

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

# REPORT

OF

**THE AUDITOR-GENERAL**

ON

**KORA SECONDARY SCHOOL**

**FOR THE YEAR ENDED**

**30 JUNE, 2024**

**TANA RIVER COUNTY**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 25 JUN 2026

DAY.

Thur

TABLED

BY:

Hon. Owen Baya, MP  
Dep Leader of the Majority  
Party.

PRESENT AT

TABLE:

M. Chuma

PARLIAMENT  
OF KENYA  
LIBRARY





*Revised 30<sup>th</sup> June 2024.*



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**Kora Secondary School**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

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**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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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)*

**Kora Secondary School****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**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 Tana River County, Bangale Sub-County.

The school was registered in 10/18 under registration number 04S12000155 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 159 number of students as at 30<sup>th</sup> June 2024. It has 1 stream and 9 teachers of which 2 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

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

| Ref: | Name of Board Member | Designation           | Date of appointment |
|------|----------------------|-----------------------|---------------------|
| 1    | Ismail Solola        | Chairman              | 26/01/2022          |
| 2    | James Kweyu          | Secretary - Principal | 26/01/2022          |
| 3    | Hassan Machawa       | Member                | 26/01/2022          |
| 4    | Abdisalat Dota       | Member                | 26/01/2022          |
| 5    | Hassan Kofa          | Member                | 26/01/2022          |
| 6    | Aisha Yussuf         | Member                | 26/01/2022          |
| 7    | Abdirahman Jomo      | Member                | 26/01/2022          |
| 8    | Juma Ali Dido        | Member – Rep CEB      | 26/01/2022          |
| 9    | Jared Owour          | Member Rep Teachers   | 26/01/2022          |
| 10   | Amina Omar Marto     | Member                | 26/01/2022          |
| 11   | Osman Abarufa        | 3 Members - Sponsor   | 26/01/2022          |
| 12   | Abdi Maalim Said     | - Sponsor             | 26/01/2022          |
| 13   | Hawa Abarufa         | - Sponsor             | 26/01/2022          |
| 14   | Zeitun Juma          | Member - Community    | 26/01/2022          |
| 15   | Aisha Yussuf         | MemberSpecial Needs   | 26/01/2022          |
| 16   | Simon Makau          | Rep Students          | 26/01/2022          |

**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                                 | 1. Ismail Solola<br>2. James Kweyu<br>3. Mohamed Juma<br>4. Hassan Machawa<br>5. Amina Omar        | Chairman<br>Secretary<br>P.A Chairman<br>Member<br>Member | 3 out of 3<br>3 out of 3<br>3 out of 3<br>3 out of 3<br>3 out of 3 |
| 2    | Audit Committee                                     | 1. Osman Salat<br>2. Hakima Adow<br>3. Ismail Solola                                               | Chairman<br>Secretary<br>Member                           | 3 out of 3<br>3 out of 3<br>3 out of 3                             |
| 3    | Finance, procurement and general purposes Committee | 1. Ismail Solola<br>2. Zeitun Juma<br>3. James Kweyu<br>4. Osman Abarufa                           | Chairman<br>Secretary<br>Member<br>Member                 | 3 out of 3<br>3 out of 3<br>3 out of 3<br>3 out of 3               |
| 4    | Academic Committee                                  | 1. Jared Owuor<br>2. James Kweyu<br>3. Hassan Kofa<br>4. Juma Ali Dido                             | Chairman<br>Secretary<br>Member                           | 3 out of 3<br>3 out of 3<br>3 out of 3                             |
| 5    | Development Committee                               | 1. Ismail Solola<br>2. James Kweyu<br>3. Abdisalat Dota<br>4. Hawa Abarufa<br>5. Mohamed Juma      | Chairman<br>Secretary<br>Member<br>Member<br>Member       | 3 out of 3<br>3 out of 3<br>3 out of 3<br>3 out of 3<br>3 out of 3 |
| 6    | Discipline and welfare Committee                    | 1. Abdi Maalim Said<br>2. Abdbiraman Jomo<br>3. James Kweyu<br>4. Amina Omar<br>5. Justine Kariuki | Chairman<br>Secretary<br>Member                           | 3 out of 3<br>3 out of 3<br>3 out of 3                             |

**(d) School operation Management**



**Kora Secondary School****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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

| Ref: | Designation      | Name            | Identification |
|------|------------------|-----------------|----------------|
| 1    | Principal        | James Kweyu     | TSC No.        |
| 2    | Deputy Principal | Justine Karioki | TSC No.        |
| 3    | School Bursar    | John Mutisya    | ICPAK No.      |
| 4    | Other (specify)  |                 |                |

**(e) Schools contacts**

Post Office Box: 15 – 70104, Bura.  
Telephone: +254 721 214910  
E-mail: koraschool16@gmail.com  
Website: -  
Facebook: -  
Twitter: -

**(f) School Bankers**

Provide details of the school bankers.

Name of Bank: Kenya Commercial Bank  
Branch: Garissa  
Postal Address.

**(g) Independent Auditors**

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

**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**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:

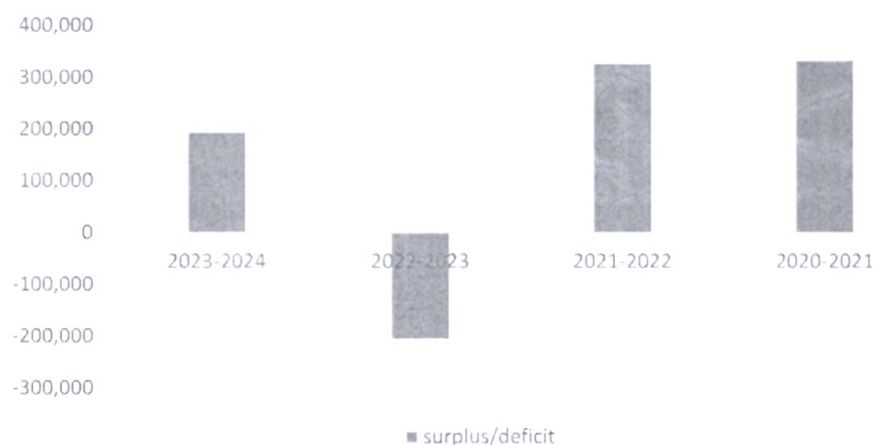
**a) Financial performance:**

*(Under this section, the following information should be given:*

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

| <b>ACCOUNT</b>         | <b>2023/2024</b> | <b>2022/2023</b> | <b>2021/2022</b> | <b>2020/2021</b> |
|------------------------|------------------|------------------|------------------|------------------|
| <i>Tuition</i>         | 117,518          | (51,876)         | 47,134           | (109,659)        |
| <i>Operation</i>       | 70,283           | (173,661)        | (87,450)         | (660,701)        |
| <i>School fund</i>     | -1,178,943       | 18,578           | 367,949          | 1,104,534        |
| <b>Surplus/Deficit</b> | <b>(991,142)</b> | <b>(206,960)</b> | <b>327,633</b>   | <b>334,174</b>   |

**surplus/deficit comparison**



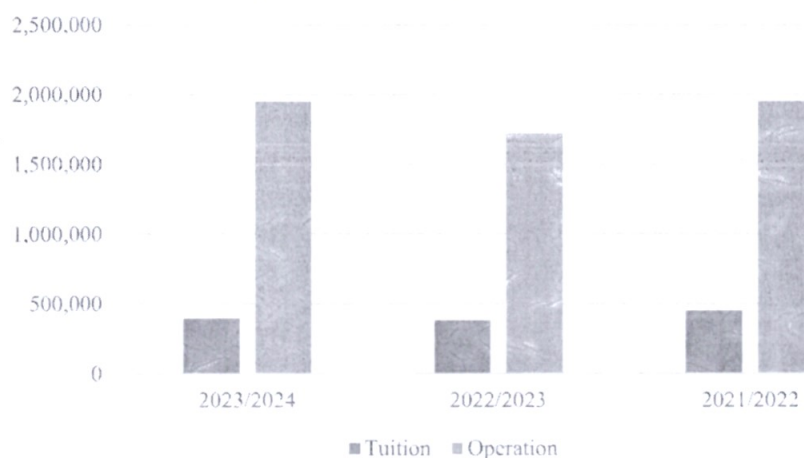
- *Capitation grants from the Ministry of Education for the last three years*

| <b>ACCOUNT</b>   | <b>2023/2024</b> | <b>2022/2023</b> | <b>2021/2022</b> |
|------------------|------------------|------------------|------------------|
| <i>Tuition</i>   | 398,844          | 380,398          | 450,550          |
| <i>Operation</i> | 1,946,262        | 1,723,338        | 1,952,007        |
| <b>Total</b>     | <b>2,345,106</b> | <b>2,103,736</b> | <b>2,402,557</b> |

## Kora Secondary School

### Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

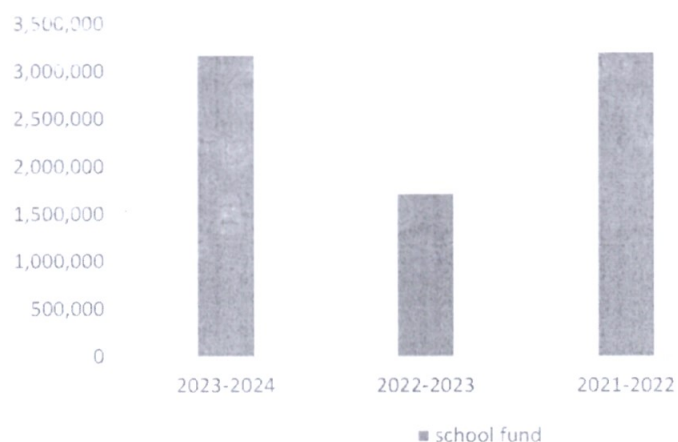
*Capitation Grants from the Ministry*



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

| ACCOUNT     | 2023/2024 | 2022/2023 | 2021/2022 |
|-------------|-----------|-----------|-----------|
| School Fund | 1,994,008 | 1,721,338 | 3,207,881 |

*growth of lunch income earned by the school*



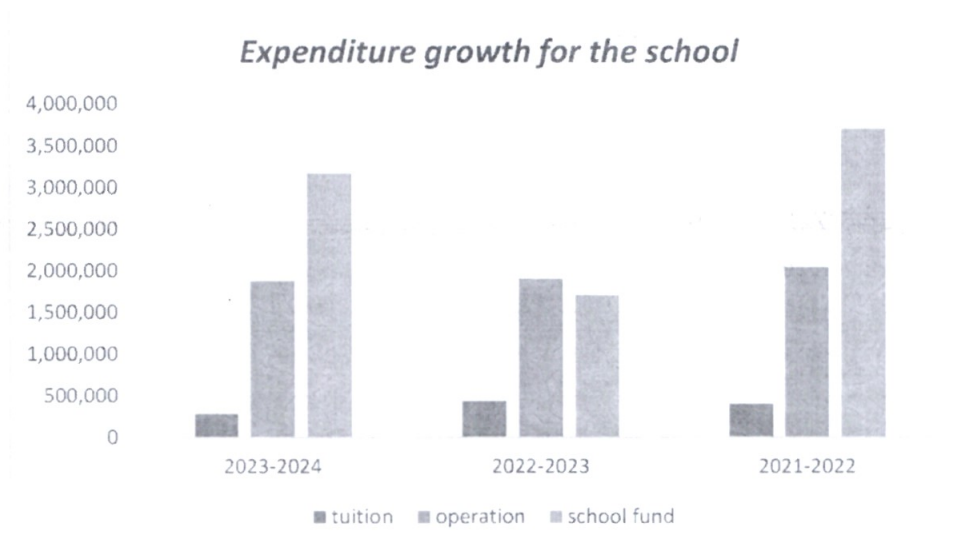
- A three-year overview of growth in expenditure of the school

| ACCOUNT     | 2023/2024 | 2022/2023 | 2021/2022 |
|-------------|-----------|-----------|-----------|
| Tuition     | 281,326   | 432,274   | 403,416   |
| Operation   | 1,875,979 | 1,896,999 | 2,039,457 |
| School Fund | 3,172,951 | 1,702,761 | 3,695,746 |



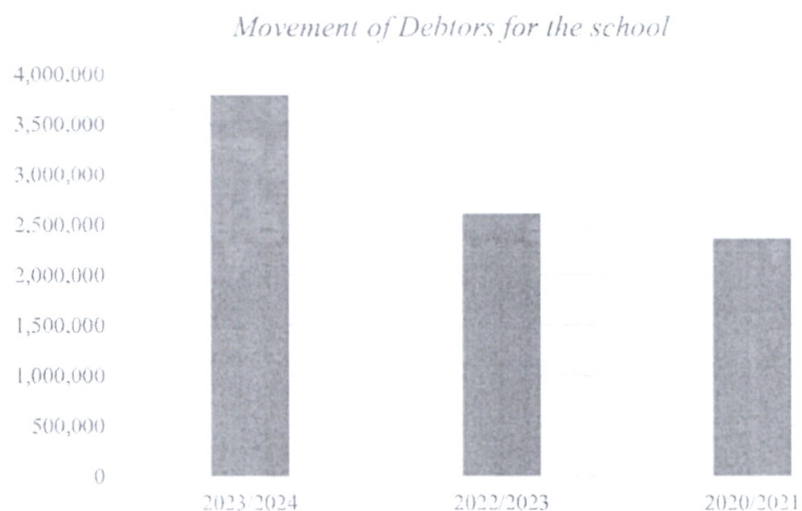
## Kora Secondary School

### Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024



- *Movement of debtors of the school over the last three years*

| <b>ACCOUNT</b> | <b>2023/2024</b> | <b>2022/2023</b> | <b>2020/2021</b> |
|----------------|------------------|------------------|------------------|
| Debtors        | 189,791          | 1,068,877        | 51,247           |



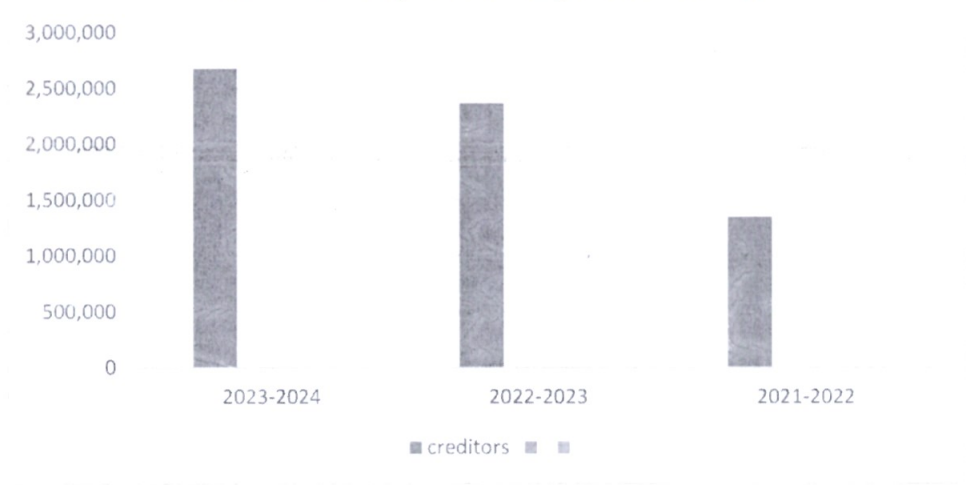
- *Movement of creditors of the school over the last three years*

| <b>ACCOUNT</b> | <b>2023/2024</b> | <b>2022/2023</b> | <b>2021/2022</b> |
|----------------|------------------|------------------|------------------|
| Creditors      | 2,676,197        | 2,369,347        | 1,351,717        |

**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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*movement of creditors for the school*



b) Teacher Student ratio:

**Kora Secondary School****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

| <i>Number of teachers</i> | <i>Number of students</i> |
|---------------------------|---------------------------|
| 9                         | 159                       |
| 1                         | 17                        |

***Teacher student ration; 1:17****Teachers recruited and posted within the year**TSC* 1*BOM* 2*Teachers transferred within the year.* 0*Number of teachers the school has for each subject is as follows:*

|                  |   |                         |   |
|------------------|---|-------------------------|---|
| <i>English</i>   | 1 | <i>History</i>          | 1 |
| <i>Maths</i>     | 3 | <i>Geography</i>        | 2 |
| <i>Kiswahili</i> | 2 | <i>CRE</i>              | 0 |
| <i>Biology</i>   | 2 | <i>IRE</i>              | 1 |
| <i>Physics</i>   | 2 | <i>Business studies</i> | 2 |
| <i>Chemistry</i> | 1 | <i>Agriculture</i>      | 0 |

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

| <i>Year</i> | <i>Number of students who transitioned to institution of higher learning</i> | <i>Mean score</i> | <i>Improvement index</i> |
|-------------|------------------------------------------------------------------------------|-------------------|--------------------------|
| 2023        | -                                                                            | 2.361             | -1.216                   |
| 2022        | -                                                                            | 3.577             | +0.33                    |
| 2021        | -                                                                            | 3.342             | +0.756                   |

*There was a mean deviation of the school mean score from the previous year's performance.*

**d) Number of Candidates in the 2023 KCSE:**

| <i>Year</i> | <i>Number of candidates</i> |
|-------------|-----------------------------|
| 2023        | 36                          |
| 2022        | 26                          |
| 2021        | 35                          |

**e) The capacity of the school:**

| <i>No of students</i> | <i>Number of Facilities</i> |
|-----------------------|-----------------------------|
| 159                   | 1 Laboratories              |
| 159                   | 4 Toilets                   |
| 159                   | 6 Classrooms                |

**Kora Secondary School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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|            |                    |
|------------|--------------------|
| <i>159</i> | <i>159 Chairs</i>  |
| <i>159</i> | <i>159 Lockers</i> |
| <i>159</i> | <i>1 Library</i>   |



**Kora Secondary School****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

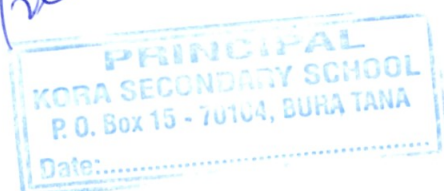
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**f) Development projects carried out by the school:**

*(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).*

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

.....  
School Principal



**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**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 Kora 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).

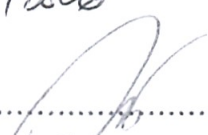
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2024, and of the school's financial position as at that date.



.....  
for Name: Ismail Solola

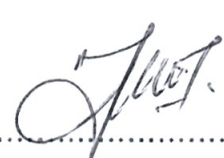
Designation: Chairman, School Board of Management

Date: 14/6/2024

  
.....  
Name: James Kweyu

Designation: School Principal & Secretary to Board of Management

Date: 14/6/2024

  
.....  
Name: John Mutisya

Designation: Bursar/ Finance Officer

Date: 14/6/2024

**5. Report Of The Independent Auditors (To be attached)**



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON KORA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – TANA RIVER COUNTY**

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### **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 Kora Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at

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*Report of the Auditor-General on Kora Secondary School for the year ended 30 June, 2024 – Tana River County*



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 Kora Secondary School at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Variance Between Financial Statements and School Records**

The statement of receipts and payments reflects capitation grants for tuition and operations of Kshs.398,844 and Kshs.1,946,262 respectively. However, review of records revealed that the school should have received Kshs.1,699,282 while data from National Education Management and Information System (NEMIS) revealed an amount of Kshs.1,826,976 resulting to unexplained variances Kshs.127,694.

In the circumstances, the accuracy and completeness of capitation grants for tuition amount of Kshs.398,844 and capitation grants for operations amount of Kshs.1,946,262 could not be confirmed.

#### **2. Unsupported Accounts Receivables**

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.189,791. However, the ledgers to support the balance were not provided for audit. Further, review of ageing analysis revealed that students fee arrears amounting Kshs.51,247 has been outstanding for over two (2) years.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.189,791 could not be confirmed.

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

### **1. Budgetary Control and Performance**

The statement of budgeted versus and actual amounts reflects final revenue budget of Kshs.6,794,096 and actual on comparable basis of Kshs.4,339,114 resulting to an under-funding of Kshs.2,454,982 or 36% of the budget. Similarly, the school spent an amount of Kshs.5,330,256 against actual receipts of Kshs.4,339,114 resulting to an over-expenditure of Kshs.991,142 or 22%.

The under-funding of revenue may have affected the School's planned activities which may have impacted negatively on service delivery to the public.

### **2. Long Outstanding Trade Payables**

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.2,676,197 out of which Kshs. 2,311,357 has been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer not to commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates and are available.

Failure to settle bills during the year to which they relate adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of these matters.

### **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 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 xiv which comprise of key school information and management, summary report of the performance of the school and 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 state 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 7 and Note 9 to the financial statements reflects payments for operations and boarding & school fund of Kshs.5,048,930. Included in the expenditure is an amount of Kshs.84,694 transferred to Kenya Secondary School Heads Association (KESSHA) a welfare organization which is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the 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.

In the circumstances, value for money transferred to KESSHA, amounting to Kshs.84,694 could not be confirmed.

#### 2. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 16 December, 2024 instead of the statutory deadline of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 with states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

#### 3. Lack of a Procurement Plan

The statement of receipts and payments reflects total receipts amounts of Kshs.4,339,114 and total payments of Kshs.5,330,256. However, during the year Management did not



prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'. In addition, Management had not made arrangements to capacity build the existing personnel in the stores.

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

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

### **Basis for Conclusion**

#### **1. Use of Manual Systems**

During the year under review, it was observed that Management has been using manual system in preparation of financial statements, maintenance of ledgers and maintaining students' data. However, manual systems have low efficiency, high rates of human error, time-consuming to maintain, often resulting in inconsistent data, limited security, and an inability to provide real-time information.

In the circumstances, the effectiveness of internal controls on manual systems used by the school could not be confirmed.

#### **2. Failure to Prepare School Improvement Plan**

During the year under review, Management did not have an approved School Improvement Plan (SIP) which is a key strategic planning tool that guides academic performance targets, infrastructure development, resource allocation, and overall institutional growth.



In the circumstances, the effectiveness of overall governance and strategic direction of the school could not be confirmed.

### **3. Lack of Policies**

During the year under review, Management had not developed and formally approved a Risk Management Policy, Information Communication and Technology Policy, and a recovery plan. Therefore, there was no formal risk identification and assessment, a risk register, defined risk mitigation strategies, a fraud prevention policy, a whistleblowing/reporting mechanism and periodic fraud risk assessments.

In the circumstances, the effectiveness of risk management could not be confirmed.

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

### **Responsibilities of 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 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, SBS  
**AUDITOR-GENERAL**

**Nairobi**

**07 May, 2026**

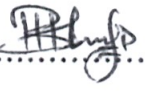


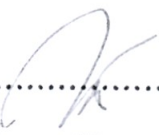
**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**6. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024**

| Description Of Vote Head                   | Note | 2023/2024        | 2022/2023        |
|--------------------------------------------|------|------------------|------------------|
|                                            |      | Kshs             | Kshs             |
| <b>Receipts</b>                            |      |                  |                  |
| Government grants for tuition              | 1    | 398,844          | 380,398          |
| Government grants for operations           | 2    | 1,946,262        | 1,723,338        |
| Government Grants for infrastructure       | 3    |                  | -                |
| School fund income- parents' contributions | 4    | 1,994,008        | 1,721,338        |
| Miscellaneous incomes                      | 5    | -                | -                |
| <b>Total Receipts</b>                      |      | <b>4,339,114</b> | <b>3,825,074</b> |
|                                            |      |                  |                  |
| <b>Payments</b>                            |      |                  |                  |
| Tuition                                    | 6    | 281,326          | 432,274          |
| Operations                                 | 7    | 1,875,979        | 1,042,929        |
| Infrastructure                             | 8    | -                | 854,070          |
| Boarding and school fund                   | 9    | 3,172,951        | 1,702,761        |
| <b>Total Payments</b>                      |      | <b>5,330,256</b> | <b>4,032,034</b> |
|                                            |      |                  |                  |
| <b>Surplus/Deficit</b>                     |      | <b>(991,142)</b> | <b>(206,960)</b> |
|                                            |      |                  |                  |

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

  
 Name: Ismail Solola  
 Chair BOM  
 Date: 4/6/2024

  
 Name: James Kweyu  
 School Principal/ Secretary to BOM  
 Date: 4/6/2024

  
 Name: John Mutisya  
 Bursar/ Finance Officer  
 Date: 4/6/2024



# Kora Secondary School

## Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

### 7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2024

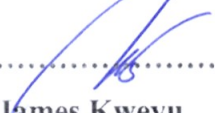
| Description                           | Note | 2023/2024          | 2022/2023        |
|---------------------------------------|------|--------------------|------------------|
|                                       |      | Kshs               | Kshs             |
| <b>Financial Assets</b>               |      |                    |                  |
| <b>Cash and cash equivalents</b>      |      |                    |                  |
| Bank balances                         | 10   | 505,954            | 310,697          |
| Cash balances                         | 11   | 408                | 870              |
| Short term investments                | 12   | -                  | -                |
| <b>Total cash and cash equivalent</b> |      | <b>506,362</b>     | <b>311,567</b>   |
| Account's receivables                 | 13   | 189,791            | 1,068,877        |
| <b>Total financial assets (a)</b>     |      | <b>696,153</b>     | <b>1,380,444</b> |
| <b>Financial liabilities</b>          |      |                    |                  |
| Accounts payables                     | 14   | 2,676,197          | 2,369,347        |
| <b>Total Financial Labilities (b)</b> |      | <b>2,676,197</b>   | <b>2,369,347</b> |
| <b>Net financial assets (a-b)</b>     |      | <b>(1,980,044)</b> | <b>(988,903)</b> |
| <b>Represented by</b>                 |      |                    |                  |
| Accumulated fund b/fwd                | 15   | (988,903)          | (781,943)        |
| <b>Surplus/deficit for the year</b>   |      | <b>(991,142)</b>   | <b>(206,960)</b> |
| <b>Net Assets</b>                     |      | <b>(1,980,045)</b> | <b>(988,903)</b> |

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

  
Name: Ismail Solola

Chair BOM

Date: 4/5/2026

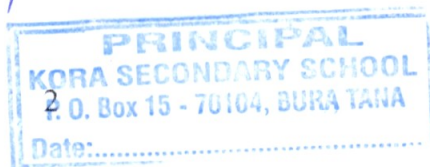
  
Name: James Kweyu  
School Principal/ Secretary to  
BOM

Date: 4/5/26

  
Name: John Mutisya

Bursar/ Finance Officer

Date: 4/5/2026



**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024**

| Description                                               | Note | 2023/2024        | 2022/2023          |
|-----------------------------------------------------------|------|------------------|--------------------|
|                                                           |      | Kshs             | Kshs               |
| <b>Cash from Operating Activities</b>                     |      |                  |                    |
| <b>Receipts</b>                                           |      |                  |                    |
| Government grants for tuition                             |      | 398,844          | 380,398            |
| Government grants for operations                          |      | 1,946,262        | 1,723,338          |
| Government grants for infrastructure                      |      | -                |                    |
| School fund income- parents contributions/ fees           |      | 1,994,008        | 1,721,338          |
| Other income                                              |      | -                | -                  |
| <b>Total receipts</b>                                     |      | <b>4,339,114</b> | <b>3,825,074</b>   |
| <b>Payments</b>                                           |      |                  |                    |
| Cash outflows for tuition                                 |      | 281,326          | 432,274            |
| Cash outflows for operations                              |      | 1,875,979        | 1,896,999          |
| Cash outflows Boarding/lunch and school fund payments     |      | 3,172,951        | 1,702,761          |
| <b>Total payments</b>                                     |      | <b>5,330,256</b> | <b>(4,032,034)</b> |
| <b>Net cash inflow/outflow from operating activities</b>  |      | <b>(991,142)</b> | <b>(206,960)</b>   |
|                                                           |      |                  |                    |
| <b>Cash flow from investing activities</b>                |      |                  |                    |
| Acquisition of assets                                     |      | -                | -                  |
| Proceeds from sale of Assets                              |      | -                | -                  |
| Proceeds from investments                                 |      | -                | -                  |
| Purchase of investments                                   |      | -                | -                  |
| <b>Net cash inflow/outflows from investing activities</b> |      | <b>-</b>         | <b>-</b>           |
|                                                           |      |                  |                    |
| <b>Cash flow from Financing activities</b>                |      |                  |                    |
| Proceeds from borrowings/ loans                           | 18   | -                | -                  |
| Repayment of principal borrowings                         |      | -                | -                  |
| <b>Net cash inflow/outflow from financing activities</b>  |      | <b>-</b>         | <b>-</b>           |
|                                                           |      |                  |                    |
| <b>Net increase/decrease in cash and cash equivalents</b> |      | <b>(991,142)</b> | <b>(206,960)</b>   |
| Cash and cash equivalent at beginning of the FY           |      | 311,567          | 518,527            |
| <b>Cash and cash equivalent at end of the FY</b>          |      | <b>(679,575)</b> | <b>311,567</b>     |

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

*(The above presentation of the cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB).*

**Kora Secondary School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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



Name: Ismail Solola

Chair BOM

Date: 4/5/2026



Name: James Kweyu  
School Principal/ Secretary to  
BOM

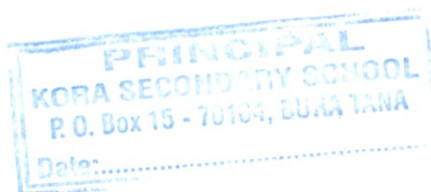
Date: 4/5/2026



Name: John Mutisya

Bursar/ Finance Officer

Date: 4/5/2026





**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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             |
| <b>Receipts</b>                           |                 |             |              |                            |                  |
|                                           |                 |             |              |                            |                  |
| <b>(1) Capitation Grant on Tuition</b>    |                 |             |              |                            |                  |
| Reference Materials                       | -               | -           | -            | -                          | -                |
| Exercise Books                            | -               | -           | -            | -                          | -                |
| Laboratory Equipment                      | -               | -           | -            | -                          | -                |
| Internal Exams                            | -               | -           | -            | -                          | -                |
| Teaching / Learning Materials             | 658,896         | -           | 658,896      | 398,844                    | 61%              |
| Exams And Assessment                      | -               | -           | -            | -                          | -                |
|                                           |                 |             |              |                            |                  |
| <b>(2) Capitation Grant on Operations</b> |                 |             |              |                            |                  |
| Personnel Emoluments                      | -               | -           | -            | -                          | -                |
| Repairs And Maintenance                   | -               | -           | -            | -                          | -                |
| Local Transport / Travelling              | -               | -           | -            | -                          | -                |
| Electricity And Water                     | -               | -           | -            | -                          | -                |
| Medical                                   | -               | -           | -            | -                          | -                |
| Administration Costs                      | 2,241,900       | -           | 2,241,900    | 1,294,262                  | 58%              |
| Activity                                  | -               | -           | -            | -                          | -                |
| Gratuity                                  | -               | -           | -            | -                          | -                |
|                                           | -               | -           | -            | -                          | -                |

**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

| Receipt/Expenses Item                | Original Budget<br>a<br>Kshs | Adjustments<br>b<br>Kshs | Final Budget<br>c=a+b<br>Kshs | Actual On<br>Comparable<br>Basis<br>d<br>Kshs | % Of Utilization<br>e=d/c %<br>Kshs |
|--------------------------------------|------------------------------|--------------------------|-------------------------------|-----------------------------------------------|-------------------------------------|
| <b>3) FDSE for infrastructure</b>    |                              |                          |                               |                                               |                                     |
| Maintenance & Improvement MoE        | 636,000                      | -                        | 636,000                       | 652,000                                       | 103%                                |
| M&I parents' contribution            | -                            | -                        | -                             | -                                             | -                                   |
| Economic Stimulus Programs           | -                            | -                        | -                             | -                                             | -                                   |
| Transition Infrastructure Grants     | -                            | -                        | -                             | -                                             | -                                   |
| Administration Block                 | -                            | -                        | -                             | -                                             | -                                   |
| <b>(4) Fees Charged on Parents</b>   |                              |                          |                               |                                               |                                     |
| Personnel Emoluments                 | -                            | -                        | -                             | -                                             | -                                   |
| Repairs And Maintenance              | -                            | -                        | -                             | -                                             | -                                   |
| Local Transport / Travelling         | -                            | -                        | -                             | -                                             | -                                   |
| Electricity And Water                | -                            | -                        | -                             | -                                             | -                                   |
| Medical                              | -                            | -                        | -                             | -                                             | -                                   |
| Administration Costs                 | -                            | -                        | -                             | -                                             | -                                   |
| Activity                             | -                            | -                        | -                             | -                                             | -                                   |
| SMASSE                               | -                            | -                        | -                             | -                                             | -                                   |
| Fee On Boarding Equipment and Stores | 3,257,300                    | -                        | 3,257,300                     | 3,179,944                                     | 98%                                 |
| <b>5) Miscellaneous Income</b>       |                              |                          |                               |                                               |                                     |
| Loans / Borrowing                    | -                            | -                        | -                             | -                                             | -                                   |
| Rent income                          | -                            | -                        | -                             | -                                             | -                                   |
| Income From Farming Activities       | -                            | -                        | -                             | -                                             | -                                   |
| Insurance Compensation               | -                            | -                        | -                             | -                                             | -                                   |



**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

| Receipt/Expenses Item                 | Original Budget<br>a<br>Kshs | Adjustments<br>b<br>Kshs | Final Budget<br>c=a+b<br>Kshs | Actual On<br>Comparable<br>Basis<br>d<br>Kshs | % Of Utilization<br>e=d/c %<br>Kshs |
|---------------------------------------|------------------------------|--------------------------|-------------------------------|-----------------------------------------------|-------------------------------------|
|                                       |                              |                          |                               |                                               |                                     |
| Income From Posho Mill                | -                            | -                        | -                             | -                                             | -                                   |
| Income From Bus Hire                  | -                            | -                        | -                             | -                                             | -                                   |
| Fee For Hire of Ground and Equipment  | -                            | -                        | -                             | -                                             | -                                   |
| Interest Income                       | -                            | -                        | -                             | -                                             | -                                   |
| Income From Any Other Investment      | -                            | -                        | -                             | -                                             | -                                   |
| <b>Total Income</b>                   | <b>6,794,096</b>             | <b>-</b>                 | <b>6,794,096</b>              | <b>5,525,050</b>                              | <b>81%</b>                          |
| <b>(6) Expenditure For Tuition</b>    |                              |                          |                               |                                               |                                     |
| Textbooks                             | -                            | -                        | -                             | -                                             | -                                   |
| Reference Materials                   | -                            | -                        | -                             | -                                             | -                                   |
| Exercise Books                        | -                            | -                        | -                             | -                                             | -                                   |
| Laboratory Equipment                  | -                            | -                        | -                             | -                                             | -                                   |
| Internal Exams                        | -                            | -                        | -                             | -                                             | -                                   |
| Teaching / Learning Materials         | 658,896                      | -                        | 658,896                       | 281,326                                       | 43%                                 |
| Chalks                                | -                            | -                        | -                             | -                                             | -                                   |
| Exams And Assessment                  | -                            | -                        | -                             | -                                             | -                                   |
| Teachers Guides                       | -                            | -                        | -                             | -                                             | -                                   |
| Administration Costs                  | -                            | -                        | -                             | -                                             | -                                   |
| Bank Charges                          | -                            | -                        | -                             | -                                             | -                                   |
| <b>(7) Expenditure For Operations</b> |                              |                          |                               |                                               |                                     |
| Personnel Emoluments                  | -                            | -                        | -                             | -                                             | -                                   |



**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> 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             |
| Repairs, Maintenance & Improvements                          | -               | -           | -            | -                          | -                |
| Local Transport / Travelling                                 | -               | -           | -            | -                          | -                |
| Electricity, Water and Conservancy                           | -               | -           | -            | -                          | -                |
| Medical                                                      | -               | -           | -            | -                          | -                |
| Administration Costs                                         | 2,241,900       | -           | 2,241,900    | 1,453,058                  | 65%              |
| Activity Expenses                                            | -               | -           | -            | -                          | -                |
| Gratuity                                                     | -               | -           | -            | -                          | -                |
| SMASSE                                                       | -               | -           | -            | -                          | -                |
|                                                              |                 |             |              |                            |                  |
| <b><i>(8) Expenditure For infrastructure</i></b>             |                 |             |              |                            |                  |
| Construction of classrooms                                   | -               | -           | -            | -                          | -                |
| Construction of LAB                                          | -               | -           | -            | -                          | -                |
| Construction of DORMS                                        | -               | -           | -            | -                          | -                |
| Purchase of furniture                                        | -               | -           | -            | -                          | -                |
| Purchase of equipment                                        | 636,000         | -           | 636,000      | 422,921                    | 66%              |
| Purchase of machinery                                        | -               | -           | -            | -                          | -                |
| <b><i>(9) Expenditure For school fund/lunch/boarding</i></b> |                 |             |              |                            |                  |
| Personnel Emoluments                                         | -               | -           | -            | -                          | -                |
| Repairs, Maintenance and Improvements                        | -               | -           | -            | -                          | -                |
| Local Transport / Travelling                                 | -               | -           | -            | -                          | -                |
| Electricity, Water and Conservancy                           | -               | -           | -            | -                          | -                |

**Kora Secondary School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> 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             |
| Medical Expenses                           | -                | -           | -                | -                          | -                |
| Administration Costs                       | -                | -           | -                | -                          | -                |
| Activity                                   | -                | -           | -                | -                          | -                |
| Gratuity                                   | -                | -           | -                | -                          | -                |
| Lunch Programme                            | -                | -           | -                | -                          | -                |
| Boarding Equipment and Stores              | 3,257,300        | -           | 3,257,300        | 1,729,055                  | 53%              |
| Expenditure For Income Generating Activity | -                | -           | -                | -                          | -                |
| Insurance Costs                            | -                | -           | -                | -                          | -                |
| Other Expenses On Investments              | -                | -           | -                | -                          | -                |
| Rent Expenses                              | -                | -           | -                | -                          | -                |
| Bank Charges                               | -                | -           | -                | -                          | -                |
| Loan Interest Repayment                    | -                | -           | -                | -                          | -                |
| Loan Principal Repayment                   | -                | -           | -                | -                          | -                |
| Acquisition Of Assets                      | -                | -           | -                | -                          | -                |
| <b>Totals</b>                              | <b>6,794,096</b> | <b>-</b>    | <b>6,794,096</b> | <b>3,886,360</b>           | <b>57%</b>       |

- The percentage of capitation was below 90% in some vote heads because the amount that the school received was below the number of student who were in the NEMIS and this one affects both payment side and receipt side.
- The percentage of capitation was above 90% in the some vote heads because of overutilization due to under estimation to the budget due to instability of the enrolment of the school.



## 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 30<sup>th</sup> June 2024.

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**11. Notes To the Financial Statements**

**1 Government Grants for Tuition**

| Description                   | 2023/2024      | 2022/2023      |
|-------------------------------|----------------|----------------|
|                               | Kshs           | Kshs           |
| Reference Materials           | -              | -              |
| Exercise Books                | -              | -              |
| Laboratory Equipment          | -              | -              |
| Internal Exams                | -              | -              |
| Teaching / Learning Materials | 398,844        | 380,398        |
| Others (specify)*             | -              | -              |
| <b>Total</b>                  | <b>398,844</b> | <b>380,398</b> |

*\*Include others as per MOE circulars*

**2 Government Grants for Operations**

| Description                  | 2023/2024        | 2022/2023        |
|------------------------------|------------------|------------------|
|                              | Kshs             | Kshs             |
| Personnel Emoluments         | -                | -                |
| Repairs And Maintenance      | 652,000          | 517,000          |
| Local Transport / Travelling | -                | -                |
| Electricity And Water        | -                | -                |
| Medical                      | -                | -                |
| Administration Costs         | 1,294,262        | 1,179,851        |
| Activity                     | -                | 26,488           |
| Other Vote Heads (specify)*  | -                | -                |
| <b>Total</b>                 | <b>1,946,262</b> | <b>1,723,338</b> |

*\*Include others as per MOE circulars*

**3 Government Grants for infrastructure**

| Description                      | 2023/2024 | 2022/2023 |
|----------------------------------|-----------|-----------|
|                                  | Kshs      | Kshs      |
| Maintenance & Improvement        |           |           |
| Transition infrastructure grants | -         | -         |
| Administration Block             | -         | -         |
| Economic stimulus grants         | -         | -         |
| <b>Total</b>                     |           |           |

**4 School Fund Income - Parents Contribution/Fees**

| Description | 2023/2024 | 2022/2023 |
|-------------|-----------|-----------|
|-------------|-----------|-----------|

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|                                      | Kshs             | Kshs             |
|--------------------------------------|------------------|------------------|
| Personnel emoluments                 | -                | -                |
| Repairs and maintenance              | -                | -                |
| Local transport / travelling         | -                | -                |
| Electricity and water                | -                | -                |
| Medical                              | -                | -                |
| Administration costs                 | -                | -                |
| Activity                             | -                | -                |
| Fee on Boarding Equipment and stores | 1,994,008        | 1,721,338        |
| PA Levies*                           | -                | -                |
| Others (specify)                     | -                | -                |
| <b>Total</b>                         | <b>1,994,008</b> | <b>1,721,338</b> |

*\*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

**5 Miscellaneous Incomes**

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

*(Include an explanation on the kind and source of grants/ donations received by the school.)*  
*\*Ensure proper authorization from MOE before obtaining loans/borrowings.*  
*\*Indicate what other income relates to including income arising from writebacks if any.*



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**6 Tuition**

| Description                   | 2023/2024      | 2022/2023      |
|-------------------------------|----------------|----------------|
|                               | Kshs           | Kshs           |
| Exercise Books                | -              | -              |
| Textbooks                     | -              | -              |
| Reference materials           | -              | -              |
| Laboratory Equipment          | -              | -              |
| Teaching / Learning Materials | 281,326        | 432,274        |
| Exams And Assessment          | -              | -              |
| Teachers Guides               | -              | -              |
| Bank Charges                  | -              | -              |
| Others ( <i>specify</i> )     | -              | -              |
| <b>Total</b>                  | <b>281,326</b> | <b>432,274</b> |

**7 Operations**

| Description                            | 2023/2024        | 2022/2023        |
|----------------------------------------|------------------|------------------|
|                                        | Kshs             | Kshs             |
| Personnel Emoluments                   | -                | -                |
| Service Gratuity                       | -                | -                |
| Administration Cost                    | 1,453,058        | 1,042,929        |
| Repairs And Maintenance & Improvements | 422,920.75       | -                |
| Local Transport / Travelling           | -                | -                |
| Electricity And Water                  | -                | -                |
| Medical                                | -                | -                |
| Activity Expenses                      | -                | -                |
| Insurance Cost                         | -                | -                |
| Others ( <i>specify</i> )              | -                | -                |
| <b>Total</b>                           | <b>1,875,979</b> | <b>1,042,929</b> |

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**8 Infrastructure**

| Description                | 2023/2024 | 2022/2023 |
|----------------------------|-----------|-----------|
|                            | Kshs      | Kshs      |
| Construction of classrooms | -         | 854,070   |
| Construction of laboratory | -         | -         |
| Construction of dormitory  | -         | -         |
| Purchase of furniture      | -         | -         |
| Purchase of equipment      | -         | -         |
| Purchase of apparatus      | -         | -         |
| Drilling of boreholes      | -         | -         |
| Others (specify)           | -         | -         |
| <b>Total</b>               |           | 854,070   |

**9 Boarding And School Fund**

| Description                                | 2023/2024        | 2022/2023        |
|--------------------------------------------|------------------|------------------|
|                                            | Kshs             | Kshs             |
| Personnel Emoluments                       | -                | -                |
| Service Gratuity/other voteheads           | -                | -                |
| Repairs And Maintenance & Improvements     | -                | -                |
| Local Transport / Travelling               | -                | -                |
| Electricity And Water                      | -                | -                |
| Medical Expenses                           | -                | -                |
| Administration Costs                       | -                | -                |
| Lunch Programme                            | -                | -                |
| Bank Charges                               | -                | -                |
| Expenses On Income Generating Activities** | -                | -                |
| Fee On Boarding Equipment and Stores       | 3,172,951        | 1,702,761        |
| Rent Expenses                              | -                | -                |
| Insurance Cost ( <i>Life Property</i> )    | -                | -                |
| Loan Principal Repayment                   | -                | -                |
| Loan Interest Repayment                    | -                | -                |
| Acquisition Of Assets                      | -                | -                |
| PA expenses                                | -                | -                |
| Others (specify)                           | -                | -                |
| <b>Total</b>                               | <b>3,172,951</b> | <b>1,702,761</b> |

(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).

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**10 Bank Accounts**

| Account Name & Currency                | Status         | Bank Account Number | 2023/2024      | 2022/2023      |
|----------------------------------------|----------------|---------------------|----------------|----------------|
|                                        | Active/Dormant |                     | Kshs           | Kshs           |
| Tuition Account                        | Active         | 1209577151          | 118,226        | 707            |
| Operations Account                     | Active         | 1209576430          | 323,693        | 278,377        |
| School Fund Account/Boarding           | Active         | 1180608348          | 26,862         | 19,519         |
| Savings Account                        |                |                     | -              | -              |
| Parent Association Development Account |                |                     | -              | -              |
| Income Generating Activities Account   |                |                     | -              | -              |
| Infrastructural Account                | Active         | 1294534963          | 37,173         | 12,094         |
| <b>Total</b>                           |                |                     | <b>505,954</b> | <b>310,697</b> |

**11 Cash In Hand**

| Description     | 2023/2024  | 2022/2023  |
|-----------------|------------|------------|
|                 | Kshs       | Kshs       |
| Notes and Coins | 408        | 870        |
| <b>Total</b>    | <b>408</b> | <b>870</b> |

**12 Short Term Investments**

| Description            | 2023/2024 | 2022/2023 |
|------------------------|-----------|-----------|
|                        | Kshs      | Kshs      |
| Cooperative Shares     | -         | -         |
| Treasury Bills         | -         | -         |
| Fixed Deposit accounts | -         | -         |
| Other Investments      | -         | -         |
| <b>Total</b>           | <b>-</b>  | <b>-</b>  |



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**13 Accounts Receivable**

| Description                              | 2023/2024      | 2022/2023        |
|------------------------------------------|----------------|------------------|
|                                          | Kshs           | Kshs             |
| Fees Arrears                             | 189,791        | 1,068,877        |
| <b>Other Non-Fees Receivables</b>        |                |                  |
| Salary Advances (list/schedule attached) | -              | -                |
| Imprest (list/schedule attached)         | -              | -                |
| Rent arrears (list/schedule attached)    | -              | -                |
| <b>Total</b>                             | <b>189,791</b> | <b>1,068,877</b> |

**13 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                       | 138,544        | 73%            | 713,873          | 66.8%          |
| Between 1- 2 years                     | -              | %              | 51,247           | 4.8%           |
| Between 2-3 years                      | 51,247         | 27%            | 303,757          | 28.4%          |
| Over 3 years                           |                | -%             | -                | -%             |
| <b>Total (should tie to note 13 a)</b> | <b>189,791</b> | <b>100%</b>    | <b>1,678,527</b> | <b>100%</b>    |

**14 Accounts Payable**

| Description                                       | 2023/2024        | 2022/2023        |
|---------------------------------------------------|------------------|------------------|
|                                                   | Kshs             | Kshs             |
| Trade Creditors (See Ageing Below and Appendix 1) | 2,676,197        | 2,369,347        |
| Prepaid Fees                                      | -                | -                |
| Retention Monies                                  | -                | -                |
| Unpaid salaries and statutory deductions          | -                | -                |
| Caution money                                     | -                | -                |
| Other payables ( <i>specify</i> )                 | -                | -                |
| <b>Total</b>                                      | <b>2,676,197</b> | <b>2,369,347</b> |

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**14a. 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                     | 364,840          | 14%            | -                | -%             |
| Between 1- 2 years                   | -                | -%             | 2,369,347        | 100%           |
| Between 2-3 years                    | 2,311,357        | 86%            |                  | %              |
| Over 3 years                         | -                | -%             | -                | -%             |
| <b>Total (should tie to note 14)</b> | <b>2,676,197</b> | <b>100%</b>    | <b>2,369,347</b> | <b>100%</b>    |

**15 Fund Balance Brought Forward**

| Description            | 2023/2024      | 2022/2023        |
|------------------------|----------------|------------------|
|                        | Kshs           | Kshs             |
| Bank Balances          | 310,697        | 517,954          |
| Cash Balances          | 870            | 573              |
| Short Term Investments | -              | -                |
| Receivables            | 2,611,754      | 2,365,987        |
| Payables               | (2,311,357)    | (3,056,807)      |
| <b>Total</b>           | <b>611,964</b> | <b>(172,293)</b> |

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**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 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| Bank Loans                   | -         | -         |
| Outstanding Leases           | -         | -         |
| Hire Purchase                | -         | -         |
| Gratuity And Leave Provision | -         | -         |
| Others (specify)             | -         | -         |
| <b>Total</b>                 | -         | -         |

**17 Biological assets**

| Description              | Numbers | 2023/2024 | 2022/2023 |
|--------------------------|---------|-----------|-----------|
|                          |         | Kshs      | Kshs      |
| Cattle                   |         | -         | -         |
| Goats                    |         | -         | -         |
| Trees                    | 70      | -         | -         |
| Coffee Or Tea Plantation |         | -         | -         |
| Poultry                  |         | -         | -         |
| Others (specify)         |         | -         | -         |
| <b>Total</b>             |         | -         | -         |

**18 Borrowings**

| Description                           | Kshs | Kshs |
|---------------------------------------|------|------|
| Borrowings at beginning of the year   | -    | -    |
| Borrowings during the year            | -    | -    |
| Repayments during the year            | -    | -    |
| <b>Balance at the end of the year</b> | -    | -    |



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**Other important disclosure notes**

**19 Stock/ Inventory**

| Description            | 2023/2024 | 2022/2023 |
|------------------------|-----------|-----------|
|                        | Kshs      | Kshs      |
| Food stuffs            | -         | -         |
| Lab consumables        | -         | -         |
| Farm produce           | -         | -         |
| Medication             | -         | -         |
| Construction Materials | -         | -         |
| Others (specify)       | -         | -         |
|                        | -         | -         |

*(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)*

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**20 Progress On Follow Up of Auditor Recommendations**

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

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

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Sign and Date  
Principal



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**12. Annexes**

**Annex I - Analysis of Pending Accounts Payable**

| Supplier Of Goods or Services    | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance Current FY | Outstanding Balance Comparative FY | Comments |
|----------------------------------|-----------------|-----------------|---------------------|--------------------------------|------------------------------------|----------|
|                                  | A               | b               | C                   | d=a-c                          |                                    |          |
|                                  | Kshs            | Kshs            | Kshs                | Kshs                           | Kshs                               |          |
| <b>Construction Of Buildings</b> |                 |                 |                     |                                |                                    |          |
| 1. Bharu Ibrahim                 | 406,950         |                 |                     | 406,950                        | 476,950                            |          |
| 2. Salad Abdi Abdullahi          |                 |                 |                     |                                | 70,000                             |          |
| <b>Sub-Total</b>                 |                 |                 |                     |                                | <b>546,950</b>                     |          |
| <b>Supply Of Goods</b>           |                 |                 |                     |                                |                                    |          |
| 3. Buradima General Contractors  | 22,440          |                 |                     | 22,440                         | 32,440                             |          |
| 4. Amina Abdi                    | 85,200          |                 |                     | 85,200                         | 135,200                            |          |
| 5. Lyanga Holdings               | 89,180          |                 |                     | 89,180                         | 99,560                             |          |
| 6. Khalif Ibrahim                | 276,600         |                 |                     | 276,600                        | 380,500                            |          |
| 7. Madina Mwanahamisi            | 207,545         |                 |                     | 207,545                        | 380,500                            |          |
| 8. Usitawi Bookcentre            | 160,252         |                 |                     | 160,252                        | 70,002                             |          |
| 9. Abdi Abakuna                  | 28,200          |                 |                     | 28,200                         | 24,800                             |          |
| 10. Mohamed Juma Rowa            | 12,740          |                 |                     | 12,740                         | 32,740                             |          |
| 11. Amina Diney                  | 30,090          |                 |                     | 30,090                         | 21,600                             |          |



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| Supplier Of Goods or Services | Original Amount  | Date Contracted | Amount Paid To-Date | Outstanding Balance Current FY | Outstanding Balance Comparative FY | Comments |
|-------------------------------|------------------|-----------------|---------------------|--------------------------------|------------------------------------|----------|
| 12. Alkeibar                  | 423,200          |                 |                     | 423,200                        | 473,200                            |          |
| <b>Sub-Total</b>              | <b>1,335,447</b> |                 |                     | <b>1,335,447</b>               | <b>1,495,907</b>                   |          |
| <b>Supply Of Services</b>     |                  |                 |                     |                                |                                    |          |
| 13. PE/Salaries               | 311,000          |                 |                     | 311,000                        | 268,500                            |          |
| <b>Sub-Total</b>              | <b>311,000</b>   |                 |                     | <b>311,000</b>                 | <b>268,500</b>                     |          |
| <b>Grand Total</b>            | <b>2,053,397</b> |                 |                     | <b>2,053,397</b>               | <b>2,676,197</b>                   |          |

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Annex 2 – Summary of Fixed Assets Register

| Asset Class                              | Historical Cost b/f<br>(Kshs) | 1 <sup>st</sup> July 2023<br>(Kshs) | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs) | 30 <sup>th</sup> June 2024 |
|------------------------------------------|-------------------------------|-------------------------------------|----------------------------------------|----------------------------------------|-------------------------------|----------------------------|
| Land                                     | 3,000,000                     | -                                   | -                                      | -                                      | 3,000,000                     |                            |
| Buildings And Structures                 | 12,288,002                    | -                                   | -                                      | -                                      | 12,288,002                    |                            |
| Motor Vehicles                           | -                             | -                                   | -                                      | -                                      | -                             |                            |
| Office Equipment, Furniture and Fittings | 88,000                        | -                                   | -                                      | -                                      | 88,000                        |                            |
| Textbooks                                | -                             | -                                   | -                                      | -                                      | -                             |                            |
| ICT Equipment                            | 346,900                       | 200,000                             | -                                      | -                                      | 546,900                       |                            |
| Tools And Apparatus                      | 27,300                        | -                                   | -                                      | -                                      | 27,300                        |                            |
| Other Machinery and Equipment            | -                             | -                                   | -                                      | -                                      | -                             |                            |
| Heritage And Cultural Assets             | 25,000                        | -                                   | -                                      | -                                      | 25,000                        |                            |
| Intangible Assets- Soft Ware             | -                             | -                                   | -                                      | -                                      | -                             |                            |
| <b>Total</b>                             | <b>15,775,202</b>             | <b>200,000</b>                      | <b>-</b>                               | <b>-</b>                               | <b>15,975,202</b>             |                            |

(The school should ensure that a detailed fixed assets register is maintained).