
Exams And Assessment	1,220,860	-
Teachers Guides	-	-
Bank Charges	606	1,446
Creditors	227,540	-
Others (<i>specify</i>)	-	-
Total	3,238,886	3,310,865

7 Operations

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Personnel Emoluments	2,918,324	3,088,696
Service Gratuity	-	-
Administration Cost	1,499,957	2,053,914
Repairs And Maintenance & Improvements	550,740	1,829,330
Local Transport / Travelling	538,154	1,150,430
Electricity And Water	800,650	1,156,592
Medical	237,700	139,000
Activity Expenses	1,403,390	687,630
Insurance Cost	24,148	154,548
Others (<i>specify</i>)	-	-
Bank Charges	-	1,960
Boarding Ac	-	229,370
Sub-Total	7,973,063	10,491,470
Unpaid salaries and statutory deductions	1,133,878	-
Total	9,106,940	10,491,470

NAKEEL SECONDARY SCHOOL

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

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Construction of classrooms	816,065	5,897,579
Construction of dormitory	226,262	-
Purchase of furniture	1,700,000	-
Construction of Administration block/gen house	593,952	215,000
Purchase of generator	1,197,988	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Double decker beds	-	1,885,000
Lockers and chairs	-	27,500
Total	4,534,267	8,025,079

9 Boarding And School Fund

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Personnel Emoluments	6,188,066	5,796,636
Service Gratuity	-	-
Repairs And Maintenance & Improvements	3,678,705	7,369,876
Local Transport / Travelling	5,417,083	3,037,756
Electricity And Water	3,203,587	1,561,974
Medical Expenses	118,310	241,230
Administration Costs	10,887,719	5,651,545
Uniform	2,015,560	4,282,336
Farm account	2,443,987	2,073,639
Expenses On Income Generating Activities-Canteen	69,530	-
Fee On Boarding Equipment and Stores	34,529,328	31,579,533
Activity	3,522,550	1,514,810
Insurance Cost (<i>Life Property</i>)	308,879	167,532
Development	1,016,733	6,819,437
Tax on interest income	13,263	-
Prepayments	-	59,357
Imprest - unsurrendered	50,000	-
Creditors paid	7,585,639	-

NAKEEL SECONDARY SCHOOL

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

Total	81,048,939	70,155,661
--------------	-------------------	-------------------

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023 FY	2021-2022 FY
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104483866	3,963.15	1,512.40
Operations Account	Active	1104484536	1,914,739.30	29,259.70
School Fund Account/Boarding	Active	1104480050	1,263,125.05	1,583,818.33
Savings Account-Gratuity	Active	1105119807	1,244,761.40	1,682,365
Parent Association Development Account	Active	1105119521	222,674.97	190,896.97
Income Generating Activities Account-farm S/A	Active	1105120627	196,215.75	187,775.30
Infrastructural Account	Active	1257685813	1,658,936.75	1,398,581.75
CDF AC	Active	1265967466	78,873.00	78,873
Total			6,583,289	5,153,083

11 Cash In Hand

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Notes and Coins	372,548	15,566
Total	372,548	15,566

12 Short Term Investments

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

NAKEEL SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	22,531,475	13,564,521
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	3,000
Imprest (list/schedule attached)	50,000.00	-
Rent arrears (list/schedule attached)	-	-
Total	22,581,475	13,567,521

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	12,249,639	58	13,564,521	100
Between 1- 2 years	10,281,836	42	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (should tie to note 13 a)	21,231,732	100	13,564,521	100

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,111,586	8,006,709
Prepaid Fees	-	2,111,673
Retention Monies	-	-
Unpaid salaries and statutory deductions	1,133,878	-
Caution money	-	-
Add: prepaid school fees	771,110	-
Total	8,016,574	10,118,382

NAKEEL SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	6,111,586	100	8,006,709	100
Between 1- 2 years	-		-	
Between 2-3 years	-		-	
Over 3 years	-		-	-
Total (should tie to note 14)	6,111,586	100	8,006,709	100

15 Fund Balance Brought Forward

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Bank Balances	5,153,083	4,925,766
Cash Balances	15,566	111,965
Short Term Investments	-	-
Receivables	13,567,521	10,261,957
Payables	(10,118,382)	(5,709,859)
Total	8,617,788	9,589,829

NAKEEL SECONDARY SCHOOL

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

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.

16 Non-current Liabilities Summary

Description	2022-2023 FY	2021-2022 FY
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023 FY	2021-2022 FY
		Kshs	Kshs
Cattle	17	1,420,000	1,200,000
Goats	-	-	-
Trees	5056	2,022,400	1,822,400
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Pigs	28	328,000	275,000
Total		3,770,400	3,297,400

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

NAKEEL SECONDARY SCHOOL

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

Other important disclosure notes

19 Stock/ Inventory

	2022-2023	2021-2022
	KShs	KShs
Stock/ inventory at beginning of the year	3,084,389	5,680,275
Stock/ inventory purchased during the year	51,430,233	55,591,755
Stock/ inventory issued during the year	50,370,794	58,187,641
Balance at end of the year	4,143,828	3,084,389

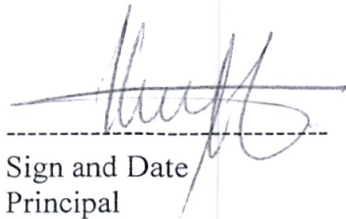
NAKEEL SECONDARY SCHOOL

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

20 Progress On Follow Up Of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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



Sign and Date
Principal

NAKEEL SECONDARY SCHOOL

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d	e	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Magic Stores Hardware Ltd	280,100	1/1/2021	280,100	-	255,810	
Sub-Total	280,100		280,100	-	255,810	
Supply Of Goods						
2. Githima Lincolns Enterprises	1,717,000	1/7/2022	-	1,717,000.00	-	
3. Dryfood Distributors and Millers	1,271,250	1/1/2021	1,271,250	-	1,271,250	
4. Clean shelf supermarket	1,418,269	1/7/2022	-	1,418,269	-	
5. Kayugi Investment Centres	504,540	1/7/2022	-	504,540	916,794	
6. Oloita Butchery	425,690	1/7/2022	-	425,690	279,000	
7. Jitegemee Timber and Hardware	222,490	1/1/2021	222,490	-	222,490	
8. Taurus Agrovet	7,550	1/7/2022	-	7,550	-	
9. Pinky Rose Events	38,250	1/1/2021	38,250	-	38,250	
10. Wisewisp Solutions	224,900	1/7/2022	-	224,900	-	
11. Eurosport East Africa	22,600	1/1/2021	-	-	22,600	
12. KPLC	151,982	1/7/2022	-	151,982	-	
13. The Copy Cat Ltd	51,299	1/1/2021	51,299	-	51,299	

NAKEEL SECONDARY SCHOOL

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

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
14. Donemark Agencies	527,540	1/1/2021	227,540	-	227,540	
15. Ongata vetagro supply	90,150	1/7/2022	-	90,150	52,250	
16. Utamu Groceries	140,600	1/7/2022	-	140,600	150,620	
17. Kiserian Elite Butchers & Hoteliers Ltd	110,880	1/1/2021	110,880	-	110,880	
18. Kisaju Fresh Limited	275,445.00	1/7/2022	-	275,445.00	274,612	
19. Quick mart Ltd	1,276,134	1/1/2021	1,276,134	-	1,276,134	
20. Rongai Livestock Advisory Centre	19,650.00	1/7/2022	-	19,650.00	32,150	
21. Green Rings Investments	575,000	1/7/2022	-	575,000	1,300,000	
22. Readmore Bookshop & Stationers	186,600	1/7/2022	-	186,600	831,430	
23. Kairo's furniture centre	95,100	1/1/2021	95,100	-	95,100	
24. Candirā Enterprise	14,300	1/7/2022	-	14,300	18,700	
25. Wajayso Exploits Inkukuon	82,800	1/1/2021	82,800	-	82,800	
26. Benson Kimani Mwaura	13,500	1/7/2022	-	13,500	-	
27. Gathuitu School Supplies	41,720	1/7/2022	-	41,720	-	
28. Oloolaiser Water and Sewerage Co. ltd	104,000	1/7/2022	-	104,000	-	
29. Samsoc Technics Services	115,000	1/7/2022	-	115,000	-	
Sub-Total	9,724,239		3,375,743	6,025,896	7,253,899	
Supply Of Services						
30. Samsoc Technics Ltd	12,500	1/1/2021	12,500	-	12,500	
31. Jackson Munge Ruthuthi	21,890	1/7/2022	-	21,890	15,240	

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

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
32. Maurest Mercantile Agency	388,860	1/1/2021	388,860	-	388,860	
33. Jamwagi Power Engineering	34,250	1/7/2022	-	34,250	80,400	
34. Mosfield Investment	29,550	1/7/2022	-	29,550	0	
Sub-Total	487,050	-	401,360	85,690	497,000	
Grand Total	10,491,389	-	4,057,203	6,111,586	8,006,700	

NAKEEL SECONDARY SCHOOL

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

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	612,000,000	-	-	612,000,000
Buildings And Structures	99,369,000.50	2,850,999.50	-	102,220,000
Motor Vehicles	9,600,000	-	-	9,600,000
Office Equipment Furniture And Fittings	6,002,000	289,000	-	6,291,000
Textbooks	8,855,000	2,250,200	-	11,105,200
Generators	145,000	2,900,000	-	3,045,000
ICT Equipment	1,399,450	703,550	-	2,103,000
CCTV Installation and equipment	-	1,689,900	-	1,689,900
Tools And Apparatus	16,915,238	2,572,000	-	19,487,238
Other Machinery And Equipment	651,000	46,000	-	697,000
Heritage And Cultural Assets	195,000	10,000	-	205,000
Intangible Assets- Soft Ware	300,000	-	-	300,000
Total	755,431,688.50	13,311,649.50	-	768,743,338