

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: **30 JUL 2025**

DAY:

Wednesday

TABLED
BY:

Hon. Owen Bayo, CBS, MP
Deputy Majority Leader

CLERK AT
TABLE:

Lorraine

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

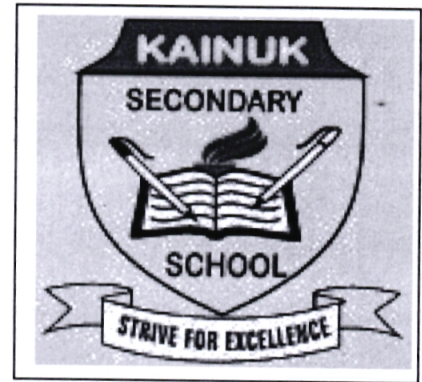
ON

KAINUK MIXED SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2024

TURKANA COUNTY



KAINUK MIXED SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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 Turkana County, Aroo Sub-County.

The school was registered on **26th March 2014** under registration number **PU/S/38427/14** and is currently categorized as County Public secondary school established, owned and operated by the Government.

The school is a **Mixed** Boarding Secondary School and had **625** students as at **30th June 2024**. It has **three** streams and **25** teachers of which **3** teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref.	Name of Board Member	Designation	Date of appointment
1	Mr. Peter Hereng Nazegira	Chairman	3/5/2022
2	Mr. Maurice Musundi	Secretary – Principal	3/5/2022
3	Mrs. Everlyne Emekwi	Member – Rep local Community	3/5/2022
4	Mrs. Vanice Longole	Member – Rep local Community	3/5/2022
6	Mr. Sammy Randale	Member – Rep local Community	3/5/2022
7	Mr. Francis Mbotela	Member – Rep local Community	3/5/2022
8	Mr. Peter Locham	Member – Rep local Community	3/5/2022
9	Mr. Darlington Lokosio	Member – Rep local Community	3/5/2022
10	Ms. Rosebella Amodoi	Member – Co-opted	3/5/2022
11	Mr. Simon Kalotum	Member – Rep CEB	3/5/2022
12	Mr. Kisa Soyekwo	Member Rep Teachers	3/5/2022
13	Pst. Tum Amos	Member - Sponsor	3/5/2022
14	Fr. Antonio Zerani	Member - Sponsor	3/5/2022
15	Pst. Godnam Lokoel	Member - Sponsor	3/5/2022
16	Mrs. Margaret Lomulen	Member - Rep Special intrest group	3/5/2022
17	Ms. Clare Ame	Member Special Needs	3/5/2022
18	Lochio Daniel	Rep Students	3/5/2022

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Peter Hereng Mr. Maurice Musundi Mrs. Vanice Longole Mr. Lokosio Darlington Mrs. Margret Lomulen	Chairman Secretary Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	Mr. Peter Hereng Mr. Lokoriso Darlington Mrs. Margret Lomulen Ms. Clare Ame Mr. Maxim Inganga	Chairman Secretary Member Member Schools Auditor	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
3	Finance, procurement and general purposes Committee	Mr. Peter Hereng Mr. Maurice Musundi Mrs. Vanice Longole Mrs. Margaret Lomulen	Chairperson Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	Mr. Francis Mbotela Mrs. Everlyne Emekwi Mr. Darlington Lokosio Mr. Maurice Musundi	Chairperson Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3

5	Development Committee	Mr. Sammy Randale Mrs. Margaret Lomulen Mr. Maurice Musundi Mr. Godnam Lokoel Mr. Kitoe Johnstone	Chairman Secretary Member Member Scde- Ministry	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline Committee	Mr. Lokoel Godnam Mrs. Clare Ame Mr. Mbotela Francis Mr. Maurice Musundi	Chairperson Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
7	SIMSC Committee	Mr. Peter Hereng Mrs. Mercy Nabalayo Mrs. Vanice Longole Mr. Godnam Lokoel	Chairperson Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
8	Tendering Committee	Mr. Sammy Randale Mr. Francis Mbotela Mr. Peter Hereng Mr. Lokosio Darlington Mrs. Margret Lomulen	Chairperson Secretary Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
9	Insepection and evaluation Committee	Mrs. Margret Lomulen Mr. Maurice Musundi Mr. Lokosio Darlington Mr. Francis Mbotela	Chairperson Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3

(d) School operation Management

For the financial year ended 30th June, 2024 the School's day-to-day management was under the following persons:

Ref.	Designation	Name	Identification
1	Principal	Mr. Maurice Musundi	TSC No. 333587
2	Deputy Principal	Mr. Allan Churchil Mingusa	TSC No. 502790
3	School Bursar	Mr. George Barasa	ID Number: 11659779

(e) Schools contacts

Post Office Box: 511 - 30500 Lodwar
Telephone: 07-95-95-40-56
E-mail: kainukmixedsec@gmail.com
Website: None
Facebook: None
Twitter: None

(f) School Bankers

Details of the school bankers.

1. Name of the Bank : Kenya Commercial Bank
Branch : Lodwar
Account Number : 1107209447
Account Name : School Fund Account
2. Name of the Bank : Kenya Commercial Bank
Branch : Lodwar
Account Number : 11077237211
Account Name : Operation Account
3. Name of the Bank : Kenya Commercial Bank
Branch : Lodwar
Account Number : 1107172608
Account Name : Tuition Account
4. Name of the Bank : Kenya Commercial Bank
Branch : Lodwar
Account Number : 1217355545
Account Name : Infrastructure Account
5. Name of the Bank : Kenya Commercial Bank
Branch : Lodwar
Account Number : 1113583843
Account Name : Economic stimulus Account
6. M- pesa Paybill Number: 522123. Account Number 85535K attached to KCB bank account Number 1107209447.

(g) Independent Auditors

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

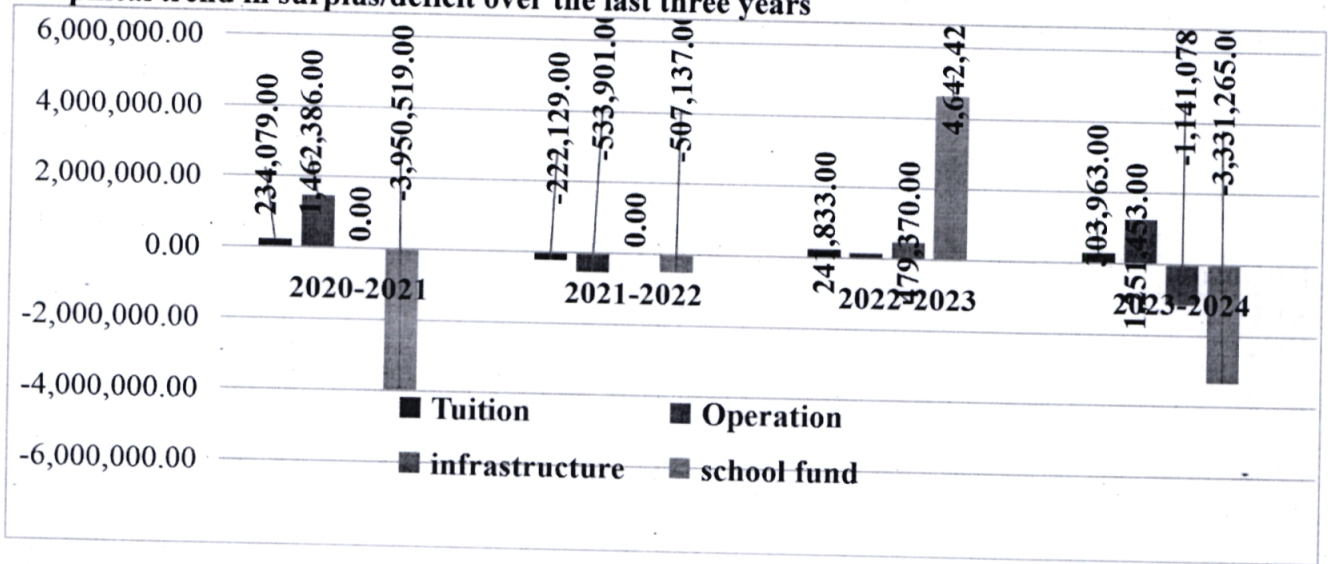
3. Summary Report Of Performance Of The School

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

a) Financial performance:

Surplus /deficit during the year and a comparison of the same for the last three years					
	Accounts	2023-2024	2022-2023	2021-2022	2020-2021
		Ksh.	Ksh.	Ksh.	Ksh.
1.	Tuition Account	303,963	241,833	(222,129)	234,079
2.	Operation Account	1,251,453	153,069	(533,901)	1,462,386
3.	Infrastructure Account	(1,141,078)	479,370	0	0
4.	School Fund Account	(3,331,265)	4,642,427	(507,137)	(3,950,519)
	Total	(2,916,927)	5,516,699	(1,263,167)	(2,254,054)
	<i>increase/decrease</i>	(8,433,626)	6,779,866	990,887	(5,534,169)

Graphical trend in surplus/deficit over the last three years



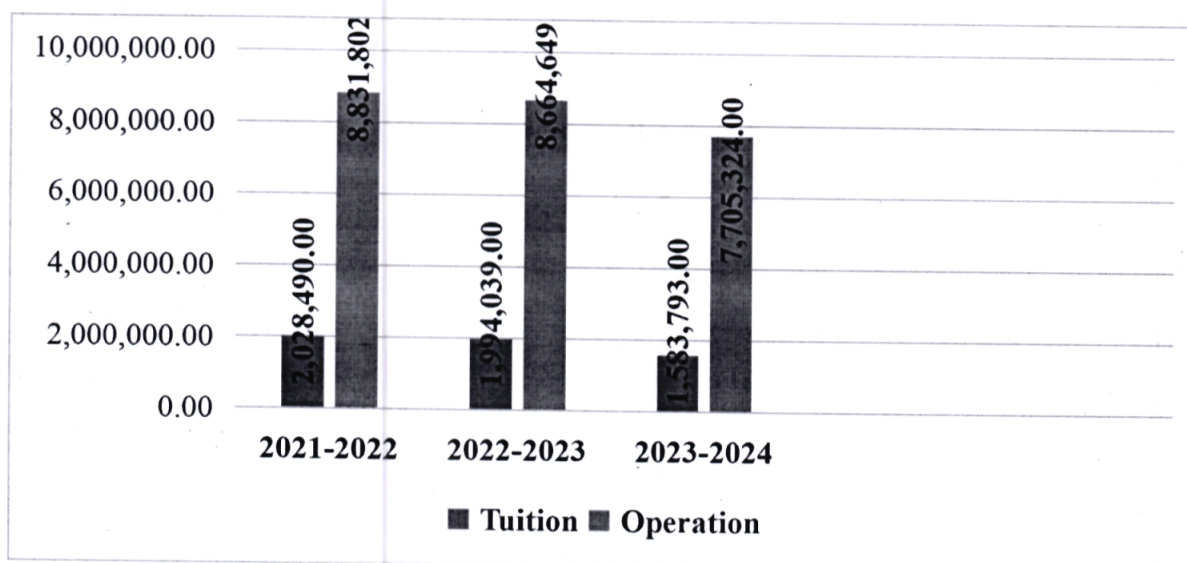
Explanations:

During the financial year 2023 – 2024 the school had a total deficit of Ksh. 2,916,927 while during the financial year 2022-2023 there was a surplus of Ksh. 5,516,699 representing a decrease in total surplus by Ksh. 8,433,626. This is because during the financial year 2023-2024 there was an increase in school expenses.

Summary report of performance of the school

Capitation Grants from the Ministry of Education for the last three years				
S/No	Account	2023-2024	2022-2023	2021 - 2022
		Ksh	Ksh	Ksh
1	Tuition Account	1,583,793	1,994,039	2,028,490
2	Operation Account	7,705,324	8,644,649	8,831,802
	Total	9,289,117	10,638,688	10,860,292
	Increase/Decrease	(1,349,571)	(221,604)	5,389,108
	No of Students –NEMIS	625	640	611
	Actual number of students - class register	625	640	611
	Ratio of Capitation per student	1:14,863	1:16,622	1:8,820

Trend in capitation grants over the last three years

**Explanations:**

The total capitation grants received by the school from the Ministry of Education during the financial year 2023-2024 was Ksh. 9,289,117 while the total capitation grants received by the school during financial year 2022-2023 was Ksh. 10,638,688 representing a decrease in total capitation by Ksh. 1,349,571. This is because during the financial year 2023-2024 there was a decrease in government capitation as a result of a decrease in students population.

Summary report of performance of the school

Ratio of capitation for the past three years

Date	Actual number of students	Nemis Enrolment	Total capitation grants received for Tuition	Capitation rate for Tuition	Total Capitation grants received for Operation	Capitation Rate for Operation
2023-2024						
9/4/2024	625	625	469,250	1:751	2,127,938	1:3,404
9/11/2024	652	652	784,356	1:1,203	4,271,695	1:6,552
16/8/2023	651	651	330,187	1:507	1,350,691	1:2074
Totals	1,928	1,928	1,583,793	1:821	7,705,324	1:3,997
2022-2023						
12/4/2023	640	640	276,160	1:431	1,888,224	1:2,950
29/12/2022	748	748	450,296	1:602	2,322,106	1:3,104
20/9/2022	748	748	670,395	1:896	2,329,452	1:3,114
30/6/2022	750	750	597,188	1:796	2,104,867	1:2,806
Totals	2,886	2,886	1,994,039	1:691	8,644,649	1:2,995
2021 -2022						
23/3/2022	611	611	641,917	1:1,050	1,805,383	1:2,955
23/12/2021	611	611	292,058	1:478	1,267,031	1:2,073
9/12/2021	111	111	81,030	1:730	499,500	1:4,500
27/9/2021	611	611	427,700	1:700	2,171,311	1:3,553
16/7/2021	481	481	351,130	1:481	2,164,500	1:4,500
30/6/2021	120	120	234,655	1:1,955	924,077	1:7,700
Totals	2,545	2,545	2,028,490	1:797	8,831,802	1:3,470

Comments:

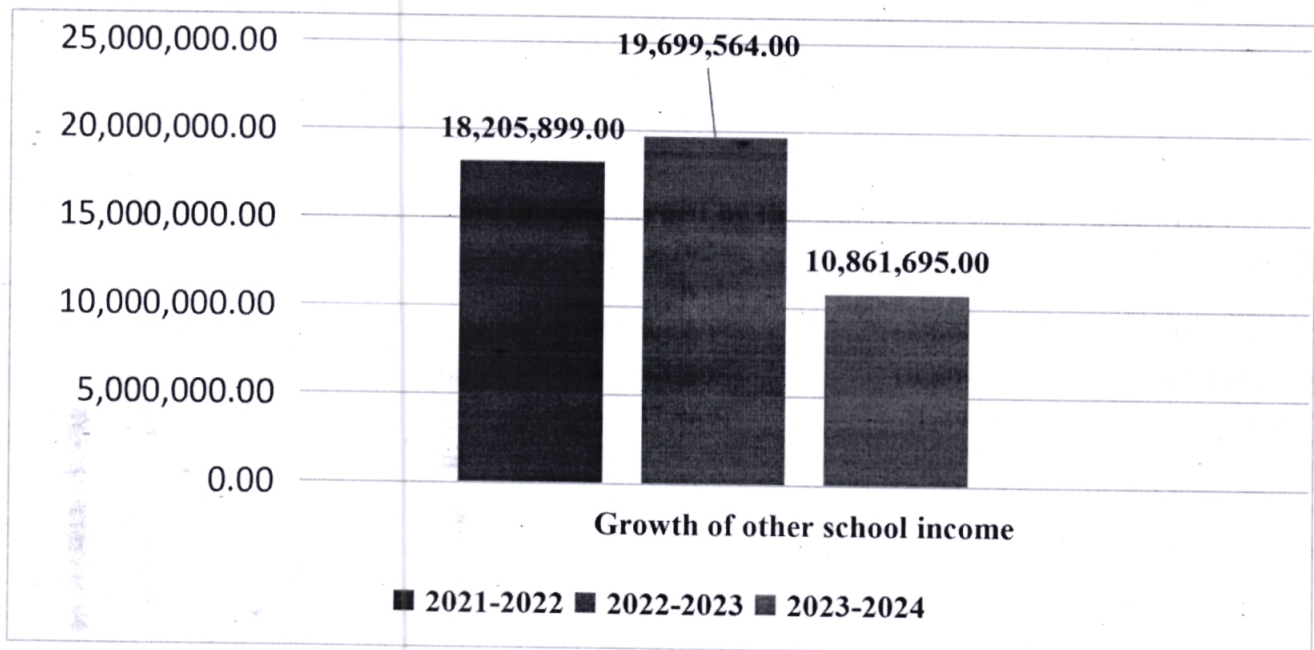
The above data has been extracted from Nemis Capitation data summary.

Ministry of Education did not disburse all students' capitation grants to school as some funds were retained for purchase of students' textbooks from KICD while other funds were retained for students' insurance medical cover while funds for SMASSE were paid directly to CEMASTE A.

Summary report of performance of the school

Overview of growth of other school income earned by the school over the last three years				
S/No	Account	2023-2024	2022-2023	2021-2022
		Ksh	Ksh	Ksh
1	School Fund/Boarding Account	10,861,695	19,699,564	18,205,899
	Total	10,861,695	19,699,564	18,205,899
	Increase/Decrease	(8,837,869)	1,493,665	14,248,899

Overview of growth of other school income earned by the school over the last three years



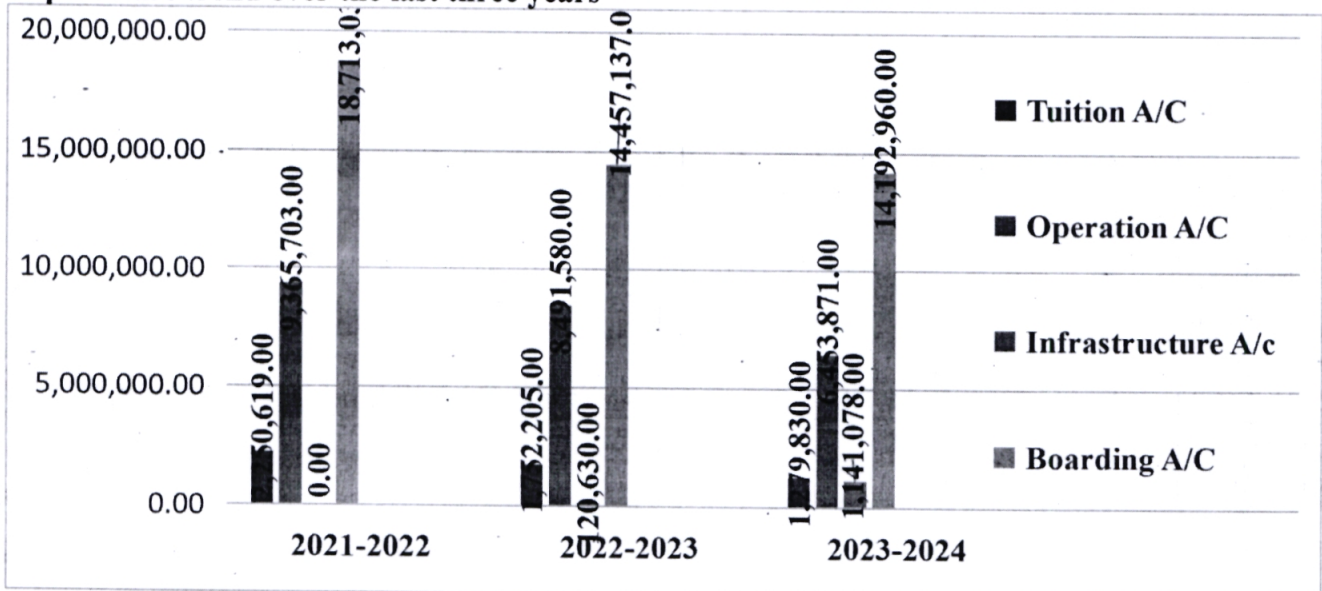
Comments:

The total growth of other income earned by the school as at 30th June 2024 was Ksh. 10,861,695 while the total growth of other income earned by the school as at 30th June 2023 was Ksh. 19,699,564. This represents a decrease in total school fund income by Ksh. 8,837,869. This is because during the financial year 2023-2024 there was a decrease in students income as a result of a decrease in students population.

Summary report of performance of the school

Overview of growth in expenditure of the school for the last three years				
S/No	Account	2023 - 2024	2022 - 2023	2021-2022
		Ksh	Ksh	Ksh
1	Tuition Account	1,279,830	1,752,205	2,250,619
2	Operation Account	6,453,871	8,491,580	9,365,703
3	Infrastructure Account	1,141,078	120,630	0
3	School Fund/Boarding Account	14,192,960	14,457,137	18,713,036
	Total	23,067,739	24,821,552	30,329,358
	Increase/Decrease	(1,753,813)	(5,507,806)	18,646,758

Expenditure trend over the last three years



Comments:

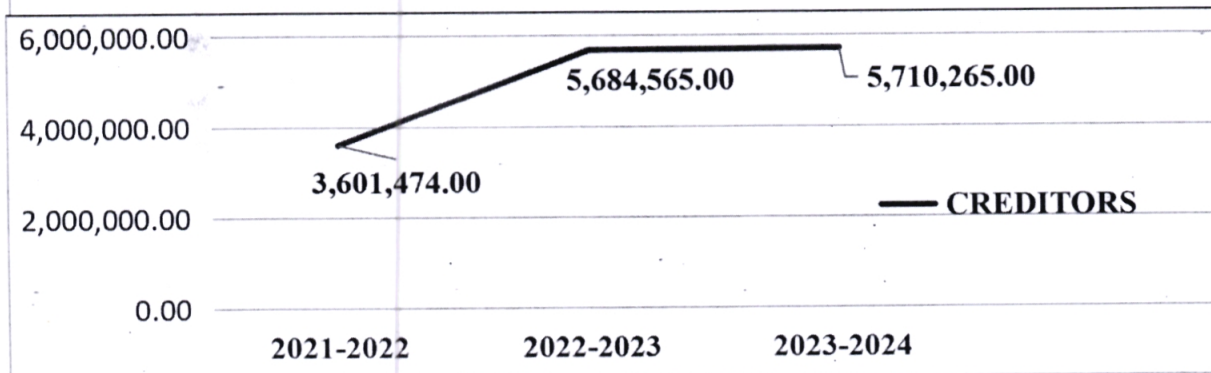
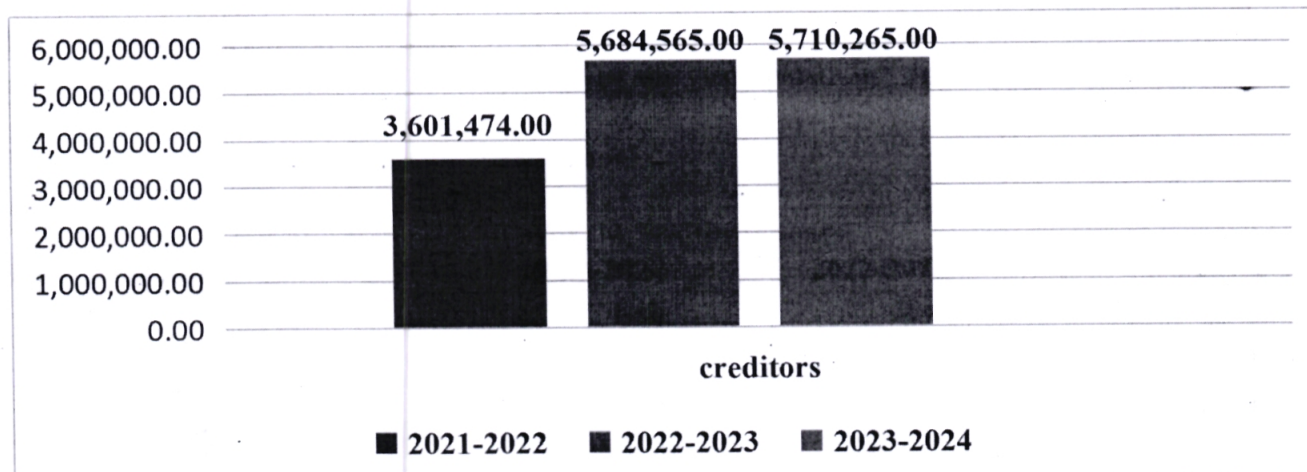
The total school expenditures during the financial year 2023-2024 was Ksh. 23,067,739, while the total expenditure during the financial year 2022-2023 was Ksh. 24,821,552. This represents a decrease in total expenditure by Ksh. 1,753,813. This is because during the financial year 2023-2024 the school was able to minimise its expenses.

Summary report of performance of the school

Movement of Creditors of the school over the last three years

SNo	Accounts	2023-2024	2022-2023	2021-2022
		Ksh	Ksh	Ksh
1.	Creditors	5,710,265	5,684,565	3,601,474
	Total	5,710,265	5,684,565	3,601,474
	Increase/Decrease	25,700	2,083,091	493,084

Trend of creditors over the last three years



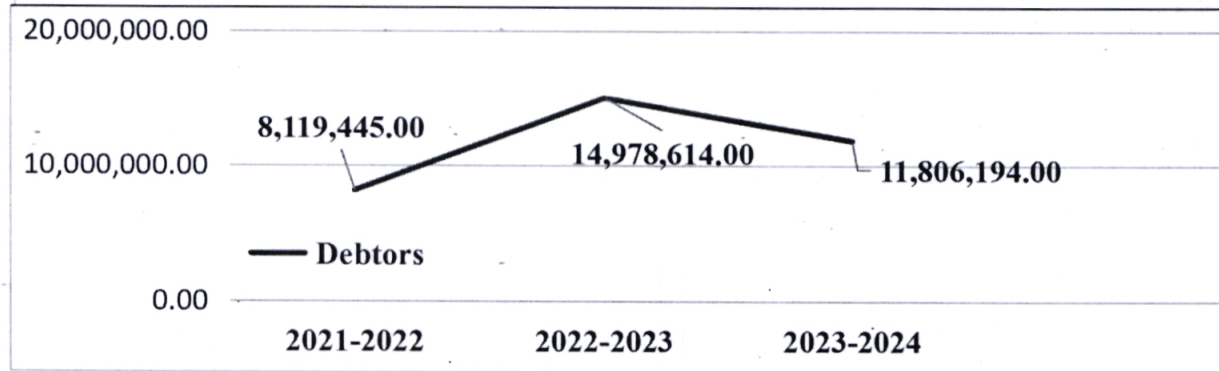
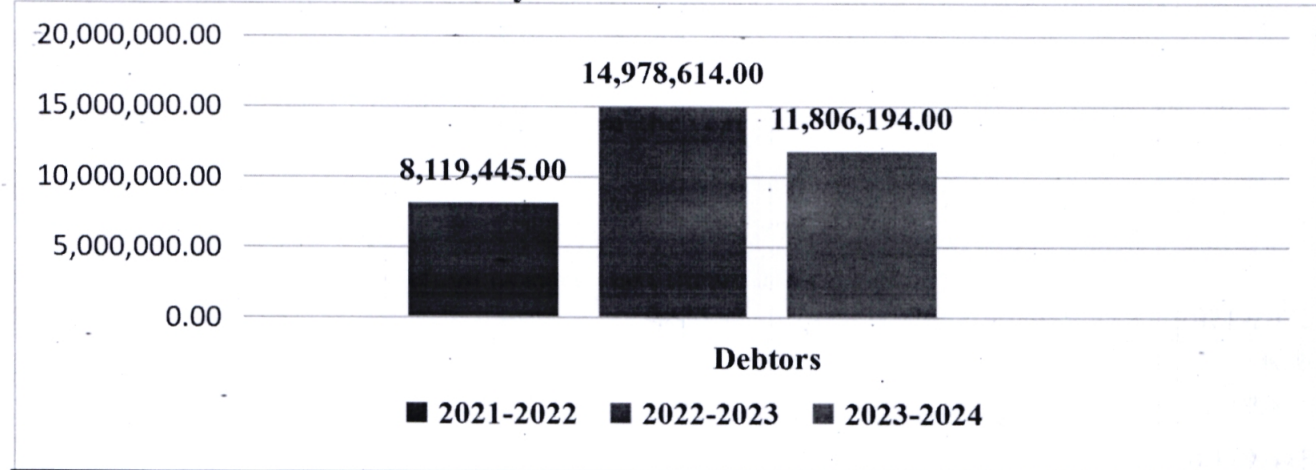
Comments: The total creditors as at 30th June 2024 were Ksh. 5,710,265 while the total creditors as at 30th June 2023 were Ksh. 5,684,565. There was an increase in total creditors during the year by 25,700 due to inadequate funding.

The school is determined to collect fees arrears and use the funds collected to pay outstanding creditors and other payables.

Summary report of performance of the school

Movement of debtors of the school over the last three years				
S/No	Accounts	2023 -2024	2022-2023	2021-2022
		Ksh	Ksh	Ksh
1.	School Fund /Boarding Account	11,806,194	14,978,614	8,119,445
	Total	11,806,194	14978614	8,119,445
	Increase/Decrease	(3,172,420)	6,859,169	68,652

Trend of debtors over the last three years



Comments:

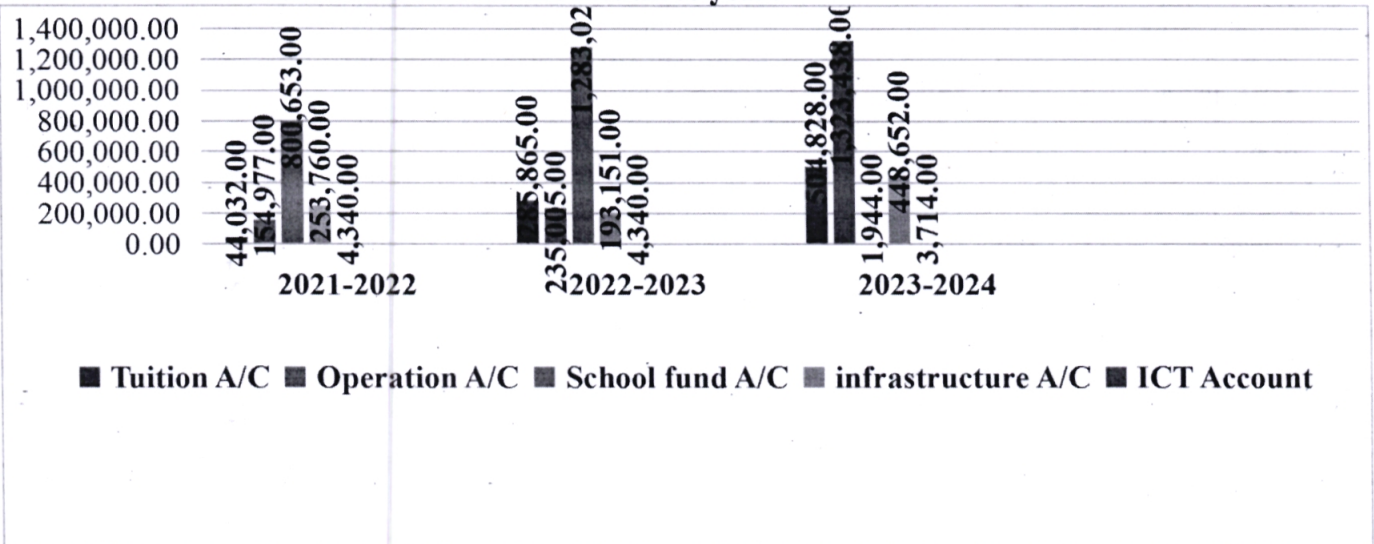
The total debtors as at 30th June ,2024 were Ksh. 11,806,194 while the total debtors as at 30th June 2023 were Ksh. 14,978,614 .This represents a decrease in total debtors by Ksh. 3,172,420. This is because the school was able to collect students fees arrears during the year and was able to complete its planned activities as earlier budgeted hence service delivery at school was effective.

Summary report of performance of the school

Movement of Cash and Bank balances over the last three years

S/no	Account	2023 – 2024	2022-2023	2021-2022
		Ksh	Ksh	Ksh
1	Tuition Account	504,828	285,865	44,032
2	Operation Account	1,323,438	235,005	154,977
3	School Fund Account/Boarding account	1,944	1,283,022	803,653
4	Infrastructure Account	448,652	193,151	253,760
5	Ict Acoount	3,714	4,340	4,340
	Totals	2,282,576	2,001,383	1,260,762
	<i>Increase/ decrease</i>	281,193	740,621	(838,735)

Trend in cash and bank balances over the last three years



Comments:

The total cash and bank balances as at 30th June 2024 was Ksh. 2,282,576 while the total cash and bank balances as at 30th June 2023 was Ksh. 2,001,383, representing an increase in total cash and bank balances by Ksh. 281,193. The school was able to minimise its expenses.

Summary report of performance of the school

b) Teacher : Student ratio:

Between the month of 1st July 2023 and 30th June 2024, the status of the teaching staff was as follows:

Number of teachers employed by School BOM	3
Number of teachers employed by TSC	22
Number of TSC teachers who transferred into the school during the year	0
Number of TSC teachers who were recruited during the year	0
Number of TSC teachers who retired during the year	0
Total number of students during the year	625
Teacher : students ratio	1:25
Number of streams	1
Total subjects taught at school	11
Teacher shortage subject combination	Number of teachers required
English/ Litratione	1
Physics/ Chemistry	1
Kiswahili / History	1

Comments:

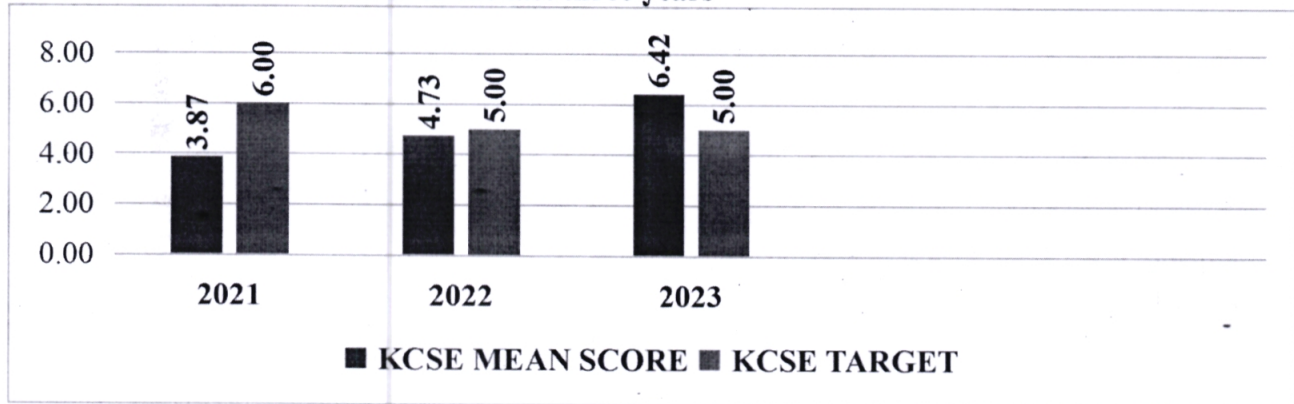
We have a shortage of **3** teachers as a challenge. This is as a result of increased students' population. The school has hired **3** additional teachers on BOM terms to ensure effective teaching and learning at school.

Summary report of performance of the school

(C)K.C.S.E MEAN SCORE IN THE YEAR : 2021, 2022 and 2023.

K.C.S.E year	Enrolment of K.C.S.E candidates	Students transition to higher learning institutions after K.C.S.E	K.C.S.E mean score	Deviation from previous mean	Deviation (%)	K.C.S.E school target	Comments
2023	98	47	6.418	+ 1.688	36%	6.000	There was a positive deviation
2022	115	6	4.730	+ 0.858	22%	5.000	There was a positive deviation
2021	149	6	3.872	-0.548	-12%	5.000	There was a drop in performance

K.C.S.E. Performance trend over the last three years



Comments: The school K.C.S.E mean score in 2023 was **6.418** while in 2022 there was a KCSE mean of **4.730** . This represents a positive deviation of +1.688.

The good performance was as a result of additional efforts by all stakeholders .

Summary report of performance of the school

(d) KCSE Number of Candidates in the 2021, 2022 and 2023:

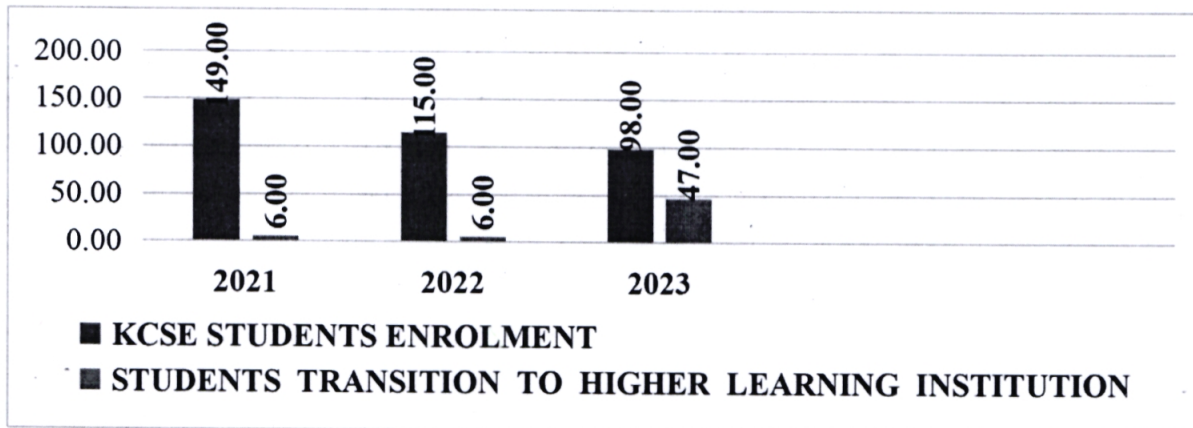
Number of candidates sitting for KCSE over the last three years.

Year	2023	2022	2021
KCSE No of candidates	98	115	149
Total	98	115	149
Increase/decrease	(17)	(34)	11

*Number of candidates that transitioned to higher learning institutions
 (Those having C+ and above) for the last three years.*

Year	2023	2022	2021
Number of students that transitioned to university	47	6	6
Total	47	6	6
Increase/decrease	41	0	(3)

K.C.S.E. Students' Enrolment and number of students who transitioned to higher learning institutions over the last three years



Comments:-

There was value addition to students as some students joined university while other students joined tertiary colleges for further education.

Kainuk Mixed Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

Summary report of performance of the school

(e) Capacity of the school:

Financial year		From 1st July 2023 - 30th June 2024			
<i>Total Number of students</i>		625			
<i>Total teaching staff</i>		25			
<i>Total support staff</i>		16			
Total Population		666			
School facilities	Status	no. of facilities	Ratio students to population	Condition of the available facility	Comments
Classrooms	Permanent	14 2	1:44	Good Incomplete	Adequate
Dormitory	Permanent	5	1: 125	Good	Adequate
Laboratory	Permanent	2 1	1:625	Complete Incomplete	Adequate
Consumables Store	Permanent	1	1:1	Good	Adequate
Construction store	Semi permanent	3	1:1	Good	Adequate
Staff quarters-Teachers	Permanent	5 door	1:8	Good	More required to meet increased staff population
Administration block	Permanent	7 offices	1:3	Good	Adequate
Kitchen	Permanent	1	1:118	Good	Adequate
Students toilets	Permanent	35 doors	1:17	Good	Adequate
Staff toilets	Permanent	10 doors	1:4		

Comments:

The school is required to construct departmental offices , Construction of concrete sink in the kitchen and repairs of all broken chairs and lockers for students during the next financial year.

Summary report of performance of the school

f) Development projects carried out by the school:

Year	Projects	Source of funds	Status	Initial Cost (KSh)	Amount Spent (KSh)	Expected completion time
2023-2024	Replacement of windows in 12 classrooms, purchase of a water tank 10,000 litres Painting of school compound around tuition area.	MOE	Complete	1,300,000	1,250,000	30/6/2024

Comments;

- The above stated projects were approved on 14th October 2023 by the Ministry of Education for commencement.
- The School has developed an Improvement Plan that provides a road map for improvement that the school needs to improve the school environment and learning outcomes which outlines the need, the way of developing, implementing, monitoring and evaluation of school Programmes.

[Handwritten Signature]

Mr. Maurice Musundi

School Principal

Date: 8th May, 2025



4. Statement of School Management Responsibility

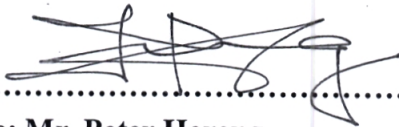
Kainuk Mixed Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

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 keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of Kainuk Mixed 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, 2024, and of the school's financial position as at that date.



.....
Name: Mr. Peter Hereng
Designation: Chairman, School Board of Management
Date: 8/5/2025



.....
Name: Mr. Maurice Musundi
Designation: School Principal & Secretary to Board of Management
Date: 8/5/2025



.....
Name: Mr. George Sande Barasa
Designation: Bursar
Date: 8/5/2025

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 KAINUK MIXED SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – TURKANA COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Kainuk Mixed Secondary School set out on pages 1 to 20, which comprises of the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kainuk Mixed Secondary School as at 30 June, 2024 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Account Receivables

The statement of assets and liabilities reflects account's receivables balance of Kshs.11,806,194 which relates to students' fees arrears as disclosed in Note 13 to the financial statements. However, there was no students listing to support the fees arrears. Further, review of the ageing analysis revealed that account receivables balance of Kshs.9,358,685 had been outstanding for a period of more than one year.

In the circumstances, the accuracy, completeness and recoverability of the fees arrears from students balance of Kshs.11,806,194 could not be confirmed.

2. Misstatements in the Statement of Budget Versus Actual Amounts

The statement of budget versus actual amounts reflects total actual income of Kshs.20,150,812 while the statement of cash flows shows actual income of Kshs.23,342,232 resulting in an unreconciled variance of Kshs.3,191,420. Similarly, the statement reflects total actual expenditure amount of Kshs.23,067,739 against total income of Kshs.20,150,812 resulting in a deficit of Kshs.2,916,927. It was not clear how the School was able to over spend by Kshs.2,916,927 without the corresponding income.

In the circumstances, the accuracy of the statement of budget versus actual amounts could not be confirmed.

3. Inaccuracies in the Statement of Cashflows

The statement of cash flows reflects acquisition of assets amount of Kshs.1,141,078 which was in respect of purchase of a 10,000-litter water tank and major renovation of classrooms, including painting of the School. However, these additions were not reflected in the summary of fixed assets register as additions during the year.

In the circumstances, the accuracy and completeness of the statement of cashflows could not be confirmed.

4. Comparative Balance of Cash and Cash Equivalents

The statement of assets and liabilities reflects comparative opening cash and cash equivalents balance of Kshs.1,999,626 while the statement of cash flows shows cash and cash equivalents balance of Kshs.2,001,383 resulting in an unreconciled variance of Kshs.1,757.

In the circumstances, the accuracy of the opening balance of cash and cash equivalents of Kshs.1,999,626 could not be confirmed.

5. Lack of Ownership Documents for Fixed Assets

Annex 2 Summary of fixed assets reflects a total assets balance of Kshs.48,256,800. The balance includes land valued at Kshs.6,000,000. However, Management does not have land title deed to confirm the land ownership.

In the circumstances, the ownership of the land valued at Kshs.6,000,000 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kainuk Mixed 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 budget versus actual amounts for the year ended 30 June, 2024 reflects final budgeted income of Kshs.26,324,044 against total actual income of Kshs.20,150,812 resulting to an under-funding amounting to Kshs.6,173,232 or 23% of the budget.

In the circumstances, the under-funding affected the service delivery of the School to students.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the other information set out on page III to XX which comprises of Key Entity Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Annual Report and Financial Statements

The annual report and financial statements for the year ended 30 June, 2024 were submitted to the Auditor General for audit on 16 April, 2025. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate. In addition, there was no evidence to show that the School submitted the annual financial statements to the Controller of Budget as required by Section 68(2)(k) of the Public Finance Management Act, 2012.

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

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.7,705,322 during the period under review out of which Kshs.2,762,300 was supposed to be transferred to the infrastructure account. However, the Management did not transfer any amount to the infrastructure account. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as

maintenance and improvement funds be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Unconfirmed Delivery of Goods

The statement of receipt and payment reflects tuition payments of Kshs.1,279,830 as shown in Note 6 to the financial statement. A review of the procurement and other supporting documents revealed that purchases of tuition materials amounting to Kshs.670,000 were not supported by inspection and acceptance reports to confirm that the quality and quantities supplied met the School's requisition.

In the circumstances, the value for money on expenditure of Kshs.670,000 incurred on procurement of goods could not be confirmed.

4. Irregular Transfer of Funds to Turkana Secondary Schools Heads Association

The statement of receipts and payments shows operation payments of Kshs.6,453,871. However, examination of documents provided for audit review shows Kshs.177,000 paid to Turkana Secondary School Heads Association, a private entity that is not subject to PFM Act, 2012 or any other public finance regulations. Turkana Secondary Schools Heads Association is a welfare organization that draws its membership from School principals.

This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems. The funds were transferred from operations account.

In the circumstances, the value for money from the transfer of Kshs.177,000 to Turkana Secondary Schools Heads Association could not be confirmed.

5. Virement (Reallocation) of Funds

The statement of receipts and payments reflects total receipts of Kshs.20,150,812. However, review of records revealed that an amount of Kshs.260,000 from the tuition account to the operations account, and Kshs.1,230,000 from Infrastructure account for operations without approval by the County Education Board. This was contrary to the provisions of the Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 9 January, 2008 and MOE.HQS/3/13/3 dated 16 June, 2021 which directs that under the operations Account, Schools may seek authority from the County Education Board

County Education Board to vire savings or surplus funds from one item to another when it is absolutely necessary but no virement from the tuition Account will be allowed. In the circumstances, Management was in breach of the guidelines.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 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 effects of the matter 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

Inconsistencies in Textbook Distribution to Schools

Review of documents revealed that the School received 4910 books of various categories from the Ministry of Education. However, comparison between delivery notes and class registers revealed that there was over-supply of 968 textbooks books and an under-supply of 129 books. Further, a total of 1868 books were delivered from various publishers which were not recommended by the Kenya Institute of Curriculum Development (KICD).

In the circumstances, the proper distribution of textbooks was not achieved and could lead to poor performance of the learners.

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 the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

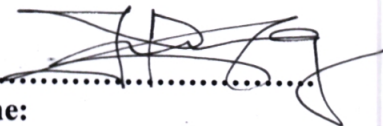
Nairobi

24 June, 2025

6. Statement Of Receipts and Payments for the Year Ended 30th June 2024


Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,583,793	1,994,038
Government grants for operations	2	7,705,324	8,644,649
Government Grants for infrastructure	3	0	600,000
School fund income- parents' contributions	4	10,861,695	19,099,564
Miscellaneous incomes	5	0	0
Total Receipts		20,150,812	30,338,251
Payments			
Tuition	6	1,279,830	1,752,205
Operations	7	6,453,871	8,491,580
Infrastructure	8	1,141,078	120,630
Boarding and school fund	9	14,192,960	14,457,137
Total Payments		23,067,739	24,821,552
Surplus/Deficit		(2,916,927)	5,516,699

The school financial statements were approved on 8/5/2025 and signed by:



 Name:
Mr. Peter Hereng

Chair BOM

Date: 8/5/2025


 Name:
Mr. Maurice Musundi
School Principal/ Secretary to
BOM

Date: 8/5/2025


 Name:
Mr. George Barasa
Bursar

Date: 8/5/2025



7. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2024 KSh	2023 KSh
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,282,576	1,999,626
Cash balances	11	0	1,757
Short term investments	12	0	0
Total cash and cash equivalent		2,282,576	2,001,383
Account's receivables	13	11,806,194	14,978,614
Total financial assets (a)		14,088,770	16,979,997
Financial liabilities			
Accounts payables	14	(5,710,265)	(5,684,565)
Total Financial Labilities (b)		(5,710,265)	(5,684,565)
Net financial assets (a-b)		8,378,505	11,295,432
Represented by			
Accumulated fund b/fwd	15	11,295,432	5,778,733
Surplus/deficit for the year		(2,916,927)	5,516,699
Net Assets		8,378,505	11,295,432

The school's financial statements were approved on 8/5/2025 and signed by:

.....
Name: **Mr. Peter Hereng**

.....
Name: **Mr. Maurice Musundi**

.....
Name: **Mr. George Barasa**

Chair BOM

Date: 8/5/2025

School Principal/ Secretary to
BOM

Date: 8/5/2025

Bursar

Date: 8/5/2025



8. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023 - 2024	2022 - 2023
		KSh	KSh
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,583,793	1,994,038
Government grants for operations	2	7,705,324	8,644,649
Government grants for infrastructure	3	0	600,000
School fund income- parents contributions/ fees	4	14,053,115	13,389,182
Other income		0	0
Total receipts		23,342,232	24,627,869
Payments			
Cash outflows for tuition	5	1,279,830	1,752,205
Cash outflows for operations	6	6,756,891	8,564,620
Cash outflows Boarding/lunch and school fund payments	7	13,883,240	13,449,793
Total payments		21,919,961	23,766,618
Net cash inflow/outflow from operating activities		1,422,271	861,251
Cash flow from investing activities			
Acquisition of assets		(1,141,078)	(120,630)
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		(1,141,078)	(120,630)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		0	0
Net increase/decrease in cash and cash equivalents		281,193	740,621
Cash and cash equivalent at beginning of the FY		2,001,383	1,260,762
Cash and cash equivalent at end of the FY		2,282,576	2,001,383

**Kainuk Mixed Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024**

The school's financial statements were approved on 8/5/2025 and signed by:



.....
Name:
Mr. Peter Hereng

Chair BOM

Date: 8/5/2025



.....
Name:
Mr. Maurice Musundi
School Principal/ Secretary to
BOM

Date: 8/5/2025



.....
Name:
Mr. George Barasa

Bursar

Date: 8/5/2025



9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	C=A+B	D	C/Dx100%
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Government Grant for Tuition					
Teaching / learning materials	1,670,400	0	1,670,400	1,583,793	95%
Sub -Total	1,670,400	0	1,670,400	1,583,793	95%
(2) Government Grant for Operations					
Personnel emoluments	2,461,754	(711,754)	1,750,000	1,750,000	100%
Repairs and maintenance	3,000,000	(400,000)	2,600,000	2,512,300	97%
Local transport / travelling	891,669	1,008,331	1,900,000	800,000	42%
Electricity and water	674,356	525,644	1,200,000	791,155	66%
Medical	1,200,000	(650,000)	550,000	535,875	97%
Administration costs	1,618,581	(318,581)	1,300,000	800,000	62%
Activity	900,000	(300,000)	600,000	515,994	86%
Smasse	120,000	0	120,000	0	0%
Sub- Total	10,866,360	(846,360)	10,020,000	7,705,324	77%
(3) Government Grant for Infrastructure					
Maintenance & Improvement	0	0	0	0	0%
Transition infrastructure grants	0	0	0	0	0%
Administration Block	0	0	0	0	0%
Sub-Total	0	0	0	0	0%

Kainuk Mixed Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

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
(4) Fees Charged on Parents					
Personnel emoluments	3,371,787	(2,071,787)	1,300,000	1,300,000	100%
Repairs and maintenance	0	500,000	500,000	0	0%
Local transport / travelling	1,221,290	(1,011,290)	210,000	220,436	105%
Electricity and water	923,644	0	923,644	858,300	93%
Administration costs	2,216,919	(1,116,919)	1,100,000	0	0%
Activity	250,000	1,250,000	1,500,000	353,759	24%
Fee on Boarding Equipment and stores	15,231,000	(6,131,000)	9,100,000	8,129,200	89%
Sub-Total	23,214,640	(8,580,996)	14,633,644	10,861,695	74%
(5) Miscellaneous Incomes					
Income From Farming Activities	0	0	0	0	0%
Insurance Compensation	0	0	0	0	0%
Income From Bus Hire	0	0	0	0	0%
Fee For Hire of Ground and Equipment	0	0	0	0	0%
Sub-Total	0	0	0	0	0%
Total Income	35,751,400	(9,427,356)	26,324,044	20,150,812	77%
(6) Expenditure For Tuition					
Teaching / Learning Materials	1,670,400	0	1,670,400	1,278,400	77%
Bank Charges	0	0	0	1,430	0%
Sub -Total	1,670,400	0	1,670,400	1,279,830	77%

Kainuk Mixed Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

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
(7) Expenditure For Operations					
Personnel emoluments	2,461,754	(711,754)	1,750,000	1,702,400	97%
Repairs and maintenance	3,000,000	(400,000)	2,600,000	234,180	9%
Local transport / travelling	891,669	1,008,331	1,900,000	1,875,000	99%
Electricity and water	674,356	525,644	1,200,000	1,175,888	98%
Medical	1,200,000	(650,000)	550,000	20,300	4%
Administration costs	1,618,581	(318,581)	1,300,000	1,200,000	92%
Activity	900,000	(300,000)	600,000	239,680	40%
Bank Charges	0	0	0	6,423	0%
Smasse	120,000	0	120,000	0	0%
Sub- Total	10,866,360	(846,360)	10,020,000	6,453,871	64%
(8) Expenditure for Infrastructure					
Replacement of 12 classrooms , windows , purchase of a water tank 10,000 litres Painting school compound around tuition area.	0	0	0	1,140,000	0%
Bank Charges	0	0	0	1,078	0%
Sub-Total	0	0	0	1,141,078	0%
(9) Expenditure For school fund/lunch/boarding					
Personnel emoluments	3,371,787	(2,071,787)	1,300,000	1,120,000	86%
Repairs and maintenance	0	500,000	500,000	495,100	99%

Kainuk Mixed Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A Kshs	B Kshs	C=A+B Kshs	D Kshs	C=D/C % Kshs
Local transport / travelling	1,221,290	(1,011,290)	210,000	205,000	98%
Electricity and water	923,644	0	923,644	820,600	89%
Administration costs	2,216,919	(1,116,919)	1,100,000	1,032,430	94%
Activity	250,000	1,250,000	1,500,000	1,441,260	96%
Fee on Boarding Equipment and stores	15,231,000	(6,131,000)	9,100,000	9,058,191	100%
Bank charges	0	0	0	20,379	0%
Sub-Totals	23,214,640	(8,580,996)	14,633,644	14,192,960	97%
Total expenditure	35,751,400	(9,427,356)	26,324,044	23,067,739	88%

Explanation:

- a. *There was underutilisation in operation income as a result of underfunding by the Ministry of Education.*
- b. *There was underutilisation on receipt of fees charged on Boarding equipment and stores since most parents did not pay students fees on time which affected school planned activities during the financial year.*
- c. *There was underutilization in expenditure for repairs maintenance and improvement as a result of few repairs done during the year.*
- d. *There was availability of teaching and learning material from the previous year. This led to underutilisation in expenditure for teaching and learning materials.*

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 various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has 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 an 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have 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 2024.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	0	0
Exercise Books	0	0
Laboratory Equipment	0	0
Internal Exams	0	0
Teaching / Learning Materials	1,583,793	1,994,038
Total	1,583,793	1,994,038

2. Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	1,750,000	1,800,300
Repairs and maintenance	2,512,300	2,886,000
Local transport / travelling	800,000	642,549
Electricity and water	791,155	1,800,200
Medical	535,875	149,600
Administration costs	800,000	962,800
Activity	515,994	403,200
Total	7,705,324	8,644,649

3. Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	0	600,000
Transition infrastructure grants	0	0
Administration Block	0	0
Economic stimulus grants	0	0
Total	0	600,000

Notes To the Financial Statements(continued)

4. School fund income – Parents Contribution

Description	2023-2024	2022-2023
	KSh	KSh
Personnel emoluments	1,300,000	1,664,331
Repairs and maintenance	0	1,687,919
Local transport / travelling	220,436	685,000
Electricity and water	858,300	350,000
Administration costs	0	610,000
Activity	353,759	372,562
Fee on Boarding Equipment and stores	8,129,200	13,729,752
Total	10,861,695	19,099,564

5. Miscellaneous Incomes

Description	2023-2024	2022-2023
	KSh	KSh
Rent Income	0	0
Income From Farming Activities	0	0
Insurance Compensation	0	0
Income From Posho Mill	0	0
Income From Bus Hire	0	0
Fee For Hire of Ground and Equipment	0	0
Income From Grants and Donations	0	0
Interest Income	0	0
Dividends Income	0	0
Loans/Borrowings	0	0
Total	0	0

Notes To the Financial Statements(continued)

6. Tuition

Description	2023 – 2024	2022 – 2023
	Kshs	Kshs
Exercise Books	0	0
Textbooks	0	0
Reference materials	0	0
Laboratory Equipment	0	0
Teaching / Learning Materials	1,278,400	1,750,112
Exams And Assessment	0	0
Teachers Guides	0	0
Bank Charges	1,430	2,093
Total	1,279,830	1,752,205

7. Operations

Description	2023 – 2024	2022 – 2023
	Kshs	Kshs
Personnel emoluments	1,702,400	2,700,600
Repairs and maintenance	234,180	1,007,230
Local transport / travelling	1,875,000	522,606
Electricity and water	1,175,888	1,630,700
Medical	20,300	17,300
Administration costs	1,200,000	1,865,000
Activity	239,680	744,600
Bank Charges	6,423	3,544
Total	6,453,871	8,491,580

Notes To the Financial Statements(continued)

8. Infrastructure

Description	2023 - 2024	2022 - 2023
	KSh	KSh
Replacement of 12 classrooms , windows , purchase of a water tank 10,000 litres Painting school compound around tuition area.	1,140,000	120,000
Bank charges	1,078	630
Total	1,141,078	120,630

9. Boarding And School Fund

Description	2023 - 2024	2022 - 2023
	KSh	KSh
Personnel emoluments	1,120,000	1,576,050
Repairs and maintenance	495,100	174,538
Local transport / travelling	205,000	608,300
Electricity and water	820,600	228759
Administration costs	1,032,430	575,600
Activity	1,441,260	282,570
Fee on Boarding Equipment and stores	9,058,191	10,997,806
Bank charges	20,379	13,514
Totals	14,192,960	14,457,137

Notes To the Financial Statements(continued)

10. Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023 - 2024	2022 - 2023
			Kshs	Kshs
Tuition Account	Active	1107172608	504,828	285,865
Operations Account	Active	1107237211	1,323,438	233,248
School Fund Account/Boarding	Active	1107209447	448,652	193,151
Infrastructure Account	Active	1217355545	1,944	1,283,022
Economic Stimulus/ ICT Account	Dormant	1113583843	3,714	4,340
Total			2,282,576	1,999,626

11. Cash In Hand

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Notes and coins	0	1,757
Total	0	1,757

12. Short Term Investments

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Total	0	0

Notes To the Financial Statements(continued)

13. a) Accounts Receivable

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Fees Arrears	11,806,194	14,978,614
Other Non-Fees Receivables		
Salary Advances	0	0
Imprest	0	0
Rent arrears	0	0
Total	11,806,194	14,978,614

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	2,447,509	21%	14,217,362	95%
Between 1- 2 years	8,597,433	73%	761,252	5%
Between 2-3 years	761,252	6%	0	0%
Over 3 years	0	0%	0	0%
Total (should tie to note 13 a)	11,806,194	100%	14,978,614	100%

14 a) Accounts Payable

Description	2023 - 2024	2022 - 2023
	KShs	KShs
Trade Creditors (See Ageing Below and Appendix 1)	4,542,480	4,535,780
Prepaid Fees	1,167,785	1148785
Retention Monies	0	0
Direct deposits	0	0
Caution money	0	0
Total	5,710,265	5,684,565

Notes To the Financial Statements(continued)

14b. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
		Kshs		Kshs
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	3,554,075	78%	3,860,066	85%
Between 1- 2 years	312,691	7%	675,714	15%
Between 2-3 years	675,714	15%	0	0%
Over 3 years	0	0%	0	0%
Total (should tie to note 14a)	4,542,480	100%	4,535,780	100%

15 Fund Balance Brought Forward

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Bank Balances	1,999,626	1,259,485
Cash Balances	1,757	1,277
Short Term Investments	0	0
Receivables	14,978,614	8,119,445
Payables	(5,684,565)	(3,601,474)
Total	11,295,432	5,778,733

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	2023 - 2024	2022 - 2023
	KSh	KSh
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17. Biological assets

Description	Numbers	2023 - 2024	2022 - 2023
		KSh	KSh
Cattle	0	0	0
Goats	0	6	5
Indigenous Trees	121	200,000	150,000
Maize Plantation	0	0	0
Poultry	0	0	0
Total		200,000	150,000

18. Borrowings

Description	2023 - 2024	2022 - 2023
	KSh	KSh
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

Other important disclosure notes**19. Stock/ Inventory**

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Food stuffs	100,140	51,600
Lab consumables	34,600	76,000
Farm produce	0	0
Medication	5,500	2,500
Construction Materials	14,500	35,000
Totals	154,740	165,100

12. Annexes

Annex I - Analysis of Pending Accounts Payables

Supplier Of Goods or Services	Item supplied	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY 2023-2024	Outstanding Balance Comparative 2022-2023	Comments
		A	b	C	d=a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods							
1. Elimu Kaamoni Enterprises	Foodstuffs	1,825,340	Balance b/f 1/7/2023	1,487,800	337,540	1,825,340	To be paid when funds are available
2. Pajn stores	Foodstuffs	1,751,000	Balance b/f 1/7/2023	0	2,944,660	1,751,000	To be paid when funds are available
3. Pestigon Limited	Sanitary services	134,200	Balance b/f 1/7/2023	25,200	109,000	134,200	To be paid when funds are available
4. Ajakanut Enterprises	Fruits	86,600	Balance b/f 1/7/2023	0	171,000	86,600	To be paid when funds are available
5. Kainuk water users	Fresh water	0	Balance b/f 1/7/2023	20,400	20,400	0	To be paid when funds are available
6. Anne Ali Lobeker	Groceries	0	Balance b/f 1/7/2023	42,600	42,600	0	To be paid when funds

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Supplier Of Goods or Services	Item Supplied	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY 2023-2024	Outstanding Balance Comparative 2022-2023	Comments
							are available
7. St Veronica Self Help Group	Grinding	0	Balance b/f 1/7/2023	28,000	28,000	0	To be paid when funds are available
8. Kainuk Amani Shop	Foodstuffs	0	Balance b/f 1/7/2023	40,000	40,000	0	To be paid when funds are available
9. Waki Supplies Agency	Sports wear	292,300	Balance b/f 1/7/2023	0	292,300	292,300	To be paid when funds are available
10. Lowaya Pharmacy	Medicine/ drugs	441,300	Balance b/f 1/7/2023	0	441,300	441,300	To be paid when funds are available
11. Cayana Hardware	Hardware materials	0	Balance b/f 1/7/2023	0	7,550	0	To be paid when funds are available
12. Lisa Paper works	Stationery	5,040	Balance b/f 1/7/2023	0	108,130	5,040	To be paid when funds are available
Totals		4,535,780		1,644,000	4,542,480	4,535,780	

Annex 2 – Summary of Fixed Assets Register

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land (20 acres)	6,000,000	0	0	6,000,000
Buildings And Structures	20,020,630	0	0	20,020,630
Motor Vehicle KBT 567 N	4,700,000	0	0	4,700,000
Furniture and Fittings	6,125,000	0	0	6,125,000
Office Equipment	1,550,000	0	0	1,550,000
Science Laboratory tools and equipment	1,300,000	0	0	1,300,000
Farm tools and equipment	50,000	0	0	50,000
Kitchen tools and equipment	1,000,000	0	0	1,000,000
Sports equipment	100,000	0	0	100,000
First aid tools and equipment	4,000	0	0	4,000
Electricity tools and equipment	30,000	0	0	30,000
Water tanks	686,000	0	0	686,000
Textbooks	5,500,000	0	0	5,500,000
Machines	640,000	0	0	640,000

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Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
ICT Tools and equipment Computers	360,000	0	0	360,000
Heritage and cultural assets	200,000	0	0	200,000
Intangible assets	111,800	0	0	111,800
Total	48,377,430	0	0	48,377,430