

REPUBLIC OF KENYA



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REPORT

OF

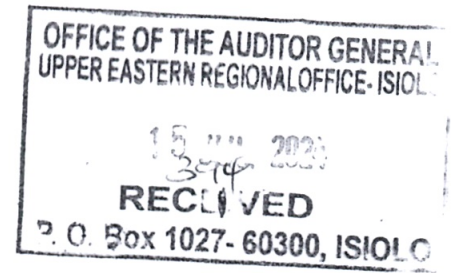
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 NOV 2024	DAY: TUE
TABLED BY:	HON. NAOMI WAGD, MP DEP. MAJORITY PARTY LEADER
CLERK-AT THE-TABLE:	MERCY CHUMU

THE AUDITOR-GENERAL

ON

**KULAMAWE SECONDARY SCHOOL
FOR THE YEAR ENDED
30 JUNE, 2023**

ISIOLO COUNTY



KULAMAWE 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)

KULAMAWE SECONDARY SCHOOL

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

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1. Acronyms and Glossary of Terms

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

2. Key School Information and Management

(a) Background information

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

The school was registered in 28th October 2015 under registration number **17S30000062** and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had two hundred and ninety (295) number of students as at 30th June 2023. It has single streams and thirteen (13) teachers of which two (2) 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	Idris Boru Ali	Chairman	05/09/2022
2	Abdinoor Ibrahim	Secretary - Principal	05/09/2022
3	Halima Bonaya	Member	05/09/2022
4	Kiri Jirmato	Member	05/09/2022
5	Mohamed Hallo	Member	05/09/2022
6	Wario Halake	Member	05/09/2022
7	Jamila Sora	Member	05/09/2022
8	Mohamed Sama	Member – Rep CEB	05/09/2022
9	Adan Abdirahman	Member Rep Teachers	05/09/2022
10	Sadia Boru	Member – Rep CEB	05/09/2022
11	Issa Roba	Member - Community	05/09/2022
12	Hassan Ali	Member Special Needs	05/09/2022
13	Hassan Kanchora	Member- Rep special interest	05/09/2022
14	Amina Mohamed Dima	Rep Students	05/09/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of 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. Idris Boru 2. Abdinoor Ibrahim 3. Hassan Kanchora 4. Mohamed Hallo 5. Wario Halake	Chairman Secretary	2 out of 3 2out of 3 2out of 3 2 out of 3 2 out of 3
2	Audit Committee	1. Idris Boru 2. Abdinoor Ibrahim 3. Mohamed Hallo 4. Wario Halake 5. Hassan Kanchora	Chairman Secretary	2 out of 3 2out of 3 2out of 3 2 out of 3
3	Finance,procurement and general purposes Committee	1. Idris Boru 2. Abdinoor Ibrahim 3. Jamila Sora 4. Mohamed Sama 5. Wario Halake	Chairman Secretary	2 out of 3 2out of 3 2out of 3 2 out of 3 2 out of 3
4	Academic Committee	1. Sadia Boru 2. Abdinoor Ibrahim 3. Adan Abdirahman 4. Halima Bonaya 5. Hassan Ali	Chairman Secretary	2 out of 3 2out of 3 2out of 3 2 out of 3 2 out of 3

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5	Development Committee	1. Idris Boru 2. Abdinoor Ibrahim 3. Mohamed Hallo 4. Jamila Sora 5. Wario Halake	Chairman Secretary	2 out of 3
6	Discipline and welfare Committee	1. Idris Boru 2. Abdinoor Ibrahim 3. Issa Roba 4. Mohamed Hallo 5. Wario Halake 6. Kiri Jirmato	Chairman Secretary	2 out of 3 2out of 3 2out Of 3 2 out of 3 2 out of 3
7	Adhoc Committee (if any during the year)			

(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	Abdinoor Ibrahim	TSC No. 432683
2	Deputy Principal	Yunis Hersi	TSC No. 557403
3	School Bursar	Abdifatah Bakaye	ID No. 34885716
4	Other (specify)		

(e) Schools contacts

Post Office Box: 893-60300, Isiolo
Telephone: 0723930576
E-mail: kulamawesecondaryschool@gmail.com
Website: -
Facebook: -
Twitter: -

(f) School Bankers

The school operated four (4) bank accounts in the following banks:

1. Name of Bank: Equity
Branch: Isiolo
Account Name: School fund/Main Account
Account Number: 0410261545569
2. Name of Bank: Equity
Branch: Isiolo
Account Name: Tuition account
Account Number: 0410260886476
3. Name of Bank: Equity
Branch: Isiolo
Account Name: Operation Account
Account Number: 0410260886516
4. Name of Bank: Equity
Branch: Isiolo
Account Name: Infrastructure Account
5. Account Number: 0410266863845

(g) Independent Auditors

Office of the Auditor General

KULAMAWE SECONDARY SCHOOL

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

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

3. Summary Report of Performance of the School

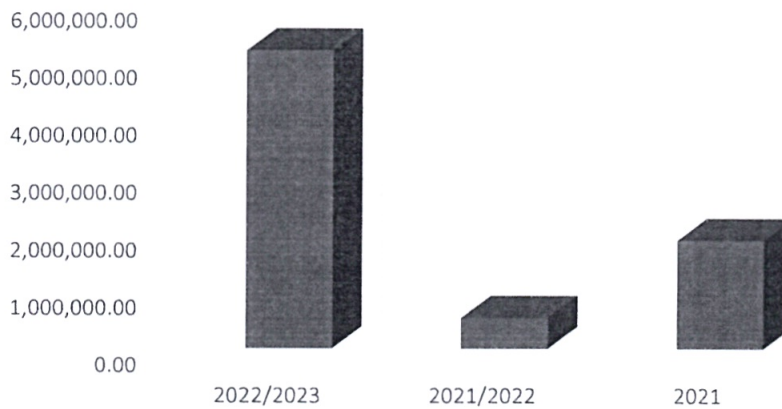
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

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

	2022/2023	2021/2022	2021
<i>Surplus/deficit</i>	5,185,809	536,294	1,887,848

Surplus/deficit

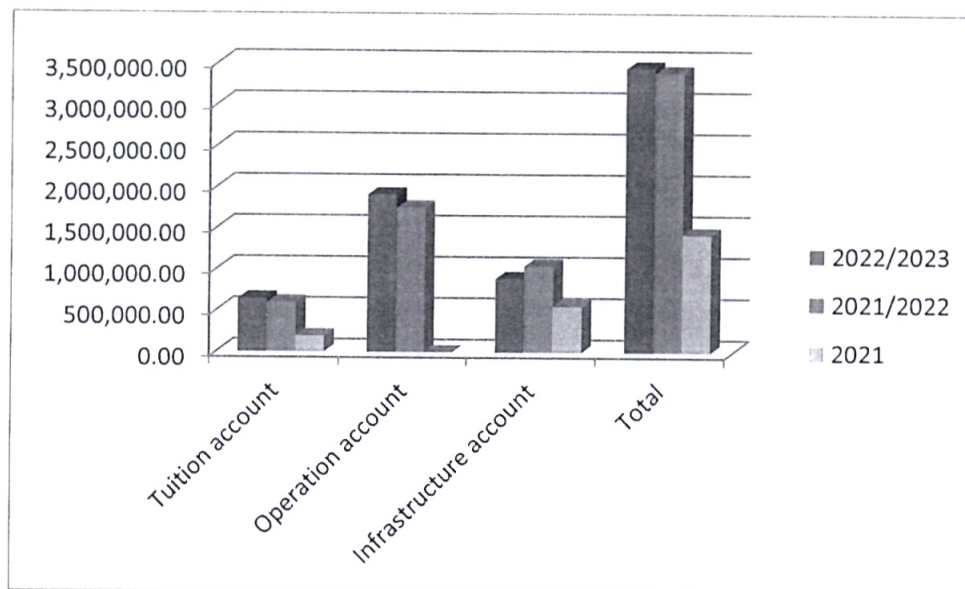


Capitation grants from the Ministry of Education for the last three years

	2022/2023	2021/2022	2021
<i>Tuition account</i>	643,661	594,771	192,814
<i>Operation account</i>	1,910,748	1,751,611	6,81,576
<i>Infrastructure account</i>	892,000	1,044,000	553,000
<i>Total</i>	3,446,409	3,390,382	1,427,390

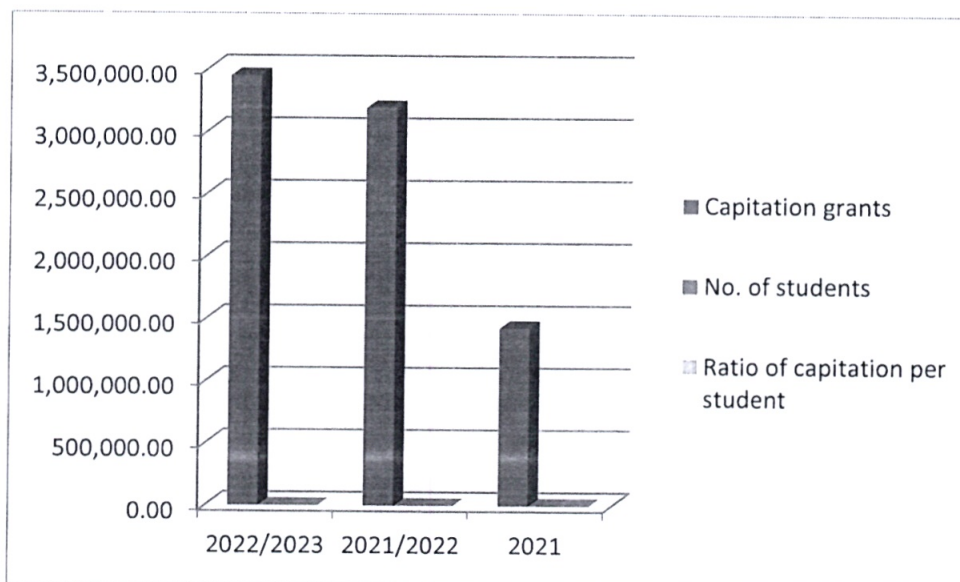
KULAMAWE SECONDARY SCHOOL

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



Ratio of capitation grant per student over the last three years

YEAR	2022/2023	2021/2022	2021
Capitation grants	3,446,409	3,190,382	1,427,390
No. of students	211	185	148
Ratio of capitation per student	1:16,333	1:17,245	1:9,645



KULAMAWE SECONDARY SCHOOL

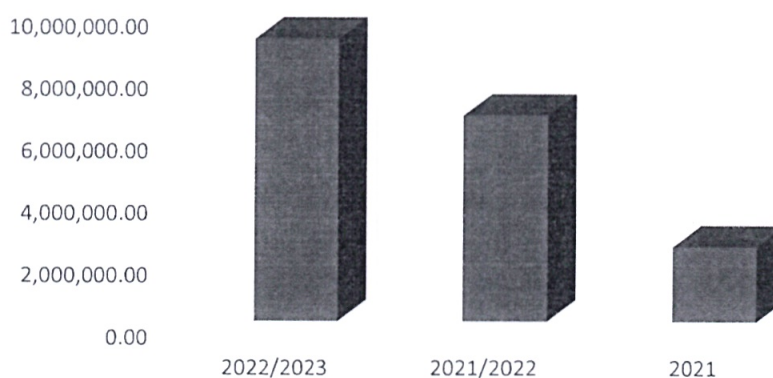
Annual Report and Financial Statements for the year ended 30th June 2023

- *A three-year overview of growth of other income(s) earned by the school.*

The school did not earn income from other sources except the grants received from the Ministry of Education and the fees paid by the parents.

YEAR	2022/2023	2021/2022	2021
School fund account	9,079,444	6,624,533	2,413,446

School fund account

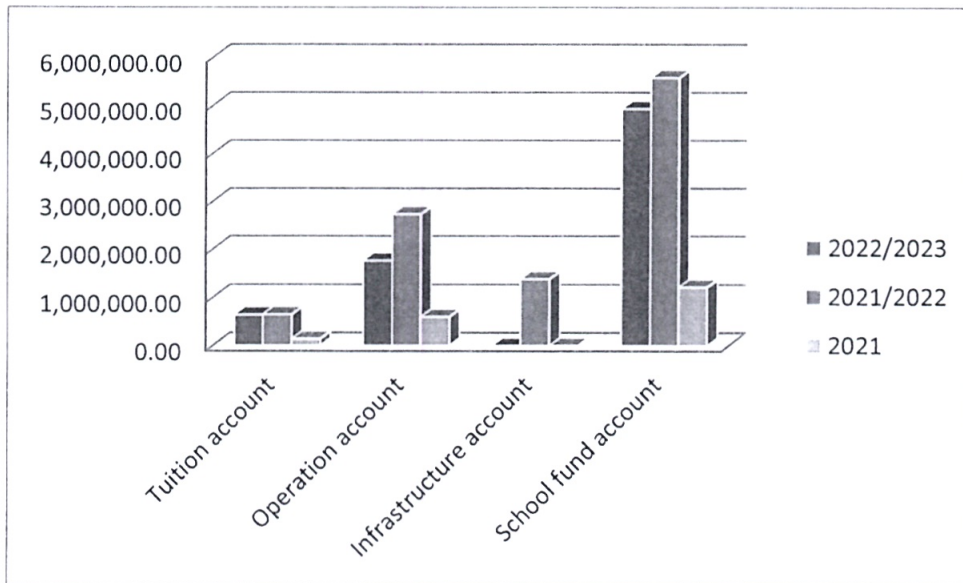


A three-year overview of growth in expenditure of the school

	2022/2023	2021/2022	2021
Tuition account	643,004	642,745	140,100
Operation account	1,763,165	2,726,960	598,200
Infrastructure account	-	1,379,180	-
School fund account	4,933,875	5,573,736	1,214,688

KULAMAWE SECONDARY SCHOOL

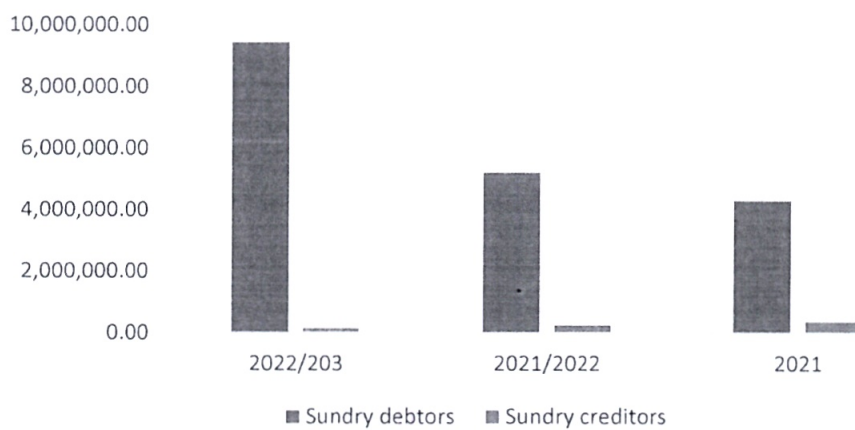
Annual Report and Financial Statements for the year ended 30th June 2023



Movement of debtors and creditors of the school over the last three years

	2022/2023	2021/2022	2021
<i>Sundry debtors</i>	9,430,715	5,214,606	4,306,304
<i>Sundry creditors</i>	148,178	250,698	360,128

Movement of creditors and debtors over the last three years



b) Teacher Student ratio:

- Teacher to student ratio = $\frac{295}{13} = 22.6$

13

- Number of teachers recruited within the year
- Number of teachers posted to the school within the year - 3
- Number of teachers transferred during the period - 1
- Number of teachers who retired within the year - Nil
- Number of teachers employed by TSC - 11
- Number of teachers employed by BOM – 2

Subject	Eng	Kis	Math	Bio	Chem	Phys	Agri	B/s	Hist	IRE	CRE	Geo
No. of TSC teachers	2	3	2	1	3	0	0	2	2	1	2	2
No. of BOM teachers						1	1					
Surplus												
Shortage						1	1					

c) Mean score in the 2020-2022 KCSE:

Year	KCSE Mean Score	No. of students that have transitioned to institutions of higher learning	Comment
2022	4.98	13	Good progress
2021	5.59	16	Great improvement
2020	3.86	4	Slight drop

d) Number of Candidates in the 2020-2022 KCSE:

KCSE Year	2022	2021	2020
Number of candidates	59	41	42

e) Capacity of the school:

The school has a population of two hundred and ninety five (295). This number consists of one hundred and eighty five (185) boys and one hundred and ten (110) girls. Majority of the boys i.e. one hundred and sixty (160) are boarders while all the girls are day scholars. The school has only one dormitory with a capacity to accommodate sixty five (65) students. The remaining boys are accommodated in two classrooms as a short-term measure to decongest the dormitory. Thus, the school is in a dire need of two extra dormitories considering the fact that it has a high prospect of growth.

The school lacks a dining hall. Food is prepared and served in a makeshift kitchen made of iron sheets. Efforts to build a dining hall through CDF funding have not been successful. Therefore, the school also urgently needs a dining hall.

The school has only one (1) laboratory which has affected the teaching and learning of science subjects. Hence, the school requires additional two (2) laboratories as a matter of priority.

Currently, there are four (4) latrines for girls, four (4) latrines for boys and five (5) bathrooms for boys. There is also need for additional four (4) latrines i.e two (2) for boys and two (2) for girls to cater for the rapidly growing students' population.

Facility	Available infrastructure	Quantity required	Infrastructure gap	Comment
Science laboratories	1	2	2	Urgent
Dormitories	1	2	2	Urgent
Library	0	1	1	Urgent
Students toilets	8	4	4	Urgent
Staff washroom	2	1	1	Urgent
Classrooms	7	2	2	Urgent

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<i>Water tank</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>Urgent</i>
<i>Boardroom</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>Urgent</i>
<i>Staff houses</i>	<i>2</i>	<i>4</i>	<i>4</i>	<i>Urgent</i>

f) Development projects carried out by the school:

The school did not undertake any infrastructural project within the financial year 2022/2023. The maintenance and improvement funds received from the ministry of education was not utilised as it was considered to be insufficient for the intended project. The funds were transferred to the infrastructure account as directed and will be utilised once it will be enough for the school's priority project i.e Construction of a dormitory.

.....
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 Kulamawe 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).

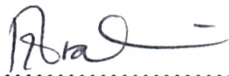
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
Name: Idris Boru Ali

Designation: Chairman, School Board of Management

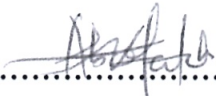
Date: 12/07/2024



.....
Name: Abdinoor Ibrahim Shanu

Designation: School Principal & Secretary to Board of Management

Date: 12/07/2024



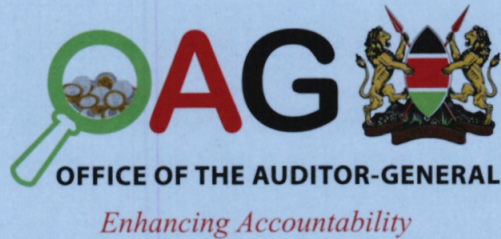
.....
Name: Abdifatah Bakaye

Designation: Bursar/ Finance Officer

Date: 12/07/2024

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KULAMAWE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - ISIOLO 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 Kulamawe Secondary School-Isiolo County set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual

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

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kulamawe Secondary School 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

1. Inaccuracy in School Fund Income-Parents Contribution

The statement of receipts and payments reflects school fund income- parents contribution of Kshs.9,079,444 while the statement of cashflows reflects an amount of Kshs.4,760,815 resulting in unreconciled variance of Kshs.4,318,629.

In the circumstances, the accuracy and completeness of the respective balances reflected in the financial statements could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.9,430,715 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.2,764,304 which had been outstanding for more than three years.

In the circumstances, the completeness, accuracy and recoverability of the receivables balance of Kshs.9,430,715 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.13,817,181 and Kshs.12,525,853 respectively, resulting to an under-funding of Kshs.1,291,328 or 9% of the budget. However, the School

spent a balance of Kshs.7,340,044 against actual receipts of Kshs.12,525,853 resulting to an under-utilization of Kshs.5,185,809 or 41% of actual receipts.

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.

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.

1. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2023 were submitted for audit on 22 May, 2024 which was seven months after the statutory deadline contrary to Section 68(2)(k) of the Public Finance Management Act, 2012, which requires accounting officer to prepare and submit the annual financial statements for each financial year to the Auditor-General within three (3) months after the end of the financial year for audit.

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

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

The statement of receipts and payments reflects payment for operations of Kshs.1,763,165 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.147,250 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.147,250 could not be confirmed.

3. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.3,446,409. 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 2022/2023, NEMIS reflected of two hundred and eleven (211) students while records from the County Director of Education had two hundred and forty (240) students, resulting to unregistered twenty-nine (29) students. Management indicated that the students were not registered as a result of lack of birth certificates and cases of over aged students. The under-registration in NEMIS may have resulted to an underfunding of the School by an amount of Kshs.645,076. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 3 dated 16 June, 2021 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, 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 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. Weak Governance System

Review of internal control system in place revealed that the School lacked crucial institutional policies, manuals and documents on key functional areas including Human Resource Policy and Procedures Manual, up to date approved organizational chart, Disaster Recovery Plan or Business Continuity Plan and Assets Management Policy.

Further, the School did not have an approved IT Policy for governance and management of its ICT resources and there was no ICT Steering Committee in place to assist in the development of ICT Policy framework.

In the circumstances, the adequacy and effectiveness of the internal control and risk management framework could not be confirmed.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.39,442,280 in respect of fixed assets which includes land with a balance of Kshs.8,000,000. However, land ownership documents were not provided for audit.

In the circumstances, of land balance of Kshs.8,000,000 could not be confirmed.


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

Responsibilities of Management and those Charged with Governance

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

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

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



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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non compliance. Also, projections of any evaluation of

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

I communicate with 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 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

30 October, 2024

KULAMAWE 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
		FY	FY
		Kshs	Kshs
Receipts			
Government grants for tuition	1	643,661	594,771
Government grants for operations	2	1,910,748	2,595,611
Government Grants for infrastructure	3	892,000	-
School fund income- parents' contributions	4	9,079,444	6,624,533
Miscellaneous incomes	5	-	-
Total Receipts		12,525,853	9,814,915
Payments			
Tuition	6	643,004	642,744
Operations	7	1,763,165	3,062,140
Infrastructure	8	-	-
Boarding and school fund	9	4,933,875	5,573,736
Total Payments		7,340,044	9,278,620
Surplus/Deficit		5,185,809	536,294

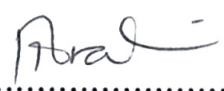
The school financial statements were approved on 12/07/2024 and signed by:


.....

Name: IDRIS BORU

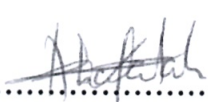
Chair BOM

Date: 12/07/2024


.....

Name: ABDINOOR IBRAHIM
School Principal/ Secretary to
BOM

Date: 12/07/2024


.....

Name: ABDIFATH B BORU

Bursar/ Finance Officer

Date: 12/07/2024




KULAMAWE SECONDARY SCHOOL

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


7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,287,852	420,672
Cash balances	11	-	-
Short term investments	12	-	-
Total cash and cash equivalent		<u>1,287,852</u>	<u>420,672</u>
Account's receivables	13	9,430,715	5,214,606
Total financial assets		10,718,567	5,635,278
Financial liabilities			
Accounts payables	14	148,178	250,698
Net financial assets		10,570,389	5,384,580
Represented by			
Accumulated fund b/fwd	15	5,384,580	4,848,285
Surplus/deficit for the year		5,185,809	536,294
Net financial position		10,570,389	5,384,580


The school's financial statements were approved on 12/07/2024 and signed by:


 Name: Idris Boru

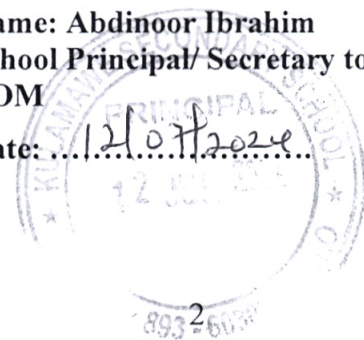
Chair BOM
 Date: 12/07/2024


 Name: Abdinoor Ibrahim
 School Principal/ Secretary to BOM

Date: 12/07/2024


 Name: Abdifatah Bakaye

Bursar/ Finance Officer
 Date: 12/07/2024



KULAMAWE 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	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		643,661	594,771
Government grants for operations		1,910,748	2,595,611
Government grants for infrastructure		892,000	-
School fund income- parents contributions/ fees		4,760,815	5,504,281
Other income		-	-
Total receipts		8,207,224	8,694,663
Payments			
Cash outflows for tuition		643,004	642,745
Cash outflows for operations		1,763,165	1,683,860
Cash outflows Boarding/lunch and school fund payments		4,933,875	5,471,216
Total payments		(7,340,044)	(7,797,820)
Net cash inflow/outflow from operating activities		867,180	896,842
Cash flow from investing activities			
Acquisition of assets		-	(1,378,280)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	(1,378,280)
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		867,180	(481,438)
Cash and cash equivalent at beginning of the FY		420,671	902,109
Cash and cash equivalent at end of the FY		1,287,852	420,672

KULAMAWE SECONDARY SCHOOL

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

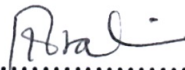
The school's financial statements were approved on 12/07/2024 and signed by:



.....
Name: Idris Boru

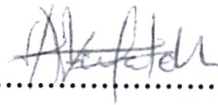
Chair BOM

Date: 12/07/2024



.....
Name: Abdinoor Ibrahim
School Principal/ Secretary to
BOM

Date: 12/07/2024



.....
Name: Abdifatah Bakaye

Bursar/ Finance Officer

Date: 12/07/2024



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	102,330	-	102,330	30,290	30%
Exercise Books	335,826	-	335,826	334,230	99%
Laboratory Equipment	149,256	-	149,256	179,705	120%
Internal Exams	134,304	-	134,304	40,596	30%
Teaching / Learning Materials	126,867	-	126,867	58,840	46%
Exams and Assessment	-		-	-	-
SUB TOTAL	848,583		848,583	643,661	75.9%
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	890,881	-	890,881	1,113,121	125%
Local Transport / Travelling	485,967	-	485,967	212,389	44%
Electricity and Water	486,064	-	486,064	233,558	48%
Medical	540,000	-	540,000	-	-
Administration Costs	621,086	-	621,086	236,846	38%
Activity	459,000	-	459,000	114,833	25%
Gratuity	-	-	-	-	-
SUB TOTAL	3,482,998		3,482,998	1,910,747	55%
<i>3) FDSE for infrastructure</i>					

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
Maintenance & Improvement MoE	1350,000	-	1350,000	892,000	125%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	430,024	-	430,024	304,361	71%
Repairs and Maintenance	320,000	-	320,000	257,355	80%
Local Transport / Travelling	481,920	-	481,920	67,864	14%
Electricity and Water	385,336	-	385,336	433,040	112%
Medical	-	-	-	-	-
Administration Costs	326,720	-	326,720	179,760	82%
Activity	160,000	-	160,000	43,290	27%
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	6,031,600	-	6,031,600	7,793,774	129%
SUB TOTAL	8,135,600		8,135,600	9,079,444	111%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income from Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income from Posho Mill	-	-	-	-	-

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
Income from Bus Hire	-	-	-	-	-
Fee for Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income from Any Other Investment	-	-	-	-	-
Total Income	13,817,181		13,817,181	12,525,852	91%
<i>(6) Expenditure for Tuition</i>					
Textbooks/Reference materials	102,330	-	102,330	29,420	29%
Exercise Books	335,826	-	335,826	334,200	99.5%
Laboratory Equipment	149,256	-	149,256	179,420	120%
Internal Exams	134,330	-	134,330	40,600	30%
Teaching / Learning Materials	126,867	-	126,867	58,164	46%
Chalks	-	-	-	-	-
Exams and Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
SUB TOTAL	848,609		848,609	643,004	75.8%
<i>(7) Expenditure for Operations</i>					
Personnel Emoluments	890,881	-	890,881	1,076,000	121%
Repairs, Maintenance & Improvements	1,350,000	-	1,350,000	-	0%
Local Transport / Travelling	458,967	-	458,967	198,600	43.2%
Electricity, Water and Conservancy	480,064	-	480,064	244,398	51%
Medical	540,000	-	540,000	-	-

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
Administration Costs	621,086	-	621,086	189,917	31%
Activity Expenses	459,000	-	459,000	53,750	12%
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
<i>SUB TOTAL</i>	4,800,108		4800,108	1,762,665	
<i>(8) Expenditure for infrastructure</i>					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
<i>(9) Expenditure for school fund/lunch/boarding</i>					
Personnel Emoluments	580,078	-	580,078	201,000	35%
Repairs, Maintenance and Improvements	320,000	-	320,000	285,165	89.1%
Local Transport / Travelling	481,920	-	481,920	247,100	51%
Electricity, Water and Conservancy	385,336	-	385,336	417,141	108%
Medical Expenses	-	-	-	-	-
Administration Costs	326,720	-	326,720	237,450	73%
Activity	160,000	-	160,000	72,500	45%

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Gratuity	-	-	-	-	-
Lunch Programme/BES and stores	6,031,000	-	6,031,000	3,473,519	58%
Expenditure for Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-
Totals	14,021,263	-	14,021,263.00	7,340,044.00	52.3%

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

- i. The vote heads for laboratory equipment was over utilised as a consequence of purchase of laboratory chemicals and equipment for KCSE exams
- ii. The votehead for exercise books was over utilised because of exercise books issued to form one students.
- iii. EWC was also over utilised because of frequent repairs and replacements of the PVC pipes which are prone to damages by wild animals with GI or metallic pipes.
- iv. The underutilisation in the majority of the other voteheads was due to shortage of funds because some parents did not fees as expected and there was underfunding from the government as the school did not receive the full capitation as expected.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To The Financial Statements**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	30,290	61,994
Exercise Books	334,230	284,992
Laboratory Equipment	179,705	169,508
Internal Exams	40,596	20,586
Teaching / Learning Materials	58,840	57,691
Others (specify)*		
Total	643,661	594,771

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,113,121	655,348
Repairs and Maintenance	-	-
Local Transport / Travelling	212,389	237,267
Electricity and Water	233,559	367,618
Medical	-	-
Administration Costs	236,846	291,379
Activity	114,833	-
Other Vote Heads (specify)*	-	-
Total	1,910,748	1,551,611

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	892,000	1,044,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	892,000	1,044,000

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	304,361	317,155
Repairs and maintenance	257,355	91,250
Local transport / travelling	67,864	78,445
Electricity and water	433,040	470,865
Medical	-	-
Administration costs	179,760	202,330
Activity	43,290	4,800
Fee on Boarding Equipment and stores	7,793,774	5,459,688
PA Levies*	-	-
Others (specify)	-	-
Total	9,079,444	6,624,533

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	-	-
Income from Farming Activities	-	-
Insurance Compensation	-	-
Income from Posho Mill	-	-
Income from Bus Hire	-	-
Fee for Hire of Ground and Equipment	-	-
Income from Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	-	-

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	334,200	271,610
Text books/Reference materials	29,420	61,853
Laboratory Equipment	179,420	215,580.00
Teaching / Learning Materials	58,164	70,971
Exams and Assessment	40,600	20,000
Teachers Guides	-	-
Bank Charges	1,200	2,730
Others (specify)	-	-
Total	643,004	642,745

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,076,500	716,800
Service Gratuity	-	-
Administration Cost	189,917	325,810
Repairs and Maintenance & Improvements	-	-
Local Transport / Travelling	198,600	256,800
Electricity and Water	244,398	383,550
Medical	-	-
Activity Expenses	53,750	-
Insurance Cost	-	-
Others (specify)	-	-
Total	1,763,165	1,682,960

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	1,026,280
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Construction of bathrooms	-	352,000
Bank charges	-	900
Total	-	1,379,180

9 Boarding and School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	201,000	314,100
Service Gratuity	-	-
Repairs and Maintenance & Improvements	285,165	35,000
Local Transport / Travelling	247,100	78,000
Electricity and Water	417,141	552,100
Medical Expenses	-	-
Administration Costs	237,450	201,135
Fee On Boarding Equipment and Stores/Lunch programme	3,473,519	4,388,701
Bank Charges	-	-
Expenses On Income Generating Activities**	-	-
Rent Expenses	-	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition of Assets	-	-
PA expenses	-	-
Activity	72,500	4,700
Total	4,933,875	5,573,736

KULAMAWE SECONDARY SCHOOL

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

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account		0410260886476	5,345	4,697
Operations Account		0410260886516	200,871	53,288
School Fund Account/Boarding		0410261545569	3,611	176,671
Savings Account		-	-	-
Parent Association Development Account		-	-	-
Income Generating Activities Account		-	-	-
Infrastructural Account		0410266863845	1,078,015	186,015
Total			1,287,852	420,672

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	-	-
Total	-	-

12 Short Term Investments

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

KULAMAWE SECONDARY SCHOOL

Annual 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	9,430,715	5,214,606
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	9,430,715	5,214,606

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current	% of the total	Comparative	% of the total
Less than 1 year	4,439,319	46.0%	1,522,302	26%
Between 1- 2 years	1,522,302	16%	928,000	16%
Between 2-3 years	928,000	10%	950,590	16%
Over 3 years	2,764,304	29%	2,427,714	42%
Less recovery	223,210		614,000	
Total (should tie to note 13 a)	9,430,71	100%	5,214,606	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	-	-
Prepaid Fees	148,178	250,698
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	148,178	250,698

KULAMAWE SECONDARY SCHOOL

Annual 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	
	Current	% of the total	Comparative	% of the total
Less than 1 year	-	%		%
Between 1- 2 years	-	%		%
Between 2-3 years	-	%		%
Over 3 years	148,178	100%		%
Total (should tie to note 14)	148,178	100%	250,698	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	420,717	899,139
Cash Balances	-	2,970
Short Term Investments	-	-
Receivables	5,214,606	4,306,304
Payables	(250,698)	(360,128)
Total	5,384,580	4,848,286

KULAMAWE 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	2021-2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity and Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

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	-	-

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	3,473,519	1,300,000
Lab consumables	179,420	300,000
Farm produce	-	-
Medication	-	-
Construction Materials	121,000	400,000
Others (specify)	-	-
	3,773,939	2,000,000

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.	-	-	-	-	--	--
2.	-	-	-	-	--	-
3.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Supply Of Goods	-	-	-	-	-	-
4.	-	-	-	-	-	-
5.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Supply Of Services	-	-	-	-	-	-
6.	-	-	-	-	-	-
7.	-	-	-	-	-	-
8.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Grand Total	-	-	-		-	-

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		Kulamawe	8,000,000		-	8,000,000
Land 2			-		-	-
Buildings and structures		Kulamawe	26,878,280		-	26,878,280
Motor vehicles			-			-
Office equipment, furniture and fittings		Kulamawe	1,700,000		-	1,700,000
ICT Equipment, and Other ICT Assets		Kulamawe	560,000		-	560,000
Tools and apparatus		Kulamawe	1,054,000		-	1,054,000
Textbooks		Kulamawe	1,200,000		-	1,200,000
Other Machinery and Equipment			-		-	-
Heritage and cultural assets			-			-
Intangible assets- soft ware		Kulamawe	50,000.00		-	50,000.00
Total		Kulamawe	39,442,280			39,442,280