

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

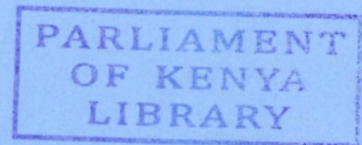
REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2026	DAY: Tuesday
TABLED BY:	Hon. Naomi Klags, CBS, MP (Deputy majority Party Whip)
CLERK-AT THE-TABLE:	Lomale

OF

THE AUDITOR-GENERAL

ON



KANGARU SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

EMBU COUNTY

Revised 30th June 2024.



KANGARU SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

2. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in 01/1947 under registration number 14S30000220 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a /boarding school and had 1621 number of students as at 30th June 2024. It has 8 streams and 78 teachers of which 12 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Patrick Kinyua Njagi	Chairman	25th April 2022
2	Mr. Paul Muriuki	Secretary - Principal	25th April 2022
3	Mrs Murugi Mugo	Member	25th April 2022
4	Dr. Peter Nyaga	Member	25th April 2022
5	Mr. George Maina	Member	25th April 2022
6	Mr. Joseph Murage Ndaru	Member	25th April 2022
7	Beatrice Karimi Nyaga	Member	25th April 2022
8	Mrs. Murugi Mugo	Member	25th April 2022
9	Ms. Beatrice Karimi Nyaga	Member	25th April 2022
10	Harrison Kiburu	Member – Rep CEB	25th April 2022
11	Mr. Mugo Brasio	Member Rep Teachers	25th April 2022
12	Mr. Rose Nyaga Mr. Ileri Waithavu Dr. Edward Kobuthi	3 Members - Sponsor	25th April 2022
13	Mr. Patrick Njamiu	Member - Community	25th April 2022
14	James Ndwiga	Member Special Needs	25th April 2022
15	Josia Maina Munene	Rep Students	25th April 2022

The function of the School Board of Management includes:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive	Patrick Kinyua Njagi Mr. Paul Muriuki Mrs. Patrick njamui Mr. Harrison kiburu Dr. Edward Kobuthi Joseph Murage	Chairman Secretary Member Member Member member	3
2	Audit Committee			0
3	Finance,procurement and general purposes Committee	Mr. George Maina Mr. Patrick Njamui Mrs. Rose Nyaga Mr Joseph Murage	Chairman Member Member member	1
4	Academic Committee	Dr. Edward Kobuthi Mr. Paul Muriuki DR Peter Nyaga Mr.Mugo Brasio Harrison Kiburu Beatrice Nyaga	Chairman Member Member Member Member Member	1
5	Development Committee	James Ndwiga Patrick Kinyua Mr. Paul Muriuki	Chairperson Member Member	1

		Mr. Mugo Brasio Mr. Joseph Murage	Member Member	
6	Discipline Ethics and Integrity Committee	Ileri Waithabu Mrs. Murugi Mugo Mr. Joseph Murage Mr. James Ndwiga Mr Paul muriuki Dr Peter Nyaga	Chairman Member Member Member Member Member	1
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Paul Muriuki	322761
2	Deputy Principal	Mr. Abur Christopher Mr. Mugo Brasio	468536 323879
3	School Bursar	Monicah Mutahi	22824028

(e) Schools contacts

Post Office Box: P.O. Box 17 – 60100 EMBU
Telephone: 0703136285
E-mail: kangaruschool2012@gmail.com
Website: www.kangaruschool.sc.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated number of bank accounts in the following banks:

1. Name of Bank: Cooperative (Tuition)
Branch: Embu
Account Number: 01139051721200
2. Name of Bank: Cooperative (Operations)
Branch: Embu
Account Number: 01139051721201
3. Name of Bank: Cooperative (Farm)
Branch: Embu
Account Number: 01120051721200
4. Name of Bank: Cooperative (CDF)
Branch: Embu
Account Number: 01141051721200
5. Name of Bank: Equity (School Fund)
Branch: Embu
Account Number: 0190296644447
6. Name of Bank: KCB (Savings)
Branch: Embu
Account Number: 1102523844
7. MPESA Pay Bill No. 906900 attached to Equity Bank Account.
Branch: Embu
Account Number: 0190297146230

(g) Independent Auditors

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

3. Summary Report of Performance of the School

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

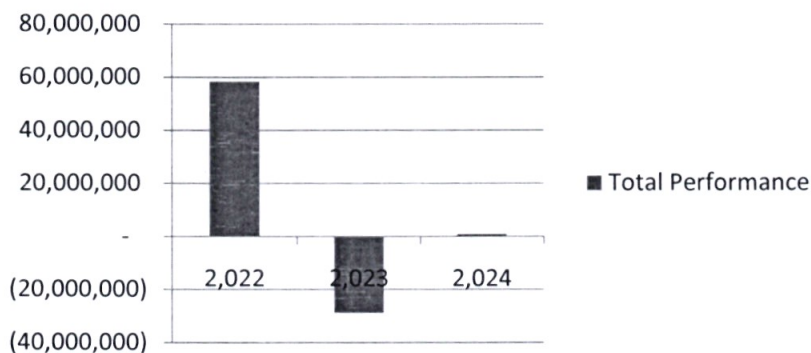
a) **Financial performance:** *Under this section, the following information should be given:*

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

Financial Performance - Deficits and/or Surpluses_ 3 Year Trend							
	Account						
	School Fund	OPERATION	Tuition	INFRASTRUCTURE	Farm	CDF	Total
Year							
2,022	51,543,342	7,796,032	(396,362)	(1,370,784)	960,050	(132,570)	58,399,707
2,023	(16,735,390)	(11,369,163)	(1,964,433)	2,105,250	(957,556)	35,730	(28,885,562)
2,024	(3,720,330)	2,045,170	197,965	(640,900)	2,920,617	(480)	802,041
Total	31,087,622	(1,527,961)	(2,162,831)	93,566	2,923,111	(97,321)	30,316,186

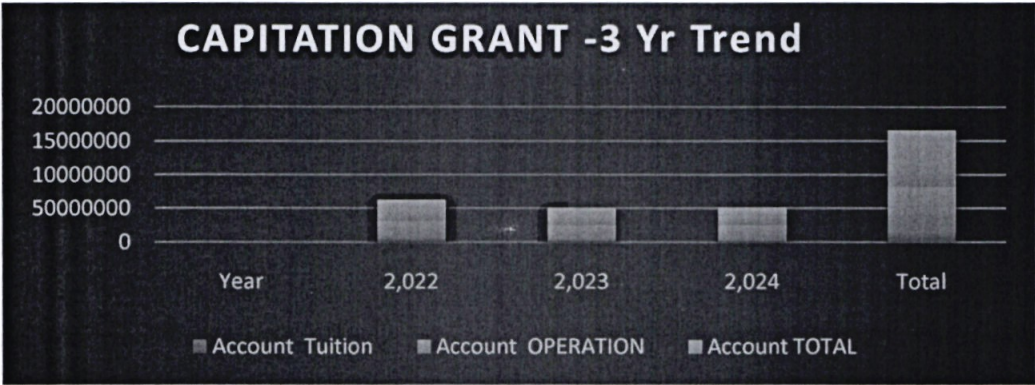
	Total Performance
Year	
2,022	58,399,707
2,023	(28,885,562)
2,024	802,041

Total Financial Performance



Capitation Grants From The Ministry Of Education For The Last Three Years

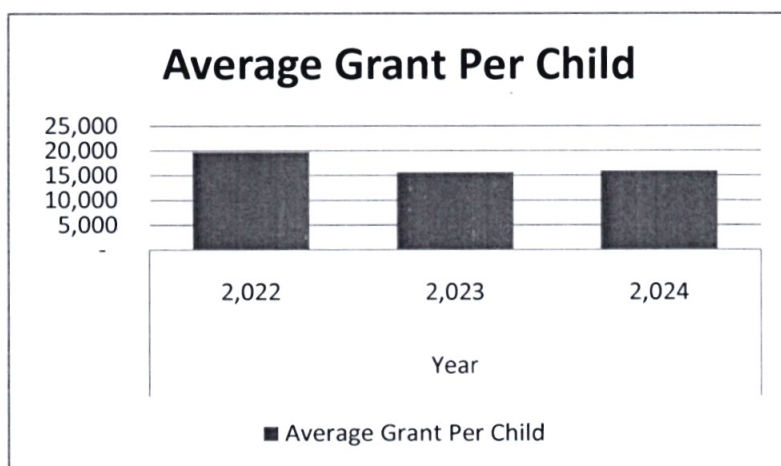
CAPITATION GRANT -3 Yr Trend				
		Account		
		Tuition	OPERATION	TOTAL
Year				
	2,022	5,863,350	25,621,390	31,484,740
	2,023	4,174,637	21,327,705	25,502,342
	2,024	4,240,420	21,590,453	25,830,873
	Total	14,278,406	68,539,549	82,817,955



Capitation Grant Per Child Over The Last Three Years

Capitation Grant Per Child -3 Yr Trend			
	Year		
	2,022	2,023	2,024
TOTAL GRANT RECEIVED	31,484,740	25,502,342	25,830,873
Highest Enrolment in the Year	1,594	1,630	1,619
Average Grant Per Child	19,752	15,646	15,955

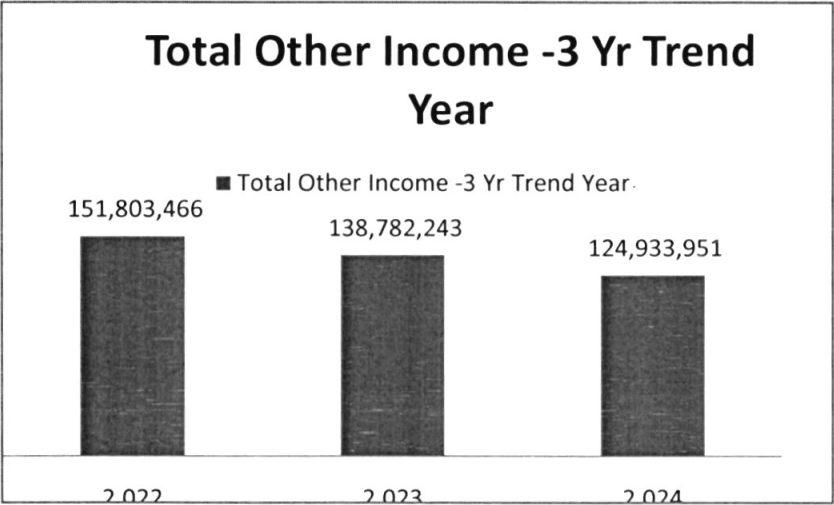
	Year		
	2,022	2,023	2,024
Average Grant Per Child	19,752	15,646	15,955



KANGARU SCHOOL
Annual Report and Financial Statements for the year ended 30th June, 2024

A THREE YEAR OVERVIEW OF OTHER INCOME EARNED BY SCHOOL						
Growth of Other Incomes -3 Yr Trend						
		Income Source				
		School Fund	Farm	INFRASTRUCTURE	CDF	Total
YEAR						
	2,022	144,490,596	964,370	6,348,500	-	151,803,466
	2,023	130,556,298	401,710	7,787,185	37,050	138,782,243
	2,024	116,040,751	3,393,200	5,500,000	-	124,933,951
	Total	391,087,645	4,759,279	19,635,685	37,050	415,519,659

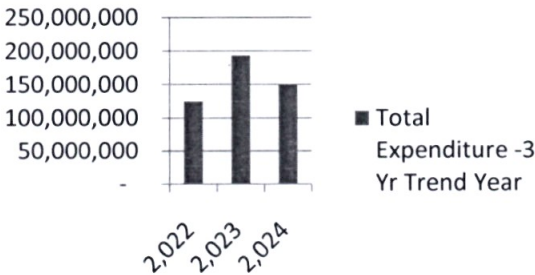
Total Other Income -3 Yr Trend		
Year		
	2,022	151,803,466
	2,023	138,782,243
	2,024	124,933,951



A THREE YEAR OVERVIEW OF OTHER EXPENDITURE OF THE SCHOOL							
Expenditure -3Yr Trend							
YEAR	School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
2,022	92,947,254	17,825,358	6,259,712	4,320	7,719,284	-	124,755,928
2,023	147,291,688	32,696,868	6,139,070	1,359,266	5,681,935	1,321	193,170,147
2,024	119,761,081	19,545,283	4,042,455	472,583	6,140,900	480	149,962,783
Total	360,000,023	70,067,509	16,441,237	1,836,169	19,542,119	1,801	467,888,858

Total Expenditure -3 Yr Trend		
Year		
	2,022	124,755,928
	2,023	193,170,147
	2,024	149,962,783

Total Expenditure -3 Yr
Trend Year

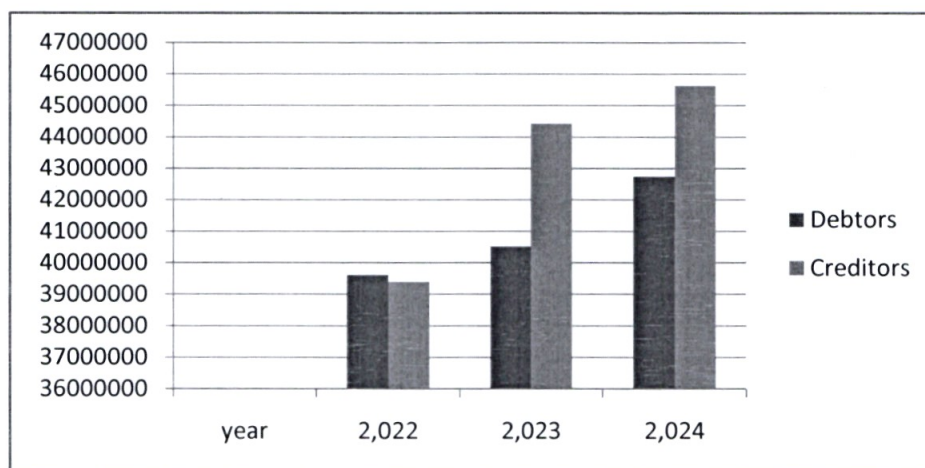


KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024

MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS									
Debts and Creditors -3Yr Trend									
Account									
			School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
Year	2,022	Debtors	39,620,422						39,620,422
		Creditors	34,074,752	-	5,322,562	-	-	-	39,397,314
	2,023	Debtors	40,517,985	-	-	-	-	-	40,517,985
		Creditors	37,112,553	45,342	7,072,422	520,000	(324,270)	-	44,426,047
	2,024	Debtors	42,737,593	-	-	-	-	-	42,737,593
		Creditors	33,360,210	4,129,413	8,198,997	269,550	(324,270)	-	45,633,900
	Total	Debtors	122,876,000	-	-	-	-	-	122,876,000
		Creditors	104,547,515	4,174,755	20,593,981	789,550	(648,540)	-	129,457,261

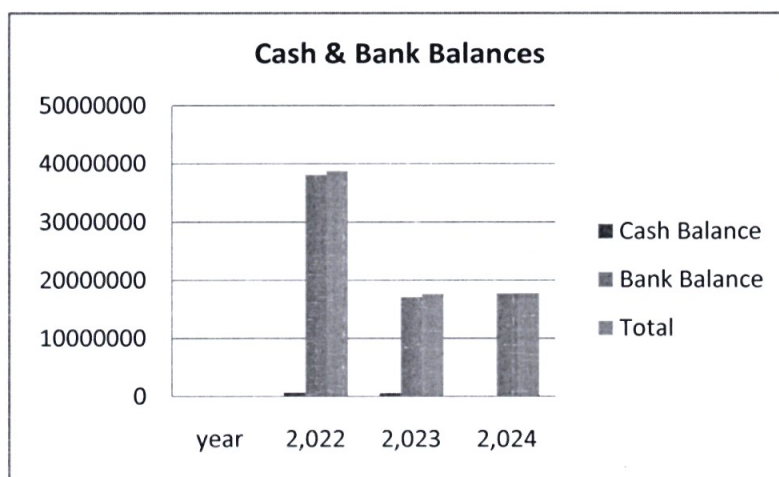
	Debtors	Creditors
year		
2,022	39,620,422	39,397,314
2,023	40,517,985	44,426,047
2,024	42,737,593	45,633,900



POHANGU SCHOOL
Annual Report and Financial Statements for the year ended 30th June, 2024

MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS									
Cash and Bank Balances -3Yr Trend									
Account									
			School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
Year	2,022	Cash	643,975	181	-	550	-	-	644,706
		Bank	25,635,046	11,214,050	230,986	835	959,500	835	38,041,252
	2,023	Cash	570,633	-	-	950	-	-	571,583
		Bank	10,463,867	-	16,413	521,544	6,064,716	36,565	17,103,104
	2,024	Cash	44,023	-	-	950	-	-	44,973
		Bank	1,703,746	6,019,671	1,340,952	3,191,710	5,423,816	36,085	17,715,980
	Total	Cash	1,258,631	181	-	-	-	-	1,258,812
		Bank	37,802,659	17,233,721	1,588,351	3,714,089	12,448,032	73,484	72,860,336

	Cash Balance	Bank Balance	Total
year			
2,022	644,706	38,041,252	38,685,958
2,023	571,583	17,103,104	17,674,687
2,024	44,973	17,715,980	17,760,953



KANGARU SCHOOL

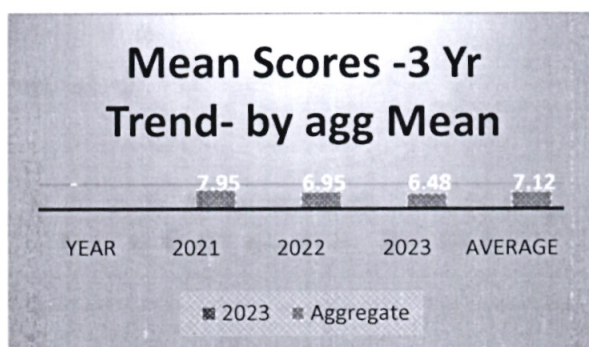
Annual Report and Financial Statements for the year ended 30th June, 2024**b.) TEACHERS STUDENT RATIO:**

Ratio of students to Teachers	
Total enrolment	1,621
Total No of Teachers	78
Students : Teachers ratio	21
Teachers Turnover	
No of teachers recruited in the year	2
No of teachers transferred inwards in the year	7
No of teachers transferred outwards in the year	7
Net inflow of teachers	2

Teachers Employment	
No of teachers required by CBE	70
No of teachers employed by TSC	61
Shortage / Surplus No of teachers before BOM teachers	9
No of teachers employed by BOM	12
Net Shortage / Surplus No of teachers	(3)

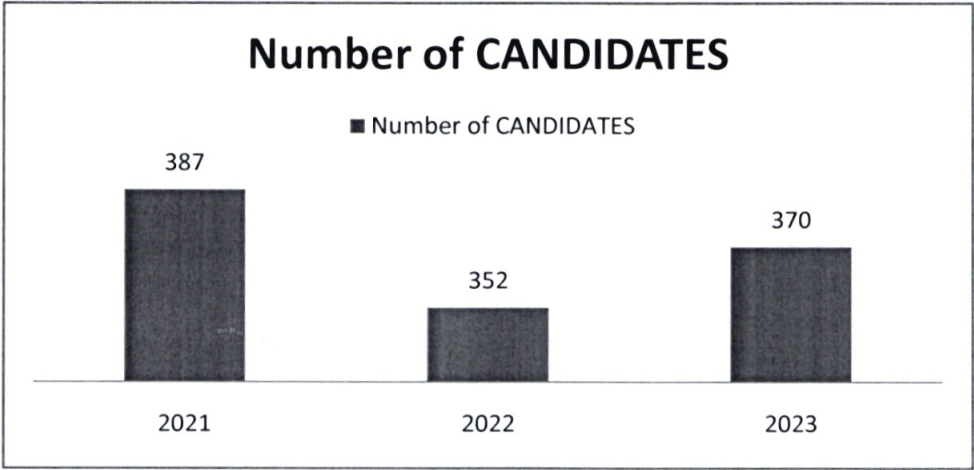
C) MEAN SCORE IN THE 2023KCSE

Mean Scores -3 Yr Trend															
Subject Means															
YEAR	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	CRE	Agric	Bstud	Comp	D/D	French	Aggregate
2021	8.00	7.07	6.90	5.48	5.30	6.40	9.30	10.40	9.04	10.80	8.76	11.30	8.20	6.90	7.95
2022	6.90	7.30	7.46	5.82	4.18	5.40	9.68	8.17	6.80	7.68	7.02	10.00	9.70	6.54	6.95
2023	5.17	7.22	6.50	5.56	4.40	4.90	8.05	8.30	7.30	8.70	5.15	10.79	8.00	6.10	6.48
verage	6.69	7.20	6.95	5.62	4.63	5.57	9.01	8.96	7.71	9.06	6.98	10.70	8.63	6.51	7.12



d) NUMBER OF CANDIDATES IN THE 2023 KCSE

		Number of CANDIDATES
Year		
	2021	387
	2022	352
	2023	370



e) CAPACITY OF THE SCHOOL

	NO OF STREAMS	Teachers' CBE	Required No of NTS				
	8	70	42				
Capacity Analysis							
Infrastructure TYPE	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment-Indicate if gap is -Very critical, Critical or Not so critical (tick as appropriate)		
					Very Critical	Critical	Not Critical
Classrooms	Number	32	32	Shortage of classrooms equivalent to:			
				-			
				classroom(s)			
Laboratories	Number	8	6	Shortage of laboratory facilities equivalent to:			
				2			
				Laboratories			
Toilet Doors	Number	120	93	Shortage of toilet facility equivalent to:			
				27			
				toilet doors			
Offices	Number	25	18	Shortage of office facilities equivalent to:			
				7			
				offices			
Dining Hall	Number of students well seated	1,600	800	Shortage of dining facilities equivalent to:			
				800			
				students not seated			
Library	Number of students well seated	400	218	Shortage of library facilities equivalent to:			
				182			

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024

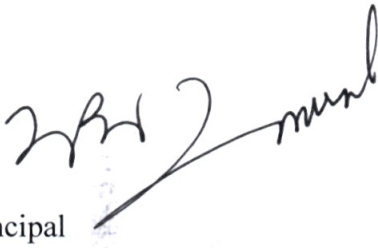
				students not seated			
Dormitories	Number of Decker Beds well-spaced	1,200	1,000	Shortage of dormitory facilities equivalent to:			
				200			
				decker beds			
Staffroom	Number of teachers well seated	70	50	Shortage of staffroom space equivalent to:			
				20			
				teachers not seated			
Boardroom	Number of BOM members well seated	25	-	Shortage of boardroom space equivalent to:			
				25			
				BOM members not seated			
Textbooks	Average Students -to- Course books ratio	1	1	Shortage of textbooks equivalent to:			
				-			
				% of text books requirement			
Water	Adequacy	ADEQUATE		Occasional / frequent shortage of water attributed to ?			
Electricity	Adequacy	ADEQUATE		Occasional / frequent shortage of power attributed to..... ?			
Staff housing	No of staff properly housed	100	39	Shortage of staff housing facilities equivalent to:			
				61			
				staff not housed			

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
Laying of cabros phase 1	MI Funding	Complete	4,595,000	4,595,000	1 month

Sign
School principal



4 . STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

Name: JOSEPH NJERU MUGOH
Designation: CHAIRMAN, SCHOOL BOARD OF MANAGEMENT
Sign:
Date: 23/03/2026

Name: PAUL N. MURIUKI
Designation: SECRETARY BOARD OF MANAGEMENT
Sign:
Date: 23/03/2026

Name: MONICAH MUTAHI
Designation: BURSAR
Sign:
Date: 23/03/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KANGARU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – EMBU COUNTY

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kangaru School set out on pages 1 to 25, which comprise the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of 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 Kangaru School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.18,658,420 as disclosed in Note 8, 9 and 10 to the financial statements. Included in the balance are six (6) bank accounts with balances totalling Kshs.17,715,980. However, the bank balances were not supported by bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.18,658,420 could not be confirmed.

2. Unsupported Short-Term Investments

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects short-term investments balance of Kshs.897,467. However, the balance was not supported by a ledger detailing particulars or nature of the investments, investment certificates or any other relevant supporting documentation. Further, Management did not disclose any interest accruing from the investments.

In the circumstances, the accuracy and completeness of the short-term investments balance of Kshs.897,467 could not be confirmed.

3. Unreconciled Payables Balance

The statement of assets and liabilities reflect payables balance of Kshs.47,396,056 as disclosed in Note 12 to the financial statements. However, this balance varies with the amount of Kshs.15,323,237 reflected in the ledger and trial balance, resulting to an unreconciled and unexplained variance of Kshs.32,072,819.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.47, 396,056 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kangaru School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.87,911,350 and Kshs.150,764,824 respectively, resulting to an over-funding of Kshs.62,853,474 or 71% of the budget. However, the School spent an amount of Kshs.87,911,350 against actual receipts amounting to Kshs.149,962,783, resulting in an under-utilization of Kshs.62,051,433 or 71% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the other information set out on page III to XX which comprise of Key School Information and Management, Summary Report of 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 School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 23 February, 2026 instead of the statutory deadline of 30 September, 2024. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Long Outstanding Payables

The statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflect payables balance of Kshs.47,396,056. However, included in the balance are trade payables balance of Kshs.29,417,728 which had been outstanding for more than two (2) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

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

The statement of receipts and payments and as disclosed in Notes 6 and 7 reflects Kshs.19,545,283 and Kshs.119,761,081 in respect to operation and school funds payment respectively. Included in these payments is Kshs.776,500 being funds transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.776,500 could not be confirmed.

4. Unauthorized Expenditure of Maintenance and Improvement

Review of Kangaru School infrastructure projects for the financial year ended 30 June, 2025 revealed that the Ministry of Higher Education, State Department of Early Learning and Basic Education gave an approval to use of Maintenance and Improvement fund of Kshs.13,062,000 on 8 May, 2025. Included in this amount was Kshs.2,190,016 for refurbishment of Hollywood dormitory one hundred and four (104) beds; conversion from

semi-timber panels to permanent masonry including electrical work. The Board approved an amount of Kshs.2,982,150 which is Kshs.792,134 in excess for the same works in total disregard to the ministry's approval.

This was contrary to Article 226(5) of the Constitution which states that if the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.

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

5. Irregularities in Procurement Processes

5.1. Unstructured Procurement Processes

Review of procurement of infrastructure projects revealed absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

5.2. Weaknesses in Record Keeping

During the year under review, the school did not maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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

6. Employees Earning Below the Third Rule

Review and analysis of the payroll for the financial year ended 30 June, 2024 revealed that the school had eighteen (18) of its employees over-commit their salaries beyond two thirds (2/3) of their basic salaries. This was contrary to Section 19(3) of the Employment Act, 2007 states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

7. Failure to Prepare School Improvement Plan

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

numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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. Lack of Approved Staff Establishment

The Management of the school did not have an approved staff establishment contrary to Paragraph B 5(2) of the County Public Service Human Resource Manual, 2013 which states that all vacancies shall be declared in a prescribed format which shall include the number of vacancies, when the vacancy occurred, whether the vacancy is within the authorized establishment and other relevant details. Further, Section B 6(3) states that in the recruitment process, due consideration will be given to appropriate organizational structure in each department, optimal staffing levels, schemes of service and career progression guidelines.

In the circumstances, the effectiveness of controls on staff optimal levels could not be confirmed.

2. Irregular Recruitment of Non-teaching Staff

Review of the payroll records maintained by school established that the school recruited thirty-three (33) employees during the financial year 2023/2024. However, a review of the recruitment process established the following internal control weaknesses:

- i) There was no documented evidence of short listing, interview, or an assessment of the candidate's qualifications and experience.
- ii) The key recruitment documentation of the recruited employees including need analysis/assessment, approvals for employment, vacancy advertisements, long

lists, shortlists, interview reports, Board Minutes and final lists of successful candidates, were not provided for audit verification.

iii) The recruitment was conducted without a documented job needs assessment.

In the circumstances, the effectiveness of controls on staff recruitments could not be confirmed.

3. Lack of Proper Stocks Management System on Fuel

Examination of expenditure records indicated that Kshs.1,095,000 was spent on purchase of fuel, oils and lubricants during the year under review. The fuel records presented for audit indicated that the fuel was used on Motor vehicles and generators. However, a review of records maintained on usage of the fuel revealed lack of a proper stocks management system.

Further, Fuel register/ logs or records were either not maintained or were incomplete, lacking critical information such as dates, vehicle details, mileage, and purpose of usage. Effective management of fuel usage is crucial to ensure that fuel resources are used efficiently, costs are controlled, and the risk of misuse or theft is minimized.

In the circumstances, the effectiveness of controls on fuel maintenance could not be confirmed.

4. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects Accounts receivable balance of Kshs.42,737,593 in respect to fees arrears as disclosed in Note 11 to the financial statements. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

5. Lack of Internal Audit Function and Audit Committee

During the year under review, the school did not constitute an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 and Section 61(1) and (2) of the Basic Education Act, 2013 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

6. Lack of Approved Organization Structure

During the year under review, it was noted that the institution did not have an approved organizational structure, and there was no evidence of an organizational chart approved

by the Board of Management outlining reporting lines, roles, and responsibilities of staff members.

In the circumstances, the effectiveness of controls on reporting lines, roles and responsibilities of staff members could not be confirmed.

7. Weak Governance Over Rental Income from School-Owned Houses

Audit inspection conducted in the school compound reveal that the school owns residential houses which are rented to members of staff. However, there were no formal rental agreements between the school and the staffs occupying the houses, there was no board of management minutes approving the rental rates and the school did not maintain a comprehensive register of all houses indicating; the total number of houses, occupancy status, approved rental rate per unit, rental period and rental arrears incase any occupant default.

In the absence of formal agreements, approved rates, and a proper house register, the audit could not confirm the completeness of rental income collected.

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 those Charged with Governance

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

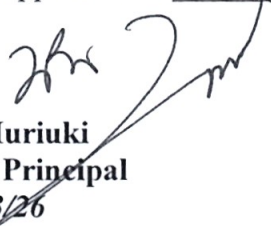
26 March, 2026

6. Statement of receipts and payments for the year ended 30th June 2024

Description Of Vote Head	Note	2024	2023
		Kshs	Kshs
Receipts			
Government grants for Tuition	1	4,240,420	4,174,637
government grants for Operation	2	21,590,453	21,327,705
School fund income- Parents' Contributions	3	78,096,183	84,988,897
School fund income Income- Other receipts	4	37,944,568	45,567,401
Government grants for infrastructure	4a	5,500,000	7,787,185
Income for farm	4b	3,393,200	401,710
Income for CDF	4c	-	37,050
TOTAL RECEIPTS		150,764,824	164,284,585
PAYMENTS			
TUITION	5	4,042,455	6,139,070
OPERATION	6	19,545,283	32,696,868
SCHOOL FUND	7	119,761,081	147,291,688
INFRASTRUCTURE	7a	6,140,900	5,681,935
FARM	7b	472,583	1,359,266
CDF	7c	480	1,321
Total Payments		149,962,783	193,170,147
Deficit/Surplus		802,041	(28,885,562)

The school financial statements were approved on _____ and signed by:

Sign: 
Joseph Njeru Mugoh
 Chair BOM
 23/03/2026

Sign: 
Paul Muriuki
 School Principal
 23/03/26

Sign: 
Monicah Mutahi
 Bursar
 23/03/026

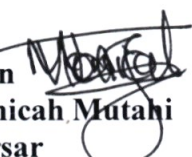
7. Statement Of Assets And Liabilities As At 30th June 2024

	Note	2024	2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	17,715,980	17,103,104
Cash Balances	9	44,973	571,583
Short term Investment	10	897,467	897,467
Total Cash and cash equivalent		<u>18,658,420</u>	<u>18,572,154</u>
Account's receivables	11	42,737,593	40,517,985
TOTAL FINANCIAL ASSETS		61,396,013	59,090,139
FINANCIAL LIABILITIES			
Accounts Payables	12	47,396,056	45,892,223
NET FINANCIAL ASSETS		13,999,957	13,197,916
REPRESENTED BY			
Accumulated Fund b/fwd	13	13,197,916	42,083,478
Surplus/Deficit for the year		802,041	(28,885,562)
NET FINANCIAL POSITION		13,999,957	13,197,916

The school financial statements were approved on _____ and signed by:

Sign: 
Joseph Njeru Mugoh
Chair BOM
23/03/2026

Sign: 
Paul Muriuki
School Principal
23/03/2026

Sign: 
Monicah Mutahi
Bursar
23/03/2026

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024**8. Statement Of Cash Flows For The Year Ended 30th June 2024**

Description		2024	2023
Cash from operating activities	Note	Kshs	Kshs
Receipts			
Government grants for Tuition		4,240,420	4,174,637
Government grants for operation		21,590,453	21,327,705
School fund Income- Parents contributions/ fees		82,172,936	92,449,028
School fund Income- other receipts		35,120,124	42,553,585
Government grants from infrastructure		5,500,000	7,787,185
Income fro farm		3,393,200	401,710
Income for CDF		-	37,050
Total receipts		152,017,133	168,730,900
Payments			
Cash outflow for tuition		2,915,880	4,389,210
Cash outflow for operations		15,570,802	32,651,526
Cash outflow Boarding and/sch fund payments		126,579,791	150,247,134
Cash outflow in farm		723,033	839,266
Total payments		145,789,507	188,127,136
Net cash flow from operating activities		6,227,626	(19,396,236)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(6,141,380)	(6,007,526)
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(6,141,380)	(6,007,526)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-

Repayment of principal borrowings		-	-
Overdraft		20	109,590
Net cash flow from financing activities		20	109,590
NET INCREASE IN CASH AND CASH EQUIVALENTS		86,266	(25,294,171)
Cash and cash equivalents at BEGINNING of the year		18,572,154	43,866,326
Cash and cash equivalent at END of the year		18,658,420	18,572,154
Cash and cash equivalents as per FA&FL		18,658,420	18,572,154

The school's financial statements were approved on _____ 2026 and signed by:

.....
JOSEPH NJERU MUGOH
 Chair BOM
 23/03/2026

.....
PAUL MURIUKI
 School Principal
 23/03/2026

.....
MONICAH MUTAHI
 Bursar
 23/03/2026

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024**9. Statement Of Budgeted versus Actual Amounts For The Year Ended 30th June 2024**

				Actual on Comparable Basis		
			Final		Budget Utilization	
Receipt/expenses Item	Original Budget	Adjustments	Budget		Difference	% of Utiliza tion
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION INCOME						
Teaching & L. mat.	6,709,136	(6,709,136)	-	4,240,420	(4,240,420)	0
Total CAPITATION GRANT ON TUITION INCOME	6,709,136	(6,709,136)	-	4,240,420	(4,240,420)	0
(2) CAPITATION GRANT ON OPERATIONS INCOME						
Devt -RMI	-	-	-	7,506,020	(7,506,020)	0
Activity	-	-	-	1,373,182	(1,373,182)	0
Medical & ins.	-	-	-	1,435,950	(1,435,950)	0
OTHERS	-	-	-	11,275,301	(11,275,301)	0
OP-Vote 20	-	-	-	-	-	0
Total CAPITATION GRANT ON OPERATIONS INCOME	-	-	-	21,590,453	(21,590,453)	0
(3) FEES CHARGED ON PARENTS INCOME						
Uniform	-	-	-	3,437,838	(3,437,838)	0
Development -MI	1,002,850	-	1,002,850	3,347,389	(2,344,539)	334
Activity	2,462,950	-	2,462,950	519,200	1,943,750	21
B.E and Stores	45,929,600	-	45,929,600	48,076,515	(2,146,915)	105
P/EMOLUMENTS	7,750,000	-	7,750,000	15,043,977	(7,293,977)	194
EWC	2,039,800	-	2,039,800	2,039,272	528	100

KIGARU SCHOOL
Annual Report and Financial Statements for the year ended 30th June, 2024

ADM.COST	2,035,150	-	2,035,150	3,115,416	(1,080,266)	153
LTT	1,581,000	-	1,581,000	2,516,576	(935,576)	159
(3) FEES CHARGED ON PARENTS INCOME	62,801,350	-	62,801,350	78,096,183	(15,294,833)	124
School Fund -OTHER INCOME						
PTA-DEVELOPMENT	3,100,000	-	3,100,000	418,800	2,681,200	14
Rent Income	-	-	-	342,025	(342,025)	0
BOM TEACHERS	6,975,000	-	6,975,000	6,638,737	336,263	95
ASP	6,975,000	-	6,975,000	6,638,480	336,520	95
PTA -INFRASTRUCTURE	7,750,000	-	7,750,000	12,660,821	(4,910,821)	163
WATER PROJECT	310,000	-	310,000	-	310,000	-
FARM ACCOUNT	-	-	-	3,158,355	(3,158,355)	0
LIBRARY BOOKS	-	-	-	1,164,990	(1,164,990)	0
BAKERY	-	-	-	6,881,510	(6,881,510)	0
LABORATORY DAMAGES	-	-	-	40,850	(40,850)	0
School Fund -OTHER INCOME	25,110,000	-	25,110,000	37,944,568	(12,834,568)	151
INFRASTRUCTURE INCOME						
INFRASTRUCTURE	7,750,000	(7,750,000)	-	500,000	(500,000)	0
DORMITORY	-	-	-	5,000,000	(5,000,000)	0
Total INFRASTRUCTURE INCOME	7,750,000	(7,750,000)	-	5,500,000	(5,500,000)	0
FARM INCOME						
RENT	-	-	-	73,200	(73,200)	0
COFFEE	-	-	-	320,000	(320,000)	0
STAFF MOTIVATION	-	-	-	3,000,000	(3,000,000)	0
Total Farm Income	-	-	-	3,393,200	(3,393,200)	0
-						
CDF INCOME						
Total CDF INCOME	-	-	-	-	-	0

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024

TOTAL INCOME	102,370,486	(14,459,136)	87,911,350	150,764,824	(62,853,474)	171
(1) EXPENDITURE FOR TUITION						
Teaching & L. mat.	6,709,136	(6,709,136)	-	4,042,455	(4,042,455)	0
Total EXPENDITURE FOR TUITION	6,709,136	(6,709,136)	-	4,042,455	(4,042,455)	0
(2) EXPENDITURE FOR OPERATIONS						
Devt -RMI	-	-	-	3,250,983	(3,250,983)	0
Activity	-	-	-	1,405,580	(1,405,580)	0
Medical & ins.	-	-	-	780,710	(780,710)	0
OTHERS	-	-	-	14,108,010	(14,108,010)	0
TOTAL EXPENDITURE FOR OPERATIONS	-	-	-	19,545,283	(19,545,283)	0
(3) EXPENDITURE FOR SCHOOL FUND						
Uniform	-	-	-	2,787,420	(2,787,420)	0
Development -MI	1,002,850	-	1,002,850	5,728,877	(4,726,027)	571
Activity	2,462,950	-	2,462,950	2,451,580	11,370	100
B.E and Stores	45,929,600	-	45,929,600	49,471,806	(3,542,206)	108
EWC	2,039,800	-	2,039,800	2,065,069	(25,269)	101
ADM.COST	2,035,150	-	2,035,150	5,790,994	(3,755,844)	285
LTT	1,581,000	-	1,581,000	5,275,681	(3,694,681)	334
PTA-DEVELOPMENT	3,100,000	-	3,100,000	400	3,099,600	0
BOM TEACHERS	6,975,000	-	6,975,000	3,407,014	3,567,986	49
ASP	6,975,000	-	6,975,000	12,661,610	(5,686,610)	182
PTA - INFRASTRUCTURE	7,750,000	-	7,750,000	7,439,275	310,725	96
WATER PROJECT	310,000	-	310,000	-	310,000	-
FARM ACCOUNT	-	-	-	3,185,850	(3,185,850)	0
LIBRARY BOOKS						0

	-	-	-	419	(419)	
BAKERY	-	-	-	4,932,065	(4,932,065)	0
TOTAL School fund Payments	87,911,350	-	87,911,350	119,761,081	(31,849,731)	136
INFRASTRUCTURE PAYMENTS						
INFRASTRUCTURE	7,750,000	(7,750,000)	-	3,930,310	(3,930,310)	0
SCHOOL FUND	-	-	-	2,110,590	(2,110,590)	0
DORMITORY	-	-	-	100,000	(100,000)	0
TOTAL INFRASTRUCTURE PAYMENTS	7,750,000	(7,750,000)	-	6,140,900	(6,140,900)	0
FARM PAYMENTS						
COFFEE	-	-	-	472,583	(472,583)	0
TOTAL FARM PAYMENTS	-	-	-	472,583	(472,583)	0
CDF PAYMENTS						
BANK CHARGES	-	-	-	480	(480)	0
total CDF PAYMENTS	-	-	-	480	(480)	0
GRAND TOTAL PAYMENTS	102,370,486	(14,459,136)	87,911,350	149,962,783	(62,051,433)	171

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 imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice

where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

11. NOTES TO THE FINANCIAL STATEMENTS

Note1. GOVERNMENT GRANT FOR Tuition		
	2024	2023
	Kshs	Kshs
Teaching & L. mat.	4,240,420	4,174,637
Total	4,240,420	4,174,637

Note 2. GOVERNMENT GRANT FOR OPERATION		
	2024	2023
	Kshs	Kshs
Devt -RMI	7,506,020	6,165,000
Activity	1,373,182	1,276,912
Medical & ins.	1,435,950	335,000
OTHERS	11,275,301	13,470,525
NHIF -EDU AFYA	-	80,268
Total	21,590,453	21,327,705

Note 3. Parents Contribution/Fees SCHOOL FUND		
	2024	2023
	Kshs	Kshs
Uniform	3,437,838	3,334,617
Other voteheads	-	-
Development -MI	3,347,389	4,166,315
Activity	519,200	881,346
B.E and Stores	48,076,515	50,594,456
P/EMOLUMENTS	15,043,977	16,865,221
EWC	2,039,272	2,831,391
ADM.COST	3,115,416	3,389,497
LTT	2,516,576	2,926,054
Sub-Total	78,096,183	84,988,897

4. OTHER RECEIPTS SCHOOL FUND ACCOUNT

Note 4. OTHER RECEIPTS	School Fund
------------------------	-------------

	2024	2023
	Kshs	Kshs
PTA-DEVELOPMENT	418,800	3,430,685
Rent Income	342,025	191,200
BOM TEACHERS	6,638,737	8,823,815
ASP	6,638,480	8,702,309
PTA -INFRASTRUCTURE	12,660,821	15,277,556
PENALTY	-	34,000
FARM ACCOUNT	3,158,355	716,838
LIBRARY BOOKS	1,164,990	1,230,002
BAKERY	6,881,510	6,706,965
KUCCPS	-	211,200
CANTEEN RENT	-	154,615
LABORATORY DAMAGES	40,850	88,216
Total	37,944,568	45,567,401

4a - OTHER RECEIPTS - INFRASTRUCTURE

Note 4a – RECEIPTS	INFRASTRUCTURE	
	2024	2023
	Kshs	Kshs
INFRASTRUCTURE	500,000	7,787,185
DORMITORY	5,000,000	-
Sub-Total	5,500,000	7,787,185

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024**4b OTHER RECEIPTS---- FARM**

Note 4b RECEIPTS	Farm	
	2024	2023
	Kshs	Kshs
RENT	73,200	74,800
COFFEE	320,000	326,910
STAFF MOTIVATION	3,000,000	-
sub-Total	3,393,200	401,710

4c -. OTHER RECEIPTS - CDF

Note 4 c - INCOME	CDF	
	2024	2023
	Kshs	Kshs
CLASSROOM	-	37,050
sub-Total	-	37,050

Note 5. PAYMENTS FOR Tuition

	2024	2023
	Kshs	Kshs
Teaching & L. mat.	4,042,455	6,138,830
Library & ref materials/TUITION	-	240
Total	4,042,455	6,139,070

Note 6. Payments for operations		
	2024	2023
	Kshs	Kshs
Devt -RMI	3,250,983	7,444,000
Activity	1,405,580	2,999,270
Medical & ins.	780,710	816,291
OTHERS	14,108,010	21,437,307
TOTAL	19,545,283	32,696,868

Note 7 - BOARDING/LUNCH PAYMENTS School Fund

	2024	2023
	Kshs	Kshs
Uniform	2,787,420	4,012,045
Development -MI	5,728,877	4,355,864
Activity	2,451,580	1,438,519
B.E and Stores	49,471,806	59,730,449
P/EMOLUMENTS	14,563,021	7,115,281
EWC	2,065,069	2,032,929
ADM.COST	5,790,994	4,911,651
LTT		

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	5,275,681	4,282,769
PTA-DEVELOPMENT	400	5,997,600
BOM TEACHERS	3,407,014	3,748,070
ASP	12,661,610	10,317,880
PTA -INFRASTRUCTURE	7,439,275	32,260,641
FARM ACCOUNT	3,185,850	1,352,142
LIBRARY BOOKS	419	2,100
BAKERY	4,932,065	5,535,348
KUCCPS	-	198,400
TOTAL	119,761,081	147,291,688

Note 7 a –Payments for infrastructure

	2024	2023
	Kshs	Kshs
INFRASTRUCTURE	3,930,310	5,681,935
SCHOOL FUND	2,110,590	-
DORMITORY	100,000	-
Sub-Total	6,140,900	5,681,935

Note 7 b – payments for farm

	2024	2023
	Kshs	Kshs
RENT	-	129,138
ADM COST	-	6,978
COFFEE	472,583	752,380
COWS	-	103,400
SCHOOL FUND	-	367,370
sub-Total	472,583	1,359,266

IKONGARU SCHOOL
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Note 7 c -PAYMENTS CDF		
	2024	2023
	Kshs	Kshs
BANK CHARGES	480	1,321
sub-Total	480	1,321

Note 8 -BANK BALANCES

Name of Bank, and Branch	Account Name	Bank Account Number	2024	2023
			Kshs	Kshs
CO-OPBANKEMBU.BRANCH c/f	Tuition	01139051721200	1,340,952	16,413
CO-OPBANKEMBU.BRANCH c/f	OPERATION	01139051721201	6,019,671	-
EQUITY BANKEMBU.BRANCH c/F	School Fund	0190296644447	1,703,746	10,463,867
CO-OPBANKEMBU.BRANCH c/f	INFRASTRUCTURE	01139051721202	5,423,816	6,064,716
CO-OPBANKEMBU.BRANCH c/	Farm	- 01120051721200	3,191,710	521,544
CO-OPBANKEMBU.BRANCH c/	CDF	-01141051721200	36,085	36,565
Total Bank Balances			17,715,980	17,103,104

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June, 2024

Note 9 - CASH IN HAND

Description	2024	2023
	Kshs	Kshs
School Fund	44,023	570,633
Farm	950	950
Total Cash Balances	44,973	571,583

Note 10 - SHORT TERM INVESTMENTS

Description	2024	2023
	Kshs	Kshs
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	114,619	114,619
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	44,078	44,078
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	738,770	738,770
Total	897,467	897,467

Note 11 - ACCOUNTS RECEIVABLE

Description	2,024	2,023
	Kshs	Kshs
School Fund -Fees Debtors	42,737,593	40,517,985
School Fund - Advances	-	-
School Fund - DR SUSPENSE	-	-
Total ACCOUNTS RECEIVABLE	42,737,593	40,517,985

11 b) Ageing Analysis of Accounts Receivable

Description	2024		2023	
	Kshs		Kshs	
	2024	% of the total		
Less than 1 year	12,212,219	28.6%	12,642,273	31.2%
Between 1- 2 years	2,649,662	6.2%	-	-
Between 2-3 years	5,831,429	13.64%	5,831,429	14.4%
Over 3 years	22,044,283	51.58%	22,044,283	54.4%
Total (should tie to note 13 a)	42,737,593	100%	40,517,985	100%

KANGARU SCHOOL

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Note 12 - ACCOUNTS PAYABLE

Description	2,024	2,023
	Kshs	Kshs
School Fund -Prepaid Fees	1,224,210	818,660
Trade Creditors -School Fund	33,360,210	37,112,553
Trade Creditors -Operation	4,129,413	45,342
Trade Creditors - Tuition	8,198,997	7,072,422
Trade Creditors - Farm	269,550	520,000
Trade Creditors - Infrastructure	(324,270)	(324,270)
School Fund -Student Deposits	4,100	4,100
Borrowings	533,826	533,826
Bank OverDrawings	-	109,570
Cash Overdrawings:	20	20
Total Payables	47,396,056	45,892,223

12b. Includes an ageing of the trade creditors below

Description	2,024	%of the total	2,023	%of the total
	Kshs	Kshs	Kshs	
Trade creditors for current year	16,547,447	34.9%	15,774,495	34.4%
Between 1- 2 years	1,430,881	3.0%	4,100	0.009%
Between 2- 3 years	4,100	.0008 %	0	0
Over 3 years	29,413,628	62.4%	30,113,628	65.6%
Total	47,396,056	100	45,892,223	100

Note 13 - FUND BALANCE BROUGHT FORWARD

Description	2024	2023
	Kshs	Kshs
Bank balances	17,103,104	42,324,153
Cash balances	571,583	644,706
Short Term Investments	897,467	897,467
Receivables	40,517,985	39,620,422
Payables	(45,892,223)	(41,403,269)
Total	13,197,916	42,083,479

Other important disclosure notes.

IPSAS encourages an entity to disclose accrual related information in relation to an entity assets and liabilities.

The notes outlined below are disclosure notes in relation to the school's non financial assets and liabilities.

14.Non-current Liabilities Summary

Description	2024	2023
	Kshs	Kshs
Bank loan(s)	533,826	533,826
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	533,826	533,826

15. BIOLOGICAL ASSETS

BIOLOGICAL ASSETS Counting & Valuation as at July,01,2023 and June 30th -2024

Source of Information: Livestock and Crop Register and/ or physical count on date

S/No	Location	Asset	Unit	QTY counted		Value Per unit -	Total value of stock	
		Description				Purchase Price		
						OR		
				As at July,01,2023	As at June,30,2024	FAIR VALUE	As at July,01,2023	As at June,30,2024
				(A)	(B)	(C)	D=A*C	
1	Farm	COWS	No	5	4	150,000	750,000	600,000
3		HEIFERS	NO	5	4	70,000	350,000	280,000
4		CALVES	NO		3	20,000	-	60,000
5		BULLS	NO	2	2	30,000	60,000	60,000
6		PIGS-MATURE	NO	22	4	25,000	550,000	100,000
7		PIG -MEDIUM	NO	12	64	5,000	60,000	320,000
8		PIGLETS	NO	37	-	4,500	166,500	-
9		BANANA	STEMS		900	600	-	540,000
10		COFFEE	STEMS		7,000	100	-	700,000
11		MAIZE FIELD	BAGS	50	-	3,000	150,000	-
12	ALONG GTI	LARGE TREES	STEMS	15	8	40,000	600,000	320,000
13	ALONG GTI	MEDIUM TREES	STEMS	30	26	10,000	300,000	260,000
14	KIANUGU AREA	MEDIUM TREES	STEMS	23	20	10,000	230,000	200,000
15	FARM CENTRAL AREA	MEDIUM TREES	STEMS	228	150	10,000	2,280,000	1,500,000
16	SCHOOL AREA	LARGE TREES	STEMS	20	15	40,000	800,000	600,000
17		MEDIUM TREES	STEMS	84	120	5,000	420,000	600,000
18	FARM AREA	MEDIUM TREES	STEMS		300	2,000	-	600,000
Total Value							6,716,500	6,740,000

16 . Borrowings

OTHER IMPORTANT DISCLOSURE NOTES
17. Stock/ Inventory

Description	2,024	2,023
	KShs	KShs
Stock/ inventory at beginning of the year	8,973,357	5,614,017
Stock/ inventory purchased during the year	134,966,504	173,853,133
Stock/ inventory issued during the year	136,742,869	170,493,792
Balance at end of the year	7,196,993	8,973,357

18. 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)
1.0				


.....23/03/2026
Sign and Date
Principal

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

					Outstandin g Balance	Outstandin g Balance	Comment s
		Original Amount	Date Contracte d	Amoun t paid To- Date	2,024	2,023	
		a	b	c	d=a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
	Names of suppliers who supplied Common user goods						
1	ARCHIMEDES ELITE BOOKSHOP	116,200.00		-	116,200.00	0	
2	SENYAYAN INVESTMENT	86,800.00		-	86,800.00	0	
3	PRICOMPS	1,000,000.00		-	1,000,000.00	0	
4	FARM LINK	66,030.00		-	66,030.00	0	
5	BEEKAY SUPPLIERS LTD	151,730.00		-	151,730.00		
6	PAPAGEN SUPPLIERS	226,690.00		-	226,690.00		
7	WEAVER BIRD GARMENT MANUFACTURER S LTD	2,351,165.00		-	2,351,165.00		
8	ALFATAAH MEAT SUPPLIES	1,245,375.00		-	1,245,375.00		
9	AMANI ASSURANCE	419,100.00		-	419,100.00		
10	DUNANN INVESTMENT LTD	607,638.00		-	607,638.00		
11	GATONDO FARM	163,750.00		-	163,750.00		
12	LANES ENTERPRISES	338,000.00		-	338,000.00		
13	NAIVAS LIMITED	513,701.00		-	513,701.00		

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14	BLACK DICEROS AFRICA LTD	42,000.00		-	42,000.00		
15	ZEN DAIRY LTD	130,200.00		-	130,200.00		
16	GROUND CASUALS	30,000.00		-	30,000.00		
17	SECURITY CASUALS	30,000.00		-	30,000.00		
18	NIMUTHO STORES ENTER	36,050.00		-	36,050.00		
19	EMBU SPORTS & BRANDING HOUSE	13,600.00		-	13,600.00		
20	NAIROBI SPORT HOUSE LTD	498,130.00		-	498,130.00		
21	FARMCARE REHAB & MED SUPPL.	35,550.00		-	35,550.00		
22	TD CONCEPT LTD	161,711.00		-	161,711.00		
23				-			
24	NECHAL ENTERPRISES	2,609,600.00		-	2,609,600.00		
25	PRICOPS LIMITED	286,920.00		-	286,920.00		
26	TRIMARCH INVESTMENT	473,325.00		-	473,325.00		
27	BEKICAP MERCHANT	269,550.00		-	269,550.00		
1	SUPPORT STAFF	1,683,300.00		-	1,683,300.00		
2	FREDLICK MUGO	15,000.00		-	15,000.00		
3	EDWARD NDWIGA	18,000.00		-	18,000.00		
4	UPCOUNTRY SECURITY SERVICES LTD	210,000.00		-	210,000.00		

5	WINSHANA VENTURES	278,050.00		-	278,050.00		
6	BINPOINT	36,000.00		-	36,000.00		
7	FESTUS NYAGA	9,000.00		-	9,000.00		
8	WINSHANA VENTURES	395,000.00		-	395,000.00		
9	PRICOPS LIMITED	229,000.00		-	229,000.00		
10	EWASCO	117,498.00		-	117,498.00		
11	JAZAWA ELECTRICALS	84,300.00		-	84,300.00		
12	KPLC	241,274.00		-	241,274.00		
13	HACCO INVESTMENT	104,000.00		-	104,000.00		
14	0	-		-	-		
	Grand Total	15,323,237		-	15,323,237		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Non -Current Assets COUNTING & VALUATION		
	Value	
CATEGORY	as at 1/7/2023	as at 30/6/2024
LAND	1,275,000,000	1,275,000,000
BUILDINGS	131,200,000	137,200,000
PLANT AND MACHINERY	8,960,300	8,960,300
OFFICE EQUIPMENT	1,442,700	1,442,700
ICT LEARNING EQUIPMENT.	620,000	640,000
BOARDING EQUIPMENTS	15,419,000	15,419,000
KITCHEN EQUIPMENTS	5,196,705	5,242,360
LIBRARY	269,100	299,100
TEXT BOOKS	21,304,588	21,304,588
LAB EQUIPMENT	6,209,383	6,453,430
FARM EQUIPMENTS	283,000	283,000
TUITION EQUIPMENT	8,925,000	8,925,000
GAMES EQUIPMENTS	549,146	549,146
SOFTWARE EQUIPMENT	1,725,000	1,725,000
BIOLOGICAL ASSETS	6,716,500	6,740,000
	1,483,820,422.0	1,490,183,624.0