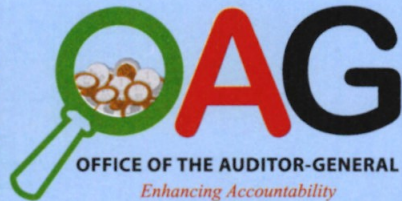


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 16 JUN 2026

DAY.

Tuesday

TABLED
BY:

Hon. Naomi Wago, CBS, MP
(Deputy Majority Party Whip)

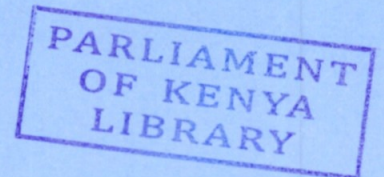
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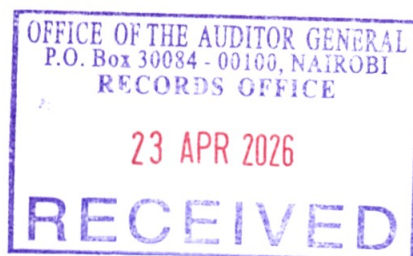
ON



ACK KAAKWA MIXED DAY SECONDARY
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

THARAKA NITHI COUNTY



**ACK. KAAKWA MIXED DAY SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

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ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

1. Acronyms and Glossary of Terms

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

ACK. KAAWA MIXED DAY SECONDARY SCHOOL

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

2. Key School Information and Management

(a) Background Information

The school is situated in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Tharaka Nithi County, Igambang'ombe Sub-County.

The school was registered on 12/7/2021 under registration Number 13S00300809 and is currently categorized as County public school operated by the government.

The school is a mixed day and had 282 numbers of students as at 30th June, 2024. It had 2 streams and 16 teachers of which 4 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;

N/A	Name of Board Member	Designation	Date of Appointment
1.	Javason Kiambo	Chairman	2022
2.	Esther N. Wanjohi	Secretary - Principal	2022
3.	Charles Mugendi	Vice Chair	2022
4.	Caroline Karimi	CEB Rep	2022
5.	Zakayo Miriti	Member	2022
6.	Janis Kagendo	Member	2022
7.	Rev. Stephen Nyaga	P A Chair	2022
8.	Godfrey Muthomi	Teacher Staff	2022
9.	Rev. Joyce Kirimi	Sponsor	2022
10.	Michael Mucheri	Member	2022
11.	Patrick Mbaka Mbiuki	Member	2022
12.	Kaai Kiogora Martin	Community	2022
13.	Octavius Nyaga	Special Needs	2022

ACK. KAAWA MIXED DAY SECONDARY SCHOOL

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

The functions of the School Board of Management are;

- ✓ Ensure and assure the provision of proper and adequate facilities for the school.
- ✓ Determine cases of pupils' discipline and make reports to the CEB.
- ✓ Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- ✓ Promote the best interests of the school and ensure its development.
- ✓ Manage the school's affairs in accordance with the rules and regulations governing occupational safety and health.
- ✓ Administer and manage the resources of the school.
- ✓ Advise the County Education Board on the staffing needs 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 management act, 2021 and the fourth schedule paragraph 21 and 23 of the Basic Education Act, 2013.
- ✓ Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.

(c) Committees of the Board

N/A	Name of Committee	Names of members	Designation	Number of meetings attended during the year
1.	Executive committee	Javason Kiambo	Chairman	5
		Esther Wanjohi	Secretary	5
		Charles Mugendi	Vice Chair	5
		Caroline Karimi	B.O.M Rep	5
		Godfrey Muthomi	Member	5
2.	Parents association committee	Charles Mugendi	Chairman	1
		E. N. Wanjohi	Principal	1
		Jameson Mugambi	Deputy	1
		Rev. Stephen Nyaga	Member	1
		Zakayo Miriti	member	1
		Janis Kagendo	Member	1

3.	Finance, procurement and general purposes committee	Michael Mucheri	Chairman	1
		Charles Mugendi	B.O.M	1
		Stephen Nyaga	PA Chair	1
		E. N. Wanjohi	Principal	1
		Jameson Mugambi	Deputy	1
		Patrick Mbaka	Member	1
4.	Academic committee	Godrey Muthomi	H.O.D	6
		Jameson Mugambi	Deputy	6
		E. N. Wanjohi	Principal	6
		Caroline Karimi	B.O.M	6
		Peter Fundi	Member	6
		Partrick Mbaka	Member	6
		Ms. Irene Muthoni	Member	6
		Stephen Nyaga	PA Member	6
5.	Development committee	Javason Kiambo	Chairman	3
		E. N. Wanjohi	Secretary	3
		Jameson mugambi	Deputy	3
		Charles Mugendi	Member	3
		Caroline Karimi	Member	3
6.	Discipline and welfare committee	Jameson Mugambi	D/Principal	5
		Godfrey Muthomi	Member	5
7.	Human rights/welfare committee	Octavius Nyaga	Member	1

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

(d) School Operation Management

For the financial year ended 30th June, 2024 the school day to day management was under the following persons;

N/A	Name	Designation	Identification
1.	Esther N. Wanjohi	Principal	TSC No.336268
2.	Jameson M. M'tigania	Deputy Principal	TSC No. 336402
3.	Virginia Kawira	Clerk	ID No. 22819126

(e) School Contacts

Post office Box: 569 – 60400 Chuka

Telephone: 0720922479

Email: kaanwamixedboardingday@gmail.com

(f) School Bankers

1. Name of Branch: Equity
Branch: Chuka
Account No: 0210190680792
2. Name of Branch: Equity
Branch: Chuka
Account No: 0210291338721
3. Name of Branch: Equity
Branch: Chuka
Account No: 0210291771032
4. Name of Branch: Equity
Branch: Chuka
Account No: 0210292884082
5. M-Pesa paybill No. 247247 Equity Bank.

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

(g) Independent Auditors

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

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

Annual Report and Financial Statements for the year ended 30th 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

ACK. KAAWA MIXED DAY SECONDARY SCHOOL

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

b) Teacher Student Ratio:

Recruited and Posted:

Retired

TSC Teachers: 12

B.O.M Teachers 4

Teachers Per Subject

Subject Combination	No. of Teachers	TSC	B.O.M
Maths/Chem	2	2	0
Maths/Phy	3	1	2
Kisw/PE	1	0	1
Hist/Geo	0	0	0
Kisw/CRE	1	10	0
Bio/Agr	2	1	1
Bst	1	1	0
Bio/Chem	0	0	0
CRE/Eng	1	1	0
Kisw/Geo	1	1	0
Eng/Lit	2	2	0
Maths/Bst	0	0	0
Maths/Geo	0	0	0
Geo/Bst	1	1	0
Hist/CRE	2	1	1

ACK. KAAWA MIXED DAY SECONDARY SCHOOL

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

(c) Mean Score KCSE year 2024

Year	No. of Candidates	No. of Students Transitioned	Achieved Scores	Set Mean Score
2022	49	0	D 3.22	C- 4.67
2021	31	0	D 3.23	C- 4.30
2020	36	0	D 2.83	D+ 3.722

(d) Number of Candidates in the 2024 KCSE

No. of Students	49

Tabulation of the Number of Candidates sitting for KCSE over the last four years.

Year	Number of Candidates
2022	49
2021	31
2020	36

(e) Capacity of the school

Facility	No. of Facilities	No. of Students divided by no. of Facilities
Classes	8	282
Laboratories	1	282
Dormitories	2	31
Toilets	8	282
Dining hall	0	0
Library	0	0
Administration	1	20
Staffroom	1	12

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

(f) Development Projects carried out by the school

Projects	Source of Funds	Status	Initial Cost (ksh)	Amount spent (ksh)	Expected completion time
Classroom	Savings			500,000	Complete



.....
School Principal

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

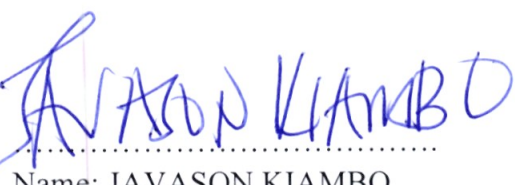
4. Statement of School Management Responsibility

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 ACK. Kaanwa Mixed Day & Boarding secondary school accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

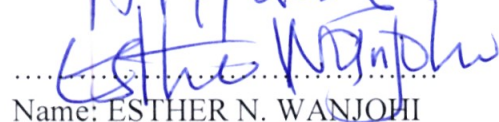
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022 and of the school's financial position as at that date.



Name: JAVASON KIAMBO

Designation: Chairman, School Board of Management

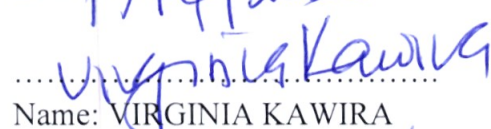
Date: 17/4/2026



Name: ESTHER N. WANJOHI

Designation: School Principal & Secretary to Board of Management

Date: 17/4/2026



Name: VIRGINIA KAWIRA

Designation: Clerk

Date: 17/4/2026

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 ACK KAAKWA MIXED DAY SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - THARAKA NITHI 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 ACK Kaakwa Mixed Day Secondary School set out on pages 1 to 14, which comprise of the statement of assets

*Report of the Auditor-General on ACK Kaakwa Mixed Day Secondary School for the year ended 30 June, 2024 -
Tharaka Nithi County*

and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows 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 ACK Kaanwa Mixed Day Secondary School as at 30 June, 2024, and of its financial performance and its cash flows in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

During the audit, differences were noted between figures in the financial statements and supporting ledgers as detailed below;

Component	Amount in Financial Statement (Kshs.)	Ledger Amount (Kshs.)	Variance (Kshs.)
Account Receivables	1,522,167	1,284,640	237,527
Grants for Tuition	682,115	451,209	230,905
Payments for Operation	2,942,908	2,932,708.50	10,199

In the circumstances, the accuracy, and completeness of the financial statements could not be confirmed.

2. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,462,417 as disclosed in Note 8 to the financial statements. However, the balances were not supported by cash books and bank reconciliation statements.

In the circumstances, accuracy and completeness of cash and cash equivalent balance of Kshs.1,462,417 could not be confirmed.

3. Failure to Prepare the Statement of Budgets Versus Actuals Amounts

In the year under review, Management did not include the statement of budgeted versus actuals amounts in the financial statements as required by the Public Sector Accounting Standards Board Reporting template.

In the circumstances, the financial statements are incomplete and the accuracy, completeness and budgetary controls on receipts and expenditure could not be confirmed.

4. Unsupported Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.1,522,167. However, the balance was not supported by a schedule or ageing analysis. Further, there was no policy on the impairment of long outstanding arrears casting doubt on the fair statement of the receivables balance.

In the circumstances, the accuracy, completeness and full recoverability of the accounts receivable balance of Kshs.1,522,167 could not be confirmed.

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

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iv to xviii which comprise of the School's Key Information and Management, Summary Report of School Performance and Statement of School's 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 and 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 reflects school fund payments of Kshs.3,925,356 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.278,250 transferred to Kenya Secondary School Heads Association sub county chapter for co-curricular activities. 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.278,250 could not be confirmed.

2. Irregular Use of Revenue at Source

The statement of receipts and payments reflects school fund income – parents contribution amount of Kshs.4,043,458 as disclosed in Note 3 to the financial statements. However, review of the cashbook indicates the school collected school fees in cash amounting to Kshs.2,232,043 and utilized the funds directly at source instead of banking the collections before spending. This was contrary to Regulation 64(4) of the Public Finance Management (National Government) Regulations, 2015 which requires all collected shall be paid into the designated account of the national government, and shall not be used by any public officer in any manner between the time of receipts and payments into the bank except as provided by law.

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

3. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.682,155 and Kshs.3,313,554 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of 833 students while the enrolment records provided by the school indicated a total number of 820 students, resulting in an unexplained variance of 13 students. As a result of the variances, the school was under funded by an amount of Kshs.44,665.

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

4. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,313,554 as disclosed in Note 2 to the financial statements from the Ministry of

Education credited in the operations bank account. However, review of banking records revealed that Kshs.3,311,557 was credited to the operation bank account. Included in the amount was Kshs.1,079,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities contrary to MOE circulars on infrastructure grants and maintenance improvement funds in the operations accounts. The funds were not transferred as required.

In the circumstances, failure to transfer funds may affected service delivery to the students.

5. Lack of a Procurement Plan

The statement of receipts and payments reflects total expenditure amounts of Kshs.7,319,488. 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 the circumstances, Management was in breach of the law.

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 28 February, 2026, one and a half years late, 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 and Section 81 of the Public Finance Management Act, 2012.

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

7. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. Annexes were not included in the table of content but annexes 1 and 2 was attached in the financial statements.
- ii. Numbering of pages in financial statement was not done.
- iii. Annex on summary of fixed assets was not attached and statement of budget versus actual amounts was not prepared.
- iv. Period of to which statement of receipts and payments and assets and liabilities relates to was not indicated.

In the circumstances, Management did not comply with the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

8. Lack of School Improvement Plan

The Board of Management did not develop a School Improvement Plan to be used to measure the school's improvement activities, keep the school in focus in achieving the school target, prioritization of School needs, ensuring prudent utilization of resources and to improve accountability. This was contrary to Section 2.2.1 of the operational manual for utilization of learner capitation, Grant and Other School funds which requires a school to develop improvement plan which is a road map for changes that a school needs to improve the school environment and learning outcomes.

In the circumstances, the absence of a School Improvement Plan is contrary to Ministry of Education requirements and indicates weak strategic planning.

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 Internal Audit Function and Audit Committee

During the year under review, the school had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 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 School did not benefit from oversight role and advice from the audit committee and internal audit function.

2. Lack of a Fixed Assets Register

Management did not have an updated fixed assets register. Further, several assets at the school were not tagged.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Poor Management of Text Books

During review of text book records, the following ineffectiveness were noted in management of books.

- i. There was no evidence of instructional need assessment that provided basis for determining the number and subject of instructional material needed by the school.
- ii. Weakness in recording and updating books inventory immediately after delivery and receipting, some books were taken into inventory after one or two months.
- iii. The School did not have a system in place to ensure that text books that are lost are replaced immediately. Lost text books are only recovered when the students are exiting the school, after sitting for Kenya Certificate of Secondary Examination further Sample of books issued to student and number of books returned for the period revealed, the school had lost 119 textbooks which have not been replaced at the time of the audit in March, 2026.

In the circumstances, effectiveness of internal controls relating to school textbooks could not be confirmed.

4. Lack of Segregation of Duties

Audit review of the School's operational and financial management structure revealed significant weaknesses in internal controls, particularly in relation to segregation of duties. The School has not employed a bursar or accountant to oversee financial management functions. Instead, the School Secretary undertakes all book keeping and accounting responsibilities which include preparation of payment vouchers, collection of school fees and other revenues, receipting, banking of collections, maintenance of accounting records, and participation in financial reporting processes.

In the circumstances, the lack of segregation of duties weakens internal controls and increases the risk of error and misappropriations.

5. Lack of Policy Documents

During the year under review, it was noted that Management had not developed several policy documents such as a risk management policy, strategic plan, and no formal risk assessments were done during the financial year audited.

In the circumstances, the absence of a strategic plan, risk management policy and formal risk assessments leads to poor planning, weakens internal controls and increases exposure to operational and fraud risks.

6. Lack of a Financial Information Processing System

During the year under review, the School's financial information was processed manually hence primary books of account were not adequately maintained. For instance, the school did not maintain a proper general ledger and the ledgers were generated as an analysis of the cashbook.

In the circumstances, the manual processing of financial information and lack of proper books of account may have resulted in errors and incomplete records.

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 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

20 May, 2026

ACK. KAAKWA MIXED DAY SECONDARY SCHOOL

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

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) receivable that include school fees from parents, imprest, salary and advances and other receivables and (b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of Receipts and Payments

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

3. In-kind Contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personal 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.

ACK. KAAWA MIXED DAY SECONDARY SCHOOL

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

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.

7. Accounts Payable

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

8. Non-Current Assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognised 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.

9. 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.

10. Comparative Figures

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

11. Subsequent Events

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

ACK KAAWA SECONDARY SCHOOL

I. STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTE HEAD	Note	2023-2024 Kshs	2022-2023 Kshs
RECEIPTS			
Capitation grants for tuition	1	682,155.00	553,220
Capitation grants for operations	2	3,313,554.96	3,924,967
School Fund Income- Parents' Contributions	3	4,043,458.00	13,111,821
School Fund Income- Other receipts	4	-	1,895,040
Proceeds from borrowings		-	
TOTAL RECEIPTS		8,039,167.96	19,485,049
PAYMENTS			
Payments for Tuition	5	451,224.50	692,925
Payments for operations	6	2,942,908.00	3,605,508
Boarding and school fund payments	7	3,925,356.00	14,408,493
TOTAL PAYMENTS		7,319,488.50	18,706,926
SURPLUS/DEFICIT		719,679.46	778,123

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

Sign: [Signature]
 Name: Chair BOM
 Date: 17/4/2026

Sign: [Signature]
 Name: School Principal/ Secretary to BOM
 Date: 17/4/2026

Sign: [Signature]
 Name: Bursar/ Finance Officer
 Date: 17/4/2026

ACK KANWA SECONDARY SCHOOL

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2023-2024	2022-2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,462,417.32	164,281
Cash Balances	9	-	-
Short term Investment	10	-	-
Total Cash and Cash Equivalents		1,462,417.32	164,281
Account's receivables	11	1,522,167.14	5,016,068
TOTAL FINANCIAL ASSETS		2,984,584.46	5,180,349
FINANCIAL LIABILITIES			
Accounts Payable	12	-	2,137,322
NET FINANCIAL SSETS		2,984,584.46	3,043,027
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,264,905.00	2,264,905
Surplus/Defict for the year		719,679.46	778,123
NET FINANCIAL POSITION		2,984,584.46	3,043,028
The school financial statements were approved on --- 2024 and signed by:			
Sign: <u>JANSON KIMARO</u>			
Name: <u>JANSON KIMARO</u>			
(Chair BOM)			
Date: <u>17/4/2026</u>			
Sign: <u>Esther Wanyika</u>			
Name: <u>Esther Wanyika</u>			
(School Principal/ Secretary to BOM)			
Date: <u>17/4/2026</u>			
Sign: <u>Virginia Lawia</u>			
Name: <u>Virginia Lawia</u>			
(Bursar/ Finance Officer)			
Date: <u>17/4/2026</u>			

ACK KAAWA SECONDARY SCHOOL

STATEMENT OF CASH FLOW		2023-2024	2022-2023
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	682,155	553,220
Capitation grants for operations	2	3,313,555	3,924,967
School fund income- Parents contributions/	3	4,621,915	13,111,821
School fund income- other receipts	4	-	1,895,040
Total receipts		8,617,625	19,485,049
Payments			-
Payments for Tuition		451,225	692,925
Payments for operations		2,942,908	3,605,508
Boarding and school fund payments		3,925,356	14,408,493
		7,319,489	18,706,926
Net cash flow from operating activities		1,298,136	778,123
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
Net Cashflow From Borrowing Activities		1,298,136	778,123
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flows from Investing Activities		-	-
Net Increase in Cash and Cash Equivalent		1,298,136	(42,926)
			-
Cash and cash equivalent at Beginning of the year 2023/2024	10	164,281	207,207
Cash and cash equivalent at End of the year		1,462,417	164,281
		0	(0)

ACK KAAKWA SECONDARY SCHOOL
TRIAL BALANCE AS AT 30TH JUNE 2024

		DR	CR
Cash and Cash equivalents			
	Bank Balances	1,462,417	
	Cash Balances	-	
	Short term investments	-	
	Receivables	1,522,167	
Payments			
	Payments for Tuition	451,225	
	Payments for operations	2,942,908	-
	Boarding and school fund payme	3,925,356	
Receipts			
	Capitation grants for tuition		682,155
	Capitation grants for operations		3,313,555
	School Fund Income- Parents' Contributions		4,043,458
	School Fund Income- Other receipts		-
	Proceeds from borrowings		
Prior Year Adjustment			
	Fund Balance b/f		2,264,905
	Payables		-
TOTAL		10,304,073	10,304,073

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

Sign: JAVASU KIMBOTO
Name: JAVASU KIMBOTO
(Chair BOM)
Date: 17/4/2026

Sign: Esther Wanjohi
Name: Esther Wanjohi
(School Principal/ Secretary to BOM)
Date: 17/4/2026

Sign: Wanjira Kariuki
Name: Wanjira Kariuki
(Bursar/ Finance Officer)
Date: 17/4/2026

ACK KANWA SECONDARY SCHOOL				
I. NOTES TO THE FINANCIAL STATEMENTS				
1	CAPITATION GRANT FOR TUITION			
		2023/2024	2022/2023	
		Kshs	Kshs	
	Tuition	613,760.00		
	Teaching / learning materials	25,640.00	553,220.40	
	Laboratory Equipment	27,540.00		
	Reference/Library	15,215.00	-	
	Total	682,155.00	553,220.40	
2	CAPITATION GRANT FOR OPERATIONS			
		2023/2024	2022/2023	
		Kshs	Kshs	
	Maintenance and Improvement	1,072,500.00	1,322,500.00	
	P.Emoluments	1,864,056.84		
	Medical	28,700.00	269,925.00	
	EWC	55,000.00	269,996.00	
	LTT	59,000.00		
	Administration	67,042.12		
	Activities	167,256.00		
	Other Voteheads		2,062,546.10	
	FDSE Grants	-	-	
	Total	3,313,554.96	3,924,967.10	
3	PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT			
		2023/2024	2022/2023	
		Kshs	Kshs	
	Personnel emoluments		978,290.00	
	Lunch	3,046,358.00		
	Bursary	994,000.00		
	BES		8,715,451.21	
	Lost items		114,141.00	
	Maintenance and Improvement		558,200.00	
	Local transport / travelling		280,250.00	
	Fee Arrears	3,100.00		
	S/PRO		324,558.00	
	Electricity and water		1,388,592.00	
	Infra		88,993.00	
	Administration costs		585,707.00	
	Activity		77,639.00	
	Total	4,043,458.00	13,111,821.21	

4	OTHER RECEIPTS – SCHOOL FUND ACCOUNT			
			2023/2024	2022/2023
			Kshs	Kshs
	RMI			-
	Income from farming activities			1,419,220.00
	damages			
	Income from Bus Hire			468,820.00
	Income from grants and donations*			-
	Rent			7,000.00
	Caution Money		-	-
	Dividends income		-	-
	Total		-	1,895,040.00
5	PAYMENTS FOR TUITION			
			2023/2024	2022/2023
			Kshs	Kshs
	Textbooks and reference materials		32,600.00	-
	Exercise books		312,332.00	-
	Laboratory equipment		65,780.00	-
	Internal exams			-
	Teaching / learning materials		39,000.00	692,925.00
	Chalks			-
	Exams and assessment			-
	Teachers guides			-
	Bank Charges		1,512.50	-
	Total		451,224.50	692,925.00
6	PAYMENTS FOR OPERATIONS			
			2023/2024	2022/2023
			Kshs	Kshs
	Personnel emoluments		984,227.00	-
	Service Gratuity			-
	Administration Cost		1,491,489.00	-
	Maintenance and Improvement		200,400.00	1,065,900.00
	Local transport / travelling		40,500.00	
	Electricity and water		102,250.00	
	Medical			
	Activity Expenses		118,000.00	106,245.00
	Other Voteheads			2,433,363.05
	Bank Charges		6,042.00	-
	Grants		-	-
	Acquisition of Assets		-	-
	TOTAL		2,942,908.00	3,605,508.05

7	BOARDING AND SCHOOL FUND PAYMENTS			
			2023/2024	2022/2023
			Kshs	Kshs
	Personnel emoluments			1,977,974.00
	BES			6,969,901.00
	Bursary		994,000.00	
	Maintenance & Improvements			630,361.00
	Local transport / travelling			956,430.00
	Electricity and water			648,885.00
	Administration costs			1,151,021.00
	Lunch Programme		2,893,831.00	
	Bus			125,000.00
	Programme			231,676.00
	Bank Charges		1,325.00	
	Expenses on Income Generating Activities			804,513.00
	Activity Expenses			
	Damages			832,732.00
	Internal Exam		36,200.00	-
	Infrastructure		-	80,000.00
	Acquisition of Assets		-	-
	TOTAL		3,925,356.00	14,408,493.00
	<i>Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.</i>			
8	BANK ACCOUNTS			
	Name of Bank, Account No. & currency	Bank Account Number	2023/2024	2022/2023
			Kshs	Kshs
	Tuition Account		230,871.28	40.18
	Operations Account		1,092,490.54	161,801.54
	School Fund Account/Boarding			-
	Savings Account		139,055.50	2,439.50
	Parent Association Development Account			-
	Income generating activities Account			-
	Infrastructural Account			
	Total		1,462,417.32	164,281.22
9	CASH IN HAND			

	Description		2023/2024	2022/2023
			Kshs	Kshs
	Tuition Account			
	Operation Account			
	Infrastructural Account			
	School Fund account			
	Total		-	-
10	SHORT TERM INVESTMENTS			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Cooperative shares		-	-
	Treasury Bills		-	-
	Fixed deposit		-	-
	Equity stock		-	-
	Other investments		-	-
	Total		-	-
11	ACCOUNTS RECEIVABLE			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Fees arrears		1,522,167.14	5,016,068.00
	Other non-fees receivables		-	-
	N.H.I.F		-	-
	P.A.Y.E		-	-
	N.S.S.F		-	-
	Salary advances		-	-
	Imprest		-	-
	Total		1,522,167.14	5,016,068.00
	[Include an ageing of the fees / non fees arrears below]			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Fees arrears for current year			2,446,893.00
	Fees arrears for the previous year			3,814,100.95
	Fees arrears for prior periods (over two years)		-	-
	Total		-	6,260,993.95
12	ACCOUNTS PAYABLE			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Trade creditors (See ageing below and appendix 1)			1,933,816.00
	Prepaid fees			203,506.00
	Retention monies			-
	P.A.Y.E			
	Total		-	2,137,322.00

	[Include an ageing of the creditor's arrears below]			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Trade creditors for current year			
	Trade creditors for the previous year			1,933,816.00
	Trade creditors for prior periods (over two years)		-	
	Total		-	1,933,816.00
13	FUND BALANCE BROUGHT FORWARD			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Fund balance b/f		2,264,905.00	2,264,905.00
	Cash balances		-	-
	Short Term Investments		-	-
	Receivables		-	-
	Payables		-	-
	Total		2,264,905.00	2,264,905.00
	Other important disclosure notes			
14	Non-current Liabilities Summary			
	Description		2023/2024	2022/2023
			Kshs	Kshs
	Bank loan(s)		-	-
	Outstanding Leases		-	-
	Hire purchase		-	-
	Gratuity and leave provision		-	-
	Total		-	-
15	Biological assets			
	Description	Numbers	2023/2024	2022/2023
			Kshs	Kshs
	Cattle		-	-
	Goats		-	-
	Trees		-	-
	Coffee or tea plantation		-	-
	Poultry		-	-
	Total		-	-

16	Borrowings			
	Description		2023/2024	2022/2023
			KShs	KShs
	a) Borrowings			
	Borrowing at beginning of the year		-	-
	Borrowings during the year		-	-
	Repayments of during the year		-	-
	Balance at end of the year		-	-
17	1 Stock/ Inventory			
	Description		2023/2024	2022/2023
			KShs	KShs
	Stock/Inventory			
	Stock/ inventory at beginning of the year		-	-
	Stock/ inventory purchased during the year		-	-
	Stock/ inventory issued during the year		-	-
	Balance at end of the year		-	-