REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

RIAMUKURWE SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2024

NYERI COUNTY

RIAMUKURWE 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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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 NYERI County, NYERI CENTRAL Sub-County.

The school was registered in 03/2007 under registration number GP/A/4533/07 and is currently categorized as a SUB-COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had 338 number of students as at *30th June 2024*. It has 2 streams and 17 teachers of which none of them is 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.GEORGE MWANGI	Chairman	5/03/2022
2	MR.JAMES M. WANGAI	Secretary - Principal	5/03/2022
3	MR.WASHINGTON NJOGU	Member	5/03/2022
4	MRS.FAITH MUTHONI WAMWARA	Member	5/03/2022
5	MR.JORAM M. KARIMI	Member	5/03/2022
6	MR.PETER MAINA MUTURI	Member	5/03/2022
7	MR.CHARLES WANG'ONDU	Member	5/03/2022
8	MRS.ANN WANJA THAIRU	Member – Rep CEB	5/03/2022
9	MR.ELDAD KARIUKI	Member Rep Teachers	5/03/2022
10	MS. BETH NJOKI NGARI	3 Members - Sponsor	5/03/2022
11	MR.JUSTUS GIKANDI	Member - Community	5/03/2022
12	MR.FRANCIS KIHURO	MemberSpecial Needs	5/03/2022
13	MRS. LUCY MAINA	Member	5/03/2022
14	MR.RICHARD KANYORO MWANGI	Member	5/03/2022

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 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**	MR.GEORGE MWANGI MR.JAMES M.WANGAI MR.JAMES MAINA MR.WASHINGTON NJOGU	B.O.M CHAIR PRINCIPAL MEMBER MEMBER	**2out 6**
2	Audit Committee	MR.JUSTUS GIKANDI MR.JAMES M. WANGAI MR.JORAM KARIMI MS.BETH NGARI	CHAIR PRINCIPAL MEMBER MEMBER	0 out of 6
3	Finance,procurement and general purposes Committee	MR.GEORGE MWANGI MR.JAMES MAINA MRS.FAITH MUTHONI LUCY MAINA MR.JAMES M,AINA	B.O.M CHAIR P.A CHAIR MEMBER MEMBER PRINCIPAL	1 out 6
4	Academic Committee	MR.ELDAD KARIUKI MR.JUSTUS GIKANDI MRS.BETH NGARI MR.JAMES MAINA PETER MUTURI MR.JAMES MAINA WANGAI	MEMBER CHAIR MEMBER P.A CHAIR MEMBER PRINCIPAL	3of 6
5	Discipline and welfare Committee	MR.PETER MAINA MR.RICHARD KANYORO MRS.ANN THAIRU MRS.LUCY MAINA MR.JAMES WANGAI MAINA	CHAIRPERSON MEMBER MEMBER MEMBER PRINCIPAL	1out of 6

(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	SAMUEL MUTHEE MACHARIA	TSC No.304031
2	Deputy Principal	EVA WANINI NDERITU	TSC No.323137
3	School Bursar	PURITY WANGU KABUGI	33197072

(e) Schools contacts

Post Office Box: 5073-10100 NYERI
Telephone: 0721862021
E-mail: riamukurwe@gmail.com
Website: -
Facebook: -
Twitter:

(f) School Bankers

1. Name of Bank: KCB
   Branch: NYERI
   Account Number: 1101945079
   School Fund Account

2. Name of Bank: KCB
   Branch: NYERI
   Account Number: 1101946504
   Tuition Account
3. Name of Bank: KCB
   Branch: NYERI
   Account Number: 1101948698
   Operations Account

4. Name of Bank: KCB
   Branch: NYERI
   Account Number: 1274395569
   Infrastructure Account

(g) Independent Auditors

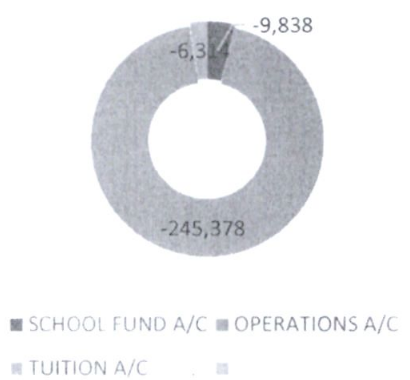
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3. Summary Report of Performance of The School

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

a) Financial performance:

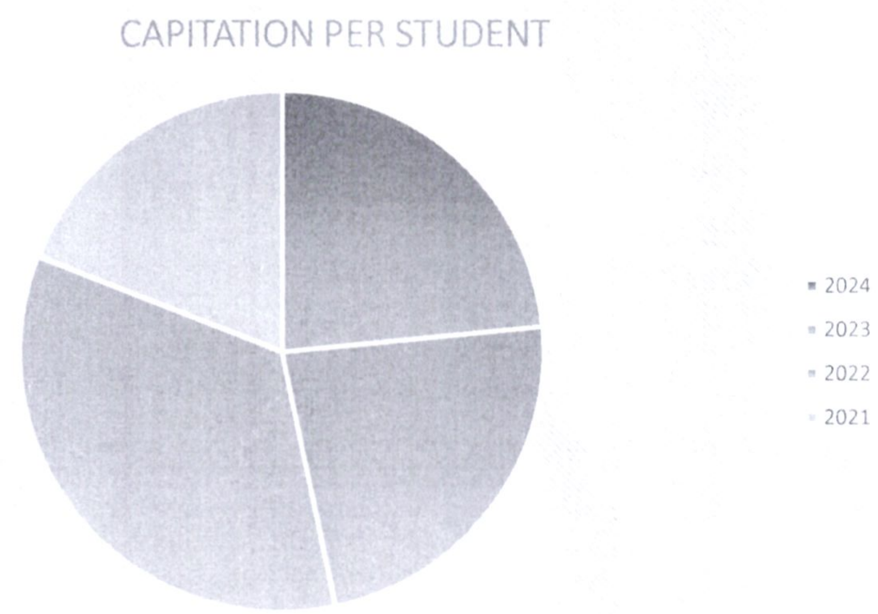
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2024**	**2023**	**2022**	**2021**
		Kshs	**Kshs**	**Kshs**	**Kshs**
1	School Fund Account	(9838)	(103,101.00)	13,217.00	58,203.00
2	Operations Account	(245,378)	391,673.25	(464,093.00)	409,734.75
3	Tuition Account	(6314)	3,162.00	(17,886.60)	20,334.00
	TOTAL	**(261,530)**	**291,734.25**	**(468,761.60)**	**488,271.75**
	Increase/Decrease	**(553,265)**	**760,495.60**	**(957,033.35)**	**(1,273,211.75)**



A deficit of **Ksh 261,530** was realised in the financial year 2023/2024.This is because of inflation in the market prices resulting to commodities being higher than observed in the previous years.

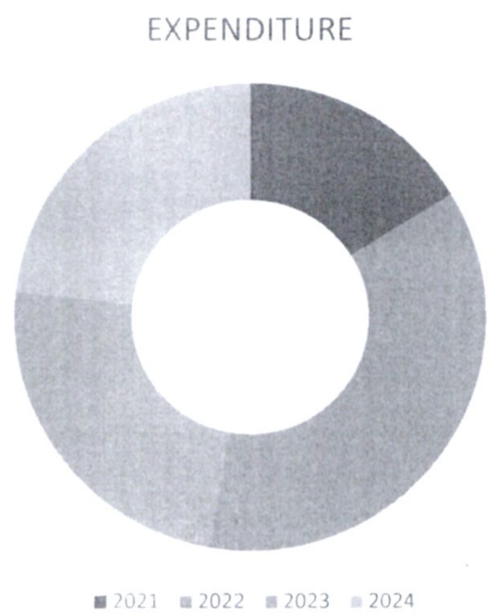
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2024**	**2023**	**2022**	**2021**
		KSHS	**KSHS**	**KSHS**	**KSHS**
1	Operations Account	3,795,982	3,892,177.25	5,448,139.00	3,638,964.75
2	Tuition Account	781,148	890,987.00	1,612,188.40	501,314.00
	Total	**4,577,130**	**4,783,164.25**	**7,060,327.40**	**4,140,278.75**
	Increase/Decrease	**(206,034)**	**(2,277,163.15)**	**2,920,048.65**	**(1,093,528.15)**
	No of Students	338	356	357	377
	Ratio of Capitation per student	**1:13542**	**1:13407.78**	**1:19776.83**	**1:10982.17**



A capitation grant of Kshs 13,542 per student was received in the financial year 2023/2024.The reason for the deviation is unexplained.

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	**ACCOUNTS**	**2024**	**2023**	**2022**	**2021**
		Kshs	**Kshs**	**Kshs**	**Kshs**
1	School Fund Account	4,397,933	5,208,778.00	7,029,113.00	2,777,807.00
2	Operations Account	4,041,360	3,500,504.00	5,912,232.00	3,229,230.00
3	Tuition Account	857,000	887,825.00	1,630,075.00	480,980.00
	Total	**9,296,293**	**9,597,107.00**	**14,571,420.00**	**6,488,017.00**
	Increase/Decrease	**(300,814)**	**(4,974,313.00)**	**8,083,403.00**	**2,488,005.00**



It is observed that there was a drop in expenditure by Kshs 300,814 in the financial year 2023/2024.This was largely contributed by a drop in the funds received and this adversely affected the management of the school in that particular year.

b) Teacher Student ratio:

Between the month of July 2023 and June 2024, the status of the teaching staff is as follows: There are 17 teachers posted by the Teachers Service Commission and none recruited by the Board of Management.. Although the teacher student ratio lies at 1: 25. We have a shortage of 1 teacher from the given CBE. This is due to subject specialization in Form 3 and Form 4.

c) The mean score in the *2023* KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET
2023	77	4.078	10	12.99	4.0
2022	103	3.284	4	3.9	4.0
2021	100	2.824	5	5.0	4.1
2020	87	3.718	6	7.0	6.5
2019	91	3.604	6	6.5	5.8

d) Number of Candidates in the 2023KCSE:

YEAR	No. of Candidates
2023	77
2022	103
2021	100
2020	87

e) The capacity of the school:

There are 338 students,since it's a day shool,there are no dormitories.There is only one dinning hall,4 laboratories,one library hall,14 toilets and 10 classrooms.

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

....

School Principal

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX 5073-10100, NYERI.
Date.........................Sign.....................

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

The Board of Management of *RIAMUKURWE 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: JOHN MWANIKI K.I.
Designation: Chairman, School Board of Management
Date: 23/3/26

....

Name: SAMUEL M. MUTITU
Designation: School Principal & Secretary to Board of Management
Date: 23/3/2026

....

Name: PURITY W. KAPINGI
Designation: Bursar/ Finance Officer
Date: 23/3/2026

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REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RIAMUKURWE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - NYERI 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 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.

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 Riamukurwe Secondary School set out on pages 1 to 15, which comprise of the statement of assets and liabilities as at 30 June, 2024, statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies 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 Riamukurwe 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 the Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstated Bank Account Balance

The statement of assets and liabilities reflects prior year opening balance of Kshs.352,123 in respect of bank balances. However, Note 7 to the financial statements reflects a re-casted balance of Kshs.187,935, resulting in an unexplained variance of Kshs164,187. Further, the bank balances of Kshs.352,122 and Kshs.22,997 as at 30 June, 2023 and 30 June, 2024 respectively are net of negative balances of Kshs.30,800 and Kshs.23,778 in operations and school funds account/boarding accounts respectively. This was contrary to International Public Sector Accounting Standard 1 which prohibits offsetting of assets and liabilities.

In the circumstances, the accuracy and completeness of the bank accounts balance of Kshs.22,997 as at 30 June, 2024 could not be confirmed.

2. Unsupported Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.3,123,284 as disclosed in Note 9 to the financial statements. However, this balance was not supported by ledgers, statement of account of individual students, invoices and detailed schedules.

In the circumstances, the accuracy, completeness and existence of the accounts receivable balance of Kshs.3,123,284 could not be confirmed.

3. Misstatement in Accumulated Fund

The statement of assets and liabilities reflects accumulated fund brought forward balance of Kshs.720,715 as disclosed in Note 11 to the financial statements. However, the balance includes current year receivables and payables balances of Kshs.3,123,284 and negative Kshs.2,761,044 respectively.

In the circumstances, the accuracy of the accumulated fund brought forward balance of Negative Kshs.720,715 could not be confirmed.

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

Budget Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.9,888,530 and Kshs.8,601,025 respectively, resulting in an under-funding of Kshs.1,287,505 or 13% of the budget.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the School.

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 effect of the matters described in the Basis for Qualified Opinion section, 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 pages iii to xi which comprise of Key School Information and Management, Summary Report of Performance of the School, and the Statement of School Management Responsibility. 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments as disclosed in Note 2 to the financial statements reflects capitation grants for operations of Kshs.3,795,982. Included in the amount is Kshs.1,237,900 in respect of infrastructure grants which were not transferred to the infrastructure account contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the law of Section 2.0 (1) of the guidelines on implementation of free day secondary school.

2. Failure to Prepare School Improvement Plan

During the year 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.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.4,397,933 as disclosed in Note 6 to the financial statements. Included in the payment is an amount of Kshs.404,400 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.404,400 could not be confirmed.

4. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

In the circumstance, the compliance and effectiveness in the procurement unit could not be confirmed.

5. Under Funding of Capitation Grants

The statement of receipts and payments reflects Government grants for tuition and capitation grants for operations amount of Kshs.851,148 and Kshs.3,795,982 respectively as disclosed in Notes 1 and 2 to the financial statements. However, a review of NEMIS data and student's register revealed that during the financial year, NEMIS reported a total number of two hundred and ninety-seven (297) students while the enrolment records provided by the School indicated a total number of three hundred and thirty eight (338) students, resulting in an unexplained variance of fifty three (53) students. As a result of the variance, the School was under-funded by Kshs.829,286 (total capitation received/NEMIS enrolment X 53 students) in capitation grants.

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

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 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

1. Lack of Internal Audit Function

During the year under review, the School did not constitute an internal audit unit and an audit committee as required by section 73 Subsection (1) (a), and subsection 5 of the Public Finance Management Act 2012 which state that "every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board".

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Non- compliance with Stipulated Frequency of Board and Board Committee Meetings

During the year under review, the full Board held one (1) meeting whereas the Audit Committee and Academic Committee did not hold a single meeting. The Discipline and Welfare Committee held one (1) meeting and there was no Development Committee in place. The Board and the Committees therefore, did not meet the set threshold of a minimum of 4 meeting each financial year contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 that states that a Board of Management shall meet at least once every four months. This was also contrary to Circular OP/CAB.9/1A dated 11th March, 2020 on Management of State Corporations Section A (2) On Board Meetings which requires that for avoidance of doubt, the board meetings shall be restricted to a minimum of four (4) as provided in the state Corporations Act and capped to a maximum of six for each financial year or as may be specified in the respective enabling legal instrument. The same principle shall apply to respective Committees of the Boards.

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

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 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 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern 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 of 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

14 May, 2026

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	851,148	890,987
Government grants for operations	2	3,795,982	3,892,177
School fund income- parents' contributions	3	4,388,095	5,503,942
Total Receipts		**9,035,225**	**10,287,106**
Payments			
Tuition	4	857,462	887,825
Operations	5	4,041,360	3,500,504
Boarding and school fund	6	4,397,933	5,208,778
Total Payments		**9,296,755**	**9,597,107**
Surplus/Deficit		(261,530)	**291,735**

The school financial statements were approved on ___________ 2024 and signed by:

....

Name: JOHN MWANGI K. **Name:** SAMUEL M. MUTHEE **Name:** PURITY W. KABUGI

Chair BOM **School Principal/ Secretary to BOM** **Bursar/ Finance Officer**

Date: 23/3/26 **Date:** 23/3/2026 **Date:** 23/3/2026

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX 5073-1010- NYERI.
Date..................Sign..................

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

Description	Note	*2023/2024*	*2022/2023*
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	7	23,997	352,123
Cash balances	8	73,447	6,352
Total cash and cash equivalent		**96,946**	**358,475**
Account's receivables	9	3,123,284	2,757,239
Total financial assets (a)		**3,220,228**	**3,115,715**
Financial liabilities			
Accounts payables	10	(2,761,044)	(2,493,183)
Total Financial Labilities (b)		**2,761,044**	2,493,183
Net financial assets (a-b)		**459,184**	**622,532**
Represented by			
Accumulated fund b/fwd	11	**720,715**	330,797
Surplus/deficit for the year		(261,530)	291,735
Net Assets		**459,184**	**622,532**

The school's financial statements were approved on ____________ 2024 and signed by:

....	....	....
Name: JOHN MWANGI	**Name:** SAMUEL M. MUTHEE	**Name:** PURITY W. KABUGI
	School Principal/ Secretary to BOM	
Chair BOM		**Bursar/ Finance Officer**
Date: 23/3/26	**Date:** 23/3/2026	**Date:** 23/3/2026

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX 5973-10100, NYERI.
Date........................Sign....................

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

Description	Note	*2023/2024*	*2022/2023*
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	851,148	890,987
Government grants for operations	2	3,795,982	3,892,177
School fund income- parents contributions/ fees	3	4,388,095	5,503,942
Other income		-	
Total receipts		**9,035,225**	**10,287,106**
Payments			
Cash outflows for tuition	4	857,462	887,825
Cash outflows for operations	5	4,041,360	3,500,504
Cash outflows Boarding/lunch and school fund payments	6	4,397,933	5,208,778
Total payments		**9,296,755**	**9,597,107**
Net cash inflow/outflow from operating activities		**(261,530)**	**291,735**
Cash flow from investing activities			-
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	
			-
Cash flow from Financing activities			-
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		**(261,530)**	**291,735**
Cash and cash equivalent at beginning of the FY		358,476	**66,741**
Cash and cash equivalent at end of the FY		**96,946**	**358,476**

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

The school's financial statements were approved on ___________ 2024 and signed by:

………………………………	………………………………	………………………………
Name:	**Name:** SAMUEL M. MUTHEE	**Name:** PURITY W. KABUGI
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 23/3/26	**Date:** 23/3/2026	**Date:**

PRINCIPAL
RIAMUKURWE SEC. SC
P. O. BOX 5073-10100,
Date……………………Sign………………

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	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	68,783	-	68,783	80,000	118
Exercise Books	291,006	-	291,006	220,000	76
Laboratory Equipment	264,551	-	264,551	200,000	76
Internal Exams	132,275	-	132,275	100,000	76
Teaching / Learning Materials	105,820	-	105,820	80,000	76
Exams And Assessment	170,831	-	170,831	129,148	76
	1,033,266	-	1,033,266	781,148	76
(2) Capitation Grant on Operations					
Personnel Emoluments	1,188,609	-	1,188,609	1,051,179	88
Repairs And Maintenance	1,399,742	-	1,399,742	1,237,900	88
Local Transport / Travelling	396,203	-	396,203	350,300	88
Electricity And Water	396,203	-	396,203	350,486	88
Medical	295,716	-	295,716	261,525	88
Administration Costs	400,728	-	400,728	354,395	88
Activity	215,063	-	215,063	190,197	88
	4,292,264	-	4,292,264	3,795,982	88
(3) Fees Charged on Parents					

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
Lunch Programme	4,563,000	-	4,563,000	4,023,895	88
Total Income	**9,888,530**			**8,601,025**	
(4) Expenditure For Tuition					
Reference Materials	53,383	-	53,383	60,000	112
Exercise Books	291,006	-	291,006	249,751	86
Laboratory Equipment	264,551	-	264,551	229,000	87
Internal Exams	121,475	-	121,475	80,751	66
Teaching / Learning Materials	104,470	-	104,470	65,000	62
Chalks	10,800	-	10,800	15,000	139
Exams And Assessment	143,231	-	143,231	109,148	76
Teachers Guides	15,400	-	15,400	20,000	130
Administration Costs	26,550	-	26,550	20,000	75
Bank Charges	2,400	-	2,400	1,350	56
	1,033,266	-	1,033,266	850,000	82
(5) Expenditure For Operations					
Personnel Emoluments	1,508,062	-	1,508,062	1,386,531	92
Electricity, Water and Conservancy	53,241	-	53,241	48,950	92
Administration Costs	317,580	-	317,580	291,987	92
Activity Expenses	368,823	-	368,823	339,100	92
Creditors	-	-	-	1,879,792	-
	4,292,264		4,292,264	3,946,360	92
(6) Expenditure For school fund/lunch/boarding					

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
Lunch Programme	4,563,000	-	4,563,000	4,397,933	96
Totals	**9,888,530**	**-**	**9,888,530**	**9,194,293**	

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

Riamukurwe Secondary 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 Riamukurwe Secondary 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, Riamukurwe Secondary 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 Riamukurwe Secondary 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. Riamukurwe Secondary School's budget was approved by Riamukurwe Secondary 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
Laboratory Equipment	425,574	-
Teaching / Learning Materials	355,574	**1,612,188**
Inter-account borrowing	70,000	-
Total	**851,148**	**1,612,188**

2 Government Grants for Operations

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Personnel Emoluments	1,051,179	2,054,850
Local Transport / Travelling	350,300	97,305
Electricity And Water	350,486	97,305
Medical	261,525	65,300
Administration Costs	354,395	97,305
Infrustructure	1,237,900	1,298,000
Activity	190,197	182,113
Total	**3,795,982**	**3,892,177**

3 School Fund Income - Parents Contribution/Fees

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Lunch Programme	4,388,095	5,503,942
Total	4,388,095	5,503,942

4 Tuition

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Exercise Books	249,751	539,265
Reference materials	53,383	58,000
Laboratory Equipment	229,000	130,000
Teaching / Learning Materials	65,000	106,000
Exams And Assessment	109,148	35,000
Teachers Guides	20,000	-
Agriculture Project	14,079	-
Bank Charges	1,350	1,825
Chalks	15,000	17,735
Administration costs	20,000	-
Internal Exams	80,751	-
Total	**857,462**	**887,825**

5 Operations

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Personnel Emoluments	1,386,531	1,695,912
Service Gratuity	-	252,000
Administration Cost	291,987	803,172
Repairs And Maintenance & Improvements	-	10,300
Local Transport / Travelling	-	200,000
Electricity And Water	48,950	329,400
Activity Expenses	339,100	209,720
Inter-borrowing	95,000	-
Others (specify)	1,879,792	-
Total	**4,041,360**	**3,500,504**

6 Boarding And School Fund

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Lunch Programme	4,397,933	5,208,778
Total	4,397,933	5,208,778

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

7. Bank Accounts

Account Name & Currency	Status	Bank Account Number	*2023,2024*	*2022/2023*
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE	1101946504	1,350	4,502
Operations Account	ACTIVE	111948698	45,425	(30,809)
School Fund Account/Boarding	ACTIVE	1101945079	(23,778)	214,242
Infrastructural Account	DORMANT	1274395569	0	0
Total			**22,997**	**352,122**

8. Cash In Hand

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Notes and Coins	73,447	6,352
Total	73,447	**6,352**

9. a) Accounts Receivable

Description	*2023/2024*	*2022/2023*
	Kshs	Kshs
Fees Arrears	3,123,284	2,757,239
Total	3,123,284	2,757,239

b) Ageing Analysis of Accounts Receivable

Description	*2023/2024*		*2022/2023*	
	Kshs		*Kshs*	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year	698,245	22	614,918	21
Between 1- 2 years	282,718	9	363,751	17
Between 2-3 years	363,751	12	1,778,670	62
Over 3 years	1,778,670	57	-	-
Total (should tie to note 9 a)	**3,123,284**	**100**	**2,757,239**	**100**

10. a) Accounts Payable

Description	2023/2024	2022/2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,511,233	2,336,963
Prepaid Fees	249,811	156,220
Total	2,761,044	**2,493,183**

b) Ageing Analysis of Accounts Payable

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year	1,279,322	46	1,049,511	42
Between 1- 2 years	1,481,722	54	1,241,080	56
Between 2-3 years	-		46,372	2
Total (should tie to note 10 a))	**2,761,044**	**100**	**2,336,963**	**100**

11. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank Balances	352,123	187,934
Cash Balances	6,352	(121,193)
Receivables	3,123,284	2,757,239
Payables	(2,761,044)	(2,493,183)
Total	**720,715**	**330,797**

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.

12. Biological assets

Description	Numbers	2023/2024	2022/2023
		Kshs	Kshs
Sheep	8	80,000	100,000
Trees	960	1,520,000	1,800,000
Total	**968**	**1,600,000**	**1,900,000**

13. Stock/ Inventory

Description	2023/2024	2022/2023
	Kshs	Kshs
Food stuffs	78,930	81,733
Lab consumables	96,451	72,500
	175,381	**154,233**

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 23/3/2024
Principal

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX 5073-10100 NYERI
Date.......................Sign.....................

14. 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	
Supply Of Goods						
1. MOSES MACHARIA	481,460	5/11/2021	230,485	250,975	163,265	CURRENT SUPPLIER
2. ZENIUM PRINTS SOLUTION	568,000	5/11/2021	314,800	253,200	231,500	CURRENT SUPPLIER
3. JOGIMU ENTERPRISES	868,795	5/11/2021	639,305	229,490	177,915	EXITING SUPPLIER
4. RESANA STATIONERS	675,015	5/11/2021	608,730	66,285	367,150	CURRENT SUPPLIER
5. CHARITY WAMBUI KINUTHIA	1,153,500	5/11/2021	990,740	162,760	187,500	CURRENT SUPPLIER
6. JESEE KAMAU MURAGE	662,000	5/11/2021	421,100	240,900	304,000	CURRENT SUPPLIER
7. GRACE MATHENGE	191,500	5/11/2021	0	191,500	191,500	CURRENT SUPPLIER
8. DAVID KIBEBE	79,858	5/11/2021	31,000	48,858	48,858	TEMPORAL SUPPLIER
9. LUCY WANGARI	120,000	5/11/2021	0	155,750	51,000	CURRENT SUPPLIER
10. EMUTEC VENTURES	76,900	5/11/2021	36,800	40,100	35,500	TEMPORAL SUPPLIER
11. GEORGE NDIRANGU	17,000	6/4/2023	0	17,000	-	TEMPORAL SUPPLIER
12. LYANGA HOLDINGS	26,000	6/4/2023	0	26,000	-	ONE TIME SUPPLIER
Sub-Total	**4,920,028**		**3,237,210**	**1,682,818**		

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Supply Of Services			0			
13. ALFRA GENERAL SERVICES	344,850	5/11/2021	38,000	306,850	344,850	CURRENT SUPPLIER
14. LICHI SECURITY	314,000	5/11/2021	51,500	262,500	102,500	CURRENT SUPPLIER
15. RIDRATECH ENGENEERS	72,855	5/11/2021	0	72,855	-	CURRENT SUPPLIER
16. AIRNET BROADBAND	200,000	5/11/2021	133,000	67,000	48,325	CURRENT SUPPLIER
17. JOHN GITONGA	174,300	5/11/2021	114,790	59,510	48,100	CURRENT SUPPLIER
18. EXPRESS BIOTEC	33,600	5/11/2021	0	33,600	-	CURRENT SUPPLIER
19. MT.KENYA REFRIGERATION	6,100	6/4/2023	0	6,100	-	CURRENT SUPPLIER
20. CYMA INVESTMENTS	20,000	6/4/2023	0	20,000	-	CURRENT SUPPLIER
Sub-Total	**1,165,705**		337,290	**828,415**		
Grand Total	**6,085,733**		**3,574,500**	**2,511,233**		

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	**EST.20,000,000**	-	-	**EST.20,000,000**
Buildings And Structures	**EST.20,000,000**	-	-	**EST.20,000,000**
Office Equipment, Furniture and Fittings	**EST.5,000,000**	-	-	**EST.5,000,000**
Textbooks	**EST,4,000,000**	-	-	**EST,4,000,000**
ICT Equipment	**EST.2,000,000**	-	-	**EST.2,000,000**
Tools And Apparatus	**EST.2,000,000**	-	-	**EST.2,000,000**
Intangible Assets- Soft Ware	**EST.90,000**	-	-	**EST.90,000**
Total	**EST.113,090,000**	-	-	**EST.113,090,000**