

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 10 JUN 2026

DAY.

WED

TABLED
BY:

HON. NAOMI WARD, MP

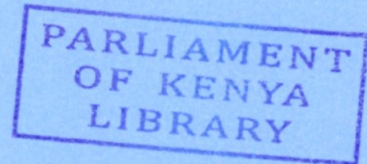
DEPUTY MAJORITY PARTY WHIP

CLERK-AT
THE-TABLE:

V. WAMBUI

THE AUDITOR-GENERAL

ON



RABAI SECONDARY SCHOOL

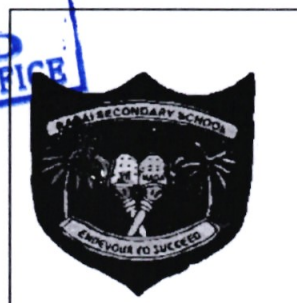
FOR THE YEAR ENDED

30 JUNE, 2024

KILIFI COUNTY



Revised 30th June 2024.



Rabai Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

2. Key School Information and Management

(a) Background information

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

The school was registered in 08/2008 under registration number xxx and is currently categorized as a *Sub County* public school established,operated by the Government.

The school is a day school and had 1265 number of students as at 30th June 2024 It has 6 streams and 35 teachers of which 22 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	George Gona Kuza	Chairman	25/08/2022
2	Anderson Munga	Secretary - Principal	25/08/2022
3	Rev. Christine Chengo	Member	25/08/2022
4	Rev.Titus M. Lwambi	Member	25/08/2022
5	Washe Lewa Washe	Member	25/08/2022
6	George G. Chitsava	Member	25/08/2022
7	Eric Tinga Nyae	Member	25/08/2022
8	Ndune M. Hamisi	Member – Rep CEB	25/08/2022
9	Saumu Said	Member Rep Teachers	25/08/2022
10	Nancy Musundi	3 Members - Sponsor	25/08/2022
11	Bakari Saha	Member - Community	25/08/2022
12	Nzinga Saha	Member Special Needs	25/08/2022
13	Boniface Mwangi	Rep Students	01/07/2024

The functions of the School Board of Management are to:

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

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Rev. George Kuza Anderson Munga Pingano Ngome Christine Chengo	Chairperson Secretary PA Chairperson Member	3 out of 3
2	Audit Committee	Rev. Titus Lwambi Anderson Munga Nancy Musundi	Chairperson Secretary PA Chairperson	3 out of 3
3	Finance, procurement and general purposes Committee	Rev. Titus Lwambi Anderson Munga Nancy Musundi	Chairperson Secretary Member	3 out of 3
4	Academic Committee	Bakari Saha Saumu Said Hassan Nzinga	Chairperson Secretary Member	3 out of 3
5	Development Committee	Hassan Nzinga Machoka Eunice Geaorge Kuza Saumu Mnyazi	Chairperson Secretary Member Member	3 out of 3

Rabai Secondary School

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

		George Gonzi Anderson Munga	Member Member	
6	Discipline and welfare Committee	Eric Tinga Machoka Eunice Washe Lewa George Gonzi	Chaiperson Secretary Member Member	3 out of 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Anderson Munga	TSC No.352669
2	Deputy Principal	Machoka Eunice	TSC No.578861
3	School Bursar	Arthur Kazikazi	ICPAK No. 23001160
4	Other (specify)		

(e) Schools contacts

Post Office Box: 17 Mazeras
Telephone: 0113559145
E-mail: rabaisec@bmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

Name of Bank: Family Bank
Branch: Mombasa Nkrumah
Account Number: 095000010959
Postal Address: 81630 Mombasa
Tuition Account

Name of Bank: KCB Bank
Branch: Mombasa Mvita
Account Number: 1107933595
Postal Address: 83534 Mombasa
Operation Account

Name of Bank: KCB Bank
Branch: Mombasa Mariakani
Account Number: 1125694661
Postal Address: 83534 Mombasa
Main Account

Name of Bank: KCB Bank
Branch: Mombasa Mariakani
Account Number: 1276712286

Postal Address.	83534 Mombasa
Maintenance Account	
Name of Bank	KCB Bank
Branch	Mombasa Mariakani
Account Number	114628333
Postal Address.	83534 Mombasa
Savings Account	

(g)Independent Auditors

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

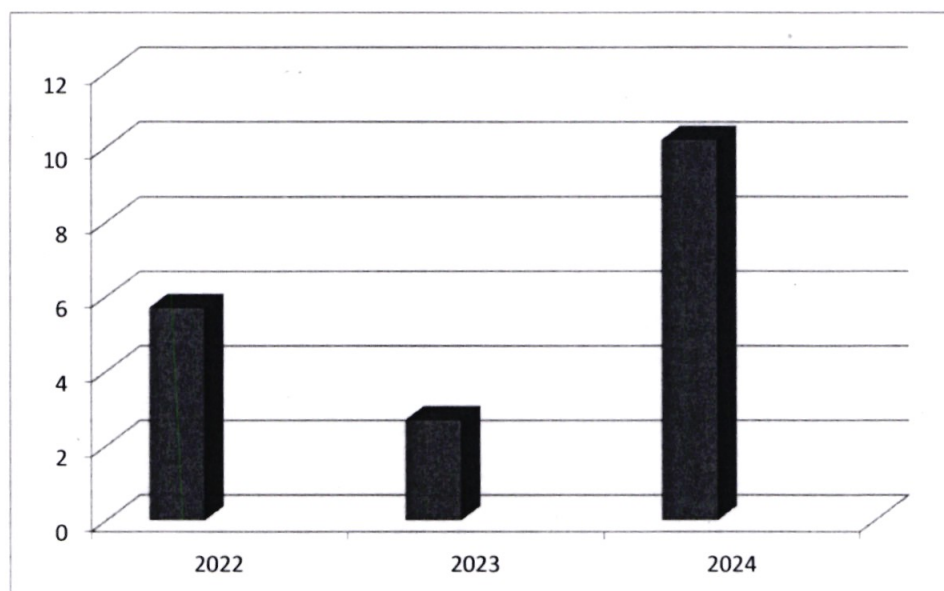
3. Summary Report of Performance of The School

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

a) Financial performance:

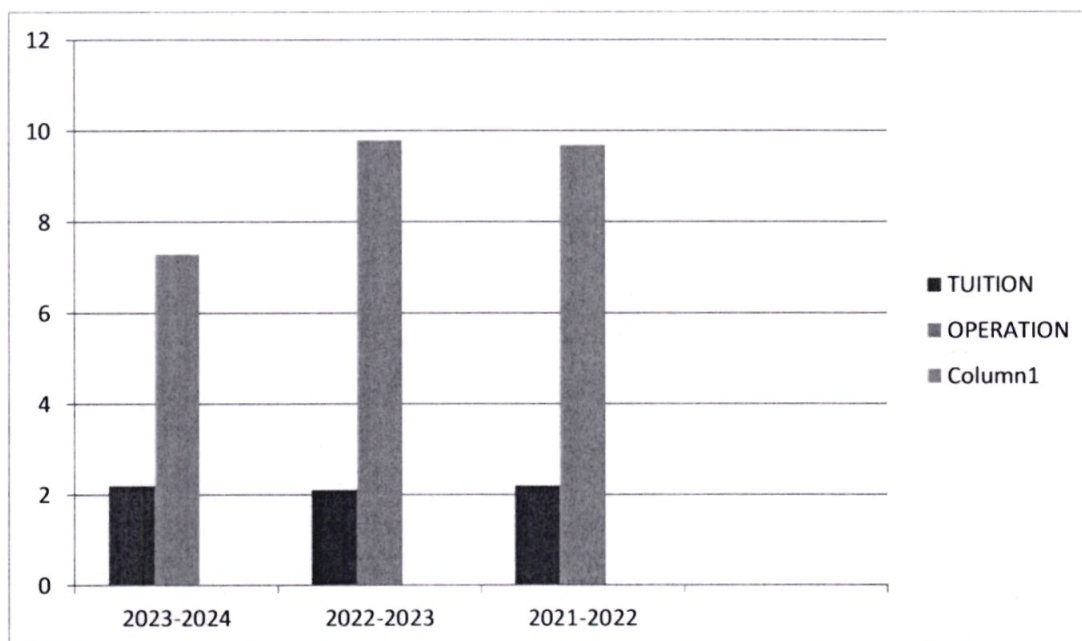
i) Surplus/deficit for the year and its comparison.

Year	DESCRIPTION	AMOUNT
2023-2024	SURPLUS	10,211,228
2022-2023	SURPLUS	2,744,665
2021-2022	SURPLUS	5,747,620



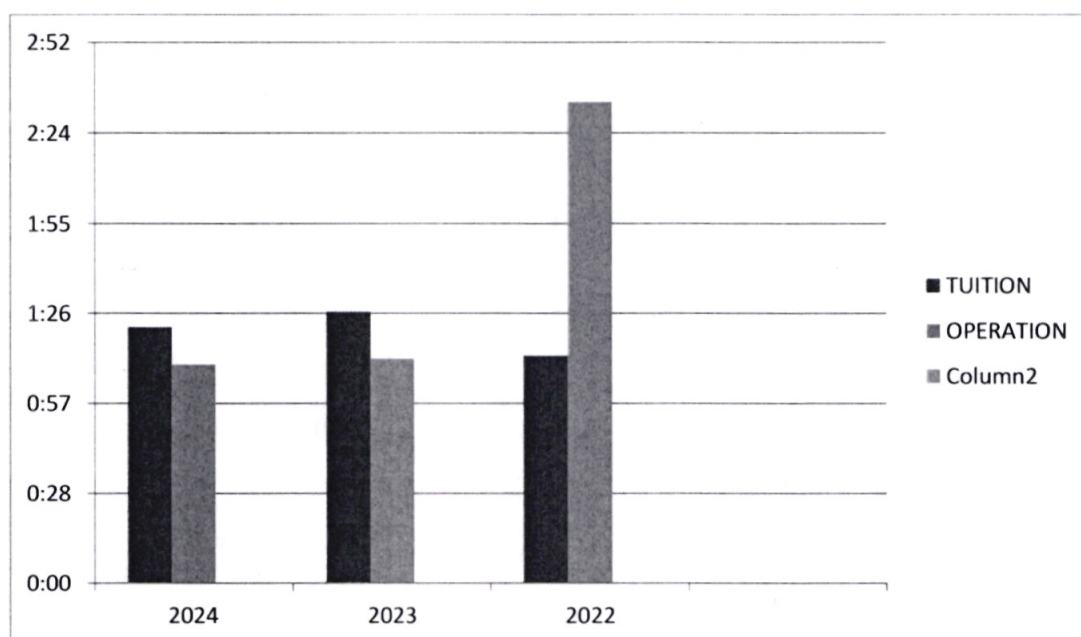
ii) Capitation Grant from Ministry.

ACCOUNT	2023-2024	2022-2023	2021-2022
TUITION	2,252,740	2,157,514	2,211,925
OPERATION	7,308,067	9,820,200	9,746,698



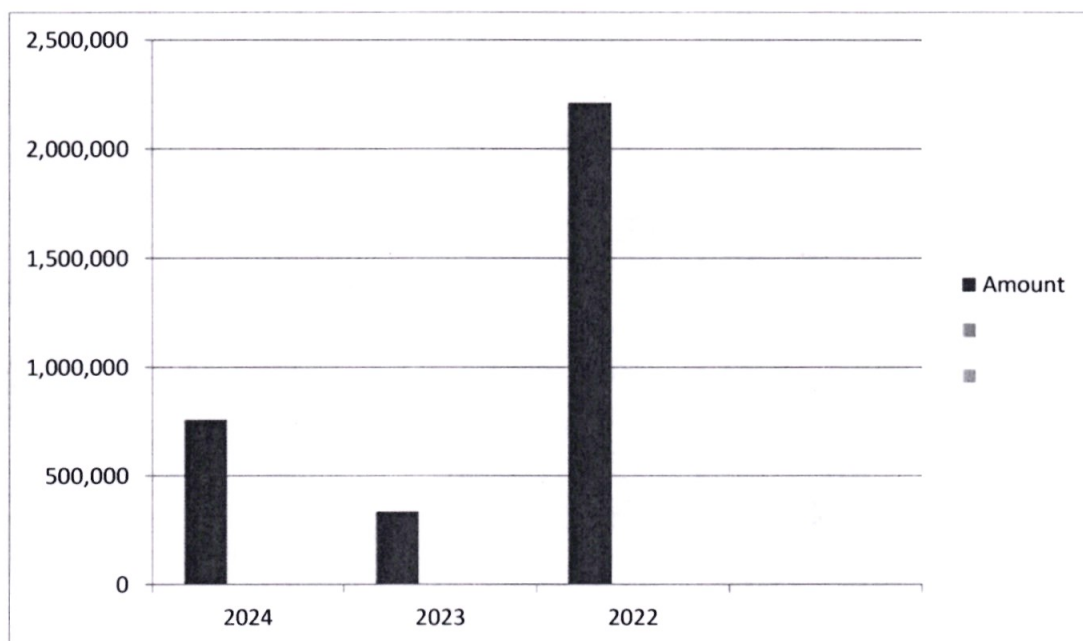
iii) Capitation Grant per Student Ratio.

ACCOUNT	2024	2023	2022
TUITION	1:2202	1:2738	1:1331
OPERATION	1:10589	1:12462	1:9435



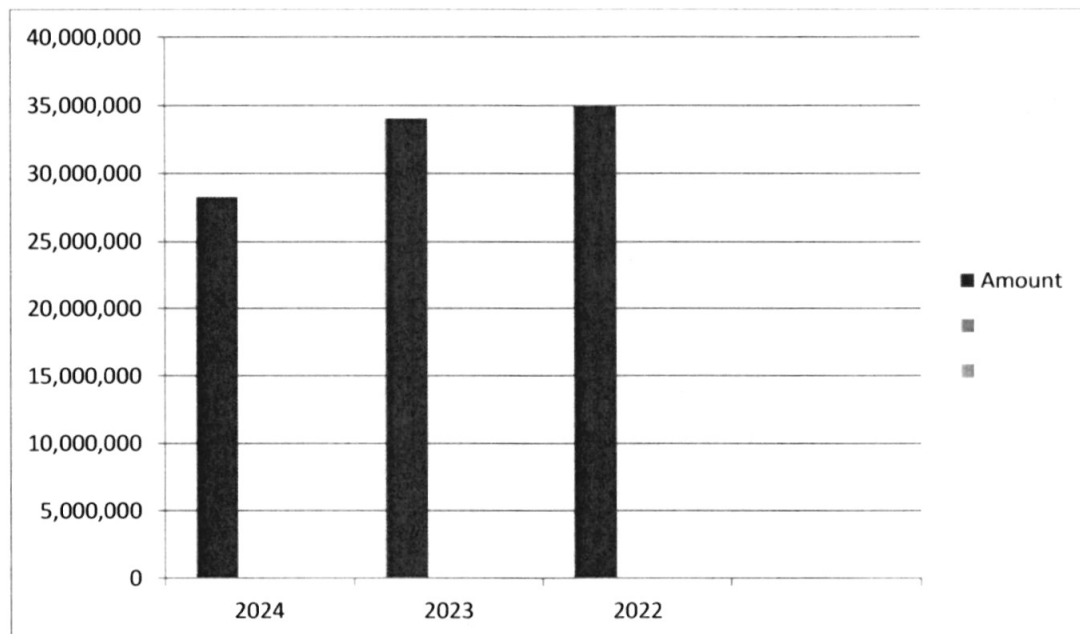
iv) A three – year overview of growth of other income (S) earned by school.

Year	Amount
2024	760,000
2023	337,500
2022	2,211,350



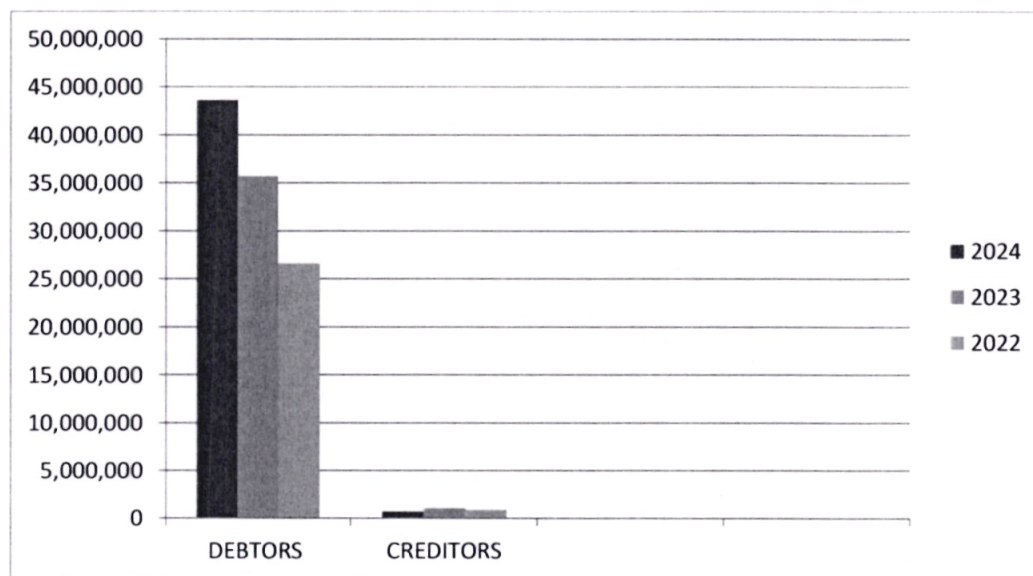
v) A three –year overview of growth in expenditure of the school.

Year	Amount
2024	28.294,071
2023	34,021,871
2022	34,945,603



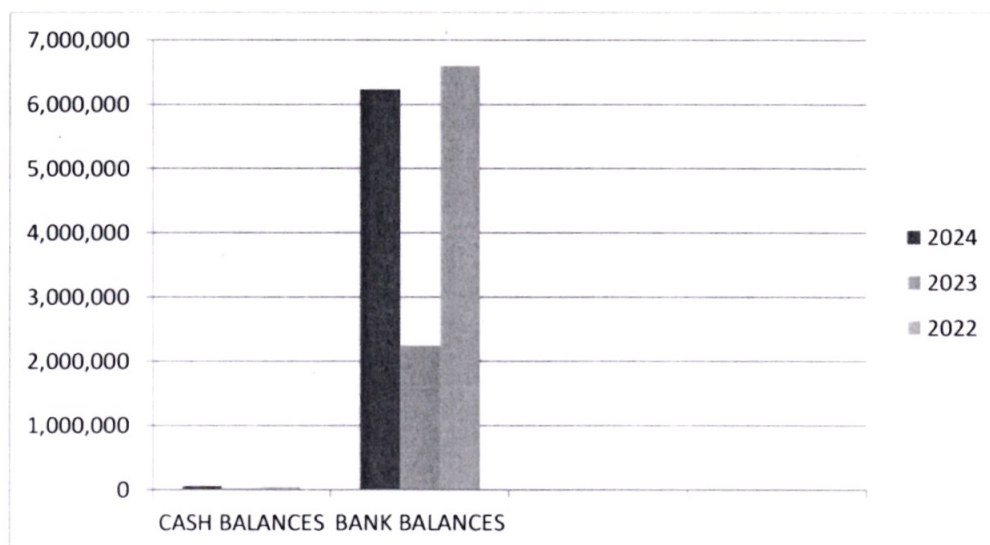
vi) Movement of debtors and creditors of the school over the last three years.

DESCRIPTION	2024	2023	2022
DEBTORS	43,637,584	35,707,931	26,582,463
CREDITORS	705,936	1,089,806	907,441.00



vii) Movement of cash and bank balances over the last three years.

DESCRIPTION	2024	2023	2022
CASH BALANCES	64,653	19,412	42,568
BANK BALANCES	6,230,581	2,241,505	6,598,904



(b)Teacher student ration.

<i>Title</i>	<i>No.</i>
<i>Number of teachers</i>	36
<i>Number of students</i>	1265
<i>Ratio</i>	1:35
<i>Number of Teachers transferred</i>	2
<i>Number of Teachers employed by TSC</i>	14
<i>Number of Teachers employed by B.O.M</i>	22

<i>Number of Teachers per subject</i>	<i>Subject</i>	<i>No.</i>
	<i>Agriculture</i>	4
	<i>Biology</i>	4
	<i>Mathematics</i>	10
	<i>Physics</i>	5
	<i>Chemistry</i>	6
	<i>English</i>	6
	<i>Kiswahili</i>	7
	<i>Business studies</i>	4
	<i>Geography</i>	3
	<i>History</i>	4
	<i>C.R.E</i>	4
	<i>I.R.E</i>	3
	<i>Computer Studies</i>	1
	<i>French</i>	1

(c) Mean score in the 2023 KCSE

Year	No. Candidates	Mean score	School's set score	No of students to university	Comments
2023	214	3.1636	4.0 (D+)	4	A drop in performance but 4 students proceeded to university
2022	208	3.317	4.0 (D+)	5	Improved performance but 5 students proceeded to university
2021	174	3.2011	4.0 (D+)	5	a drop in performance but 5 students proceeded to university

(d) Number of Candidates in the 2023 KCSE

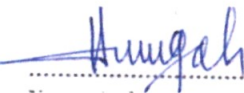
Year	No. of candidates
2023	214
2022	208
2021	174

(e) Capacity of the school

No. of students	Facility	Quantity
1265	Dining hall	0
1265	Laboratory	4
1265	Library	1
1265	Toilets	32
1265	Dormitories	0

b) Development projects carried out by the school:

LIBRARY	MOE	ON GOING	2,707,244.00	432,320	31ST DEC.2024
RENOVATION OF SCHOOL BUILDINGS	MOE	APPROVED	819,962.00		31 ST DEC 2024



School Principal



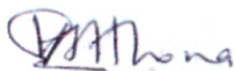
4. Statement of School Management Responsibility

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 (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 *(Name of 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).

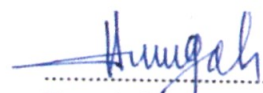
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2024, and of the school's financial position as at that date.



.....
Name: George Kuza

Designation: Chairman, School Board of Management

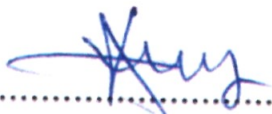
Date: 12/04/2026



.....
Name: Anderson Munga

Designation: School Principal & Secretary to Board of Management

Date: 12/04/2026



.....
Name: Arthur Kazikazi

Designation: Bursar/ Finance Officer

Date: 12/04/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON RABAI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - KILIFI 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 Rabai Secondary School set out on pages 1 to 26, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Rabai Secondary School for the year ended 30 June, 2024 - Kilifi County

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

Basis for Qualified Opinion

1. Unsupported Infrastructure Expenditure

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects infrastructure expenditure of Kshs.1,640,140 relating to construction of classrooms. The amount includes Kshs.754,245 paid to a contractor which was not supported with payment vouchers.

In the circumstances, the accuracy and completeness of infrastructure expenditure of Kshs.1,640,140 could not be confirmed.

2. Unsupported Transfers for Co-curricular Activities

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs.16,522,520. Included in the amount was administration costs of Kshs.1,926,066 which includes an amount of Kshs.970,200 transferred to Regional, County and Sub County Directors of Education for co-curricular activities which was not supported with any documentations or circulars approving the rates to be remitted, or indicating how these amounts were arrived at.

In the circumstances, the accuracy, completeness and validity of the expenditure on co-curricular activities of Kshs.970,200 could not be ascertained.

3. Variances and Unsupported Cash and Cash Equivalents

The statement of assets and liabilities as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents of Kshs.6,295,234 and Kshs.2,260,917 as at 30 June, 2024 and 30 June, 2023 respectively while the statement of cashflows reflects cash and cash equivalents of Kshs.30,733,669 and Kshs.18,912,301 as at 30 June, 2024

and 30 June, 2023 respectively resulting to variances of Kshs.24,438,435 and Kshs.16,651,384.

Further, Note 11 to the financial statements reflects cash balances of Kshs.64,653 which was not supported with board of cash survey certificate at the end of the year.

In the circumstances, the accuracy and completeness of total cash and cash equivalents of Kshs.6,295,234 could not be confirmed.

4. Variances in the Statement of Cash Flows

- i) The statement of cash flows reflects total payments of Kshs.26,683,931 in the 2023/2024 financial year. However, the statement of receipts and payments and statement of budgeted versus actual reflects total payments of Kshs.28,294,091 and Kshs.28,290,403 respectively resulting to a variance of Kshs.1,601,140 and Kshs.1,606,472 respectively.
- ii) The statement of cash flows reflects cash outflows for boarding/lunch and school fund payments of Kshs.16,552,520 while Note 9 reflects boarding and school fund payments of Kshs.16,522,520 resulting to a variance of Kshs.30,000.
- iii) The statement of cash flows reflects a Nil amount for acquisition of assets in the 2023/2024 and 2022/2023 financial years while the statement of receipts and payments and statement of budgeted versus actual amounts reflects infrastructure expenditures of Kshs.1,640,140 and Kshs.4,215,549 for the years ended 30 June, 2024 and 30 June, 2023 respectively.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Rabai Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.39,983,808 and Kshs.38,505,299 respectively, resulting to under funding of Kshs.1,478,509. However, the School spent an amount of Kshs.28,290,403 against actual receipts amounting to Kshs.38,505,299 resulting to an underutilization of Kshs.10,214,896 or 26% of actual receipts.

The under-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 communicate in my report.

Other Information

Management is responsible for the Other Information set out on page iii to xvi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

Basis for Conclusion

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

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments amount of Kshs.16,522,520. Included in the amount was administration costs of Kshs.1,926,066 which included Kshs.54,900 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.54,900 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects government grants for infrastructure of Kshs.4,312,540. Further, the infrastructure grant of Kshs.4,312,540 includes an amount of Kshs.2,861,300 which was not transferred within fifteen(15) days upon receipt in the operations account. This was contrary to the Ministry of Education Circular Ref. No: HQS/3/13/3, dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account

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

3. Under Funding of Capitation Grants

The statement of receipts and payments and as disclosed in Notes 1 and Note 2 to the financial statements reflects government grants for tuition and operations amounts of Kshs.2,252,740 and Kshs.7,308,067 respectively. During the financial year, NEMIS reported a total number of three thousand five hundred and eighty-eight (3,588) students while the enrolment records provided by the school indicated a total number of four thousand eight hundred and fifty-seven (4,857) students, resulting in an unexplained variance of one thousand two hundred and sixty-nine (1,269) students which led to underfunding of the school by Kshs.4,676,709. This was contrary to, paragraph 3.2 of the Ministry of Education Circular Ref. MOE.HQS/3/10/18 VOL.II/ (33) dated 7 March, 2024 which states that it is the responsibility of the Principal to ensure accuracy of the data available on NEMIS where every eligible learner is fully registered on the platform.

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

4. Irregularities in Human Resource Management

The statement of receipts and payments and as disclosed in Note 7 and Note 9 to the financial statements reflects operations and boarding and school fund payments of Kshs.8,577,939 and Kshs.16,522,520 respectively which includes personnel emoluments of Kshs.10,186,410. The personnel emoluments was paid to twenty (20) School's Board of Management teachers and fourteen (14) non-teaching staff. However, Management did not provide for audit the approved staff establishment contrary to Section 4.8.1 of Norms and Standards for Management of Human Resource in the Public Service, June 2017 which states that staff recruitment and selection will be based on human

resource plans, authorized staff establishment and clear job descriptions and specifications.

Further, Management did not provide terms and conditions of service contrary to Section 13 of the Fourth Schedule of the Basic Education Act, 2013 which states that a Board of Management may, upon such terms and conditions of service as the County Education Board may determine, employ such staff or hire the services of such consultants or experts as may be necessary for the proper performance of its functions.

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

5. Failure to Open Income Generating Account

The statement of receipts and payments as disclosed in Note 5 to the financial statements reflects miscellaneous income of Kshs.760,000 bank which consists of income earned from hiring of the school bus and income from farming activities. However, School Management did not open a separate bank account for the income generating activities contrary to the recommendation of Paragraph 3.4.5 of the Ministry of Education Circular Ref. MOE.HQS/10/18 Vol.II/(33) dated 07 March, 2024 which states that states that a saving account is an account for banking funds paid by parents for boarding related expenses. and that Schools with income generating activities shall open separate bank accounts for the same.

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

6. Irregularities in Procurement of Goods and Services

The statement of receipts and payments and as disclosed in Note 6 and Note 9 to the financial statements reflects tuition and school fund payments amounts of Kshs.1,553,472 and Kshs.16,522,520 respectively which includes expenditure of Kshs.3,484,310 incurred on procurement of various goods and services. However, examination of the payment vouchers and supporting documentation revealed the following procurement irregularities:

- i) The School did not have a procurement plan and needs analysis report as required by Section 53(2) of the Public Procurement and Asset Disposal Act, 2015.
- ii) The School did not maintain a list of pre-qualified suppliers as required under Section 57(1) of the Public Procurement and Asset Disposal Act, 2015.
- iii) There was no evidence that the goods were inspected after delivery to confirm if what was requested is what was delivered. This is contrary to Section 48 (3) of the Public Procurement and Asset Disposal Act, 2015 which states that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.

- iv) There were no signed contracts between the School and the suppliers contrary to Section 134(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the accounting officer shall be responsible for preparation of contracts in line with the award decision and Section 3 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, 2020 which requires the school to prepare a contract for supply of goods, works or services, and arrange for the signing between the selected supplier and the school Head teacher which should be signed after an elapse of fourteen days from the date of award notification.
- v) The value of capacity building levy to be paid by the suppliers on all procurement contracts could not be determined since there were no signed contracts. This is contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of 0.03% of the value of the signed contract, exclusive of applicable taxes.

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. Long Outstanding Accounts Receivables

The statement of financial assets and liabilities as disclosed in Note 13 to the financial statements reflects accounts receivables of Kshs.43,637,584. However, accounts receivables balance of Kshs.18,742,746 have been outstanding for more than three (3) years. Management did not provide evidence of the efforts being made towards recoverability of the long outstanding fees arrears.

In the circumstances, the existence of effective debt recovery measures could not be confirmed and recoverability of fees arrears from students, who have since left the School, amounting to Kshs.18,742,746 is doubtful.

2. Weaknesses in Audit Committee and Internal Audit Function

The Key School Information and Management section of the financial statements indicates the School had an audit committee that held three (3) meetings. However, no minutes or reports were provided to confirm the audit committee was operational contrary to Section 73(5) of Public Finance Management Act, 2012 which states that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

Further, no reports were provided to confirm internal audit work was carried out during the year under review contrary to Section 73(1)(a) of Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of oversight and independent assurance that the risk management, governance and internal control processes are operating effectively could not be confirmed.

3. Failure to Prepare Fixed Assets Register

The School did not maintain a fixed assets register for its assets to record necessary information such as date of acquisition, type of asset, condition and cost. This is Contrary Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the controls over management of assets were not adequate and lack of ownership documents may lead to misappropriation and physical loss of assets.

4. Failure to Prepare Strategic Plan

During the financial year under audit, the School did not have strategic plan to guide its operations since the existing strategic plan covers the five year period between 2018 and 2023 and had therefore lapsed. This contravenes Section 68(2)(g) of the Public Finance Management Act, 2012 which states that in the performance of a function under subsection (1), an accounting officer shall prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and fiscal policy objectives of the national government.

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

5. Weaknesses in the Board of Management

The Key School Information and Management section of the financial statements indicates that the School Board of Management constituted thirteen (13) members. However, appointment letters, board charter and board annual work plan was not provided for audit.

In the circumstances, weakness in the governance mechanism may hinder the management achievement of the school's strategic objectives.

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

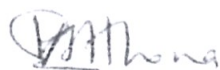
Nairobi

30 April, 2026

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

Receipts			
Government grants for tuition	1	2,252,740	2,157,514
Government grants for operations	2	7,308,067	6,646,200
Government Grants for infrastructure	3	4,312,540	3,174,000
School fund income- parents' contributions	4	23,871,952	24,451,122
Miscellaneous incomes	5	760,000	337,500
Total Receipts		38,505,299	36,766,336
Payments			
Tuition	6	1,553,472	2,200,704
Operations	7	8,577,939	9,541,485
Infrastructure	8	1,640,140	4,215,549
Boarding and school fund	9	16,522,520	18,063,933
Total Payments		28,294,071	34,021,871
Surplus/Deficit		10,211,228	2,744,665

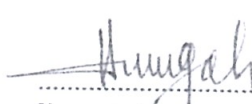
The school financial statements were approved on 12/04/2026 and signed by:



Name: George Kuza

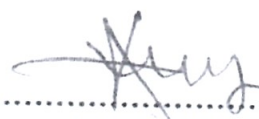
Chair BOM

Date: 12/04/2026



Name: Anderson Munga
School Principal/ Secretary to
BOM

Date: 12/04/2026



Name: Arthur Kazikazi
Bursar/ Finance Officer

Date: 12/04/2026

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

Financial Assets			
Cash and cash equivalents			
Bank balances	10	6,230,581	2,241,505
Cash balances	11	64,653	19,412.0
Short term investments	12	0.	0.
Total cash and cash equivalent		<u>6,295,234</u>	<u>2,260,917</u>
Account's receivables	13	43,637,584	35,704,931.47
Total financial assets (a)		49,932,818	37,965,848
Financial liabilities			
Accounts payables	14	705,936.00	1,089,806.00
Total Financial Liabilities (b)		705,936.00	1,089,806.00
Net financial assets (a-b)		49,266,882	36,876,042
Represented by			
Accumulated fund b/fwd	15	39,055,654	34,131,377
		10,211,228	
Surplus/deficit for the year			2,744,665
Net Assets		49,266,882	36,876,042

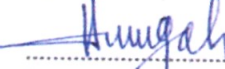
The school's financial statements were approved on 12/04/2026 and signed by:



Name: George Kuza

Chair BOM

Date: 12/04/2026



Name: Anderson Munga
School Principal/ Secretary to
BOM

Date: 12/04/2026



Name: Arthur Kazikazi

Bursar/ Finance Officer

Date: 12/04/2026



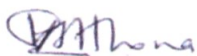
8. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,252,740	2,157,514
Government grants for operations	2	7,308,067	6,646,200
Government grants for infrastructure	3	4,312,540	3,174,000
School fund income- parents contributions/ fees	4	23,871,952	24,451,122
Other income	5	760,000	337,500
Total receipts		38,505,299	36,766,336
Payments			
Cash outflows for tuition	6	1,553,472	2,200,704
Cash outflows for operations	7	8,577,939	9,541,485
Cash outflows Boarding/lunch and school fund payments	9	16,552,520	18,063,933
Total payments		26,683,931	29,806,122
Net cash inflow/outflow from operating activities		11,821,368	6,960,214
Cash flow from investing activities			
Acquisition of assets		0	0
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		0	0
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		0	0
Net increase/decrease in cash and cash equivalents		11,821,368	6,960,214
Cash and cash equivalent at beginning of the FY		18,912,301	11,952,087
Cash and cash equivalent at end of the FY		30,733,669	18,912,301

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

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

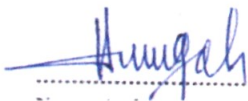
The school's financial statements were approved on 12/04/2026 and signed by:



Name: George Kuza

Chair BOM

Date: 12/04/2026



Name: Anderson Munga
School Principal/ Secretary to
BOM

Date: 12/04/2026



Name: Arthur Kazikazi

Bursar/ Finance Officer

Date: 12/04/2026



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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	2,407,656	0	2,407,656	0	0% Retained by the government.
Exercise Books	886,488.	0	886,488	870,769	98%
Laboratory Equipment	722,400	0	722,400	625,168	87% The no.of students differed from the no.budgeted
Internal Exams	0	0	0.	0	0%
Teaching / Learning Materials	309,600	0	309,600	265,602	86% The no.of students differed from the no.budgeted
Exams And Assessment	412,800	0	412,800	357,237	87% The no.of students differed from the no.budgeted
Chalk	206,400	0	206,400	133,964	65% The no.of students differed from the no.budgeted
(2) Capitation Grant on Operations					
Personnel Emoluments	5,160,000	0	5,160,000	3,107,260	60% The no.of students differed from the no.budgeted
Repairs And Maintenance	0	0	0	0	
Local Transport / Travelling	1,032,000	0	1,032,000	644,902	62% The no.of students differed from the no.budgeted

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity And Water	1,444,800	0	1,444,800	879,412	61% The no.of students differed from the no.budgeted
Medical	1,704,864	0	1,704,864	727,725	43% The no.of students differed from the no.budgeted
Administration Costs	2,064,000	0	2,064,000	1,231,178	60% The no.of students differed from the no.budgeted
Activity	1,238,400	0	1,238,400	717,590	58% The no.of students differed from the no.budgeted
Gratuity	0	0	0	0.	
SMASSE	206,400	0	206,400	0	
3) FDSE for infrastructure					
Maintenance &Improvement MoE	5,160,000	0	5,160,000	4,312,540	84% The no.of students differed from the no.budgeted
M&I parents' contribution	0	0	0	0	
Economic Stimulus Programs	0	0	0	0	
Transition Infrastructure Grants	0	0	0	0	
Administration Block	0	0	0	0	
(4) Fees Charged on Parents					
Personnel Emoluments	8,256,000	0	8,256,000	12,389,316	150% The no.of students differed from the no.budgeted

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Repairs And Maintenance	0	0	0	0	
Local Transport / Travelling	0	0	0	0	
Electricity And Water	0	0	0	0	
Medical	0	0	0	0	
Administration Costs	0	0	0	136,072	
Activity	0	0	0	0	
SMASSE	0	0	0	0	
Fee On Boarding Equipment and Stores	8,772,000	0	8,772,000	11,346,564	129% The no.of students differed from the no.budgeted
5) Miscellaneous Income					
Loans / Borrowing	0	0	0	0	
Rent income	0	0	0	0	
Income From Farming Activities	0	0	0	23,000	0% Not budgeted
Insurance Compensation	0	0	0	0	
Income From Posho Mill	0	0	0	0	
Income From Bus Hire	0	0	0	737,000	0% Not budgeted

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Fee For Hire of Ground and Equipment	0	0	0	0	
Interest Income	0	0	0	0	
Income From Any Other Investment	0	0	0	0	
Total Income	39,983,808	0	39,983,808	38,505,299	96%
(6) Expenditure For Tuition					
Textbooks	2,407,656	0	2,407,656	0	0% Retained by the government
Reference Materials	0.00	0	0	0	
Exercise Books	886,488	0	886,488	553,374	62% The no.of students differed from the no.budgeted
Laboratory Equipment	722,400	0	722,400	327,206	45% The no.of students differed from the no.budgeted
Internal Exams	0	0	0	0	0%
Teaching / Learning Materials	309,600	0	309,600	216,630	70% The no.of students differed from the no.budgeted
Chalks	206,400	0	206,400	56,920	28% The no.of students differed from the no.budgeted
Exams And Assessment	412,800	0	412,800	389,670	94%
Teachers Guides	0	0	0	0	
Administration Costs	0	0	0	0	
Bank Charges	0	0	0	9,672	Not budgeted
(7) Expenditure For					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Operations					
Personnel Emoluments	5,160,000	0	5,160,000	3,753,122	73% The no.of students differed from the no.budgeted
Repairs, Maintenance & Improvements					
Local Transport / Travelling	1,032,000	0	1,032,000	816,725	79% The no.of students differed from the no.budgeted
Electricity, Water and Conservancy	1,444,800	0	1,444,800	746,700	52% The no.of students differed from the no.budgeted
Medical	1,704,864	0	1,704,864	17,710	1% The no.of students differed from the no.budgeted
Administration Costs	2,064,000	0	2,064,000	1,993,664	97%
Activity Expenses	1,238,400	0	1,238,400	1,246,350	101% The no.of students differed from the no.budgeted
Gratuity	0	0	0	0	
SMASSE	206,400	0	206,400	0	0% Retained by the government
(8) Expenditure For infrastructure					
Construction of Library	5,160,000	0	5,160,000	1,640,140	32% On going project
Construction of LAB	0	0	0	0	
Construction of DORMS	0	0	0	0	
Purchase of furniture	0	0	0	0	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of equipment	0	0	0	0	
Purchase of machinery	0	0	0	0	
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	8,256,000	0	8,256,000	6,433,288	78% The no.of students differed from the no.budgeted
Repairs, Maintenance and Improvements	0	0	0	891,660	0% Not budgeted
Local Transport / Travelling	0	0	0	0	
Electricity, Water and Conservancy	0	0	0	0	
Medical Expenses	0	0	0	0	
Administration Costs	0	0	0	1,926,066	0% Not budgeted
Activity	0	0	0	652,966	0% Not budgeted
Gratuity	0	0	0	0.00	
Lunch Programme	8,772,000	0	8,772,000	6,042,791	69% The no.of students differed from the no.budgete
Boarding Equipment and Stores	0	0	0	0	
Expenditure For Income Generating Activity	0	0	0	565,960	
Insurance Costs	0	0	0	0.00	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Other Expenses On Investments	0	0	0	0	
Rent Expenses	0	0	0	0	
Bank Charges	0	0	0	9,789	
Loan Interest Repayment	0	0	0	0	
Loan Principal Repayment	0	0	0	0	
Acquisition Of Assets	0	0	0	0	
Totals	39,983,808.	0	39,983,808	28,290,403	71% <i>The no,of Students differed from the no.budgeted.</i>

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Xxx
- ii. Xxx

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	0	0
Exercise Books	870,769	841,431
Laboratory Equipment	625,168	604,105
Internal Exams	357,237	345,240
Teaching / Learning Materials	265,602	237,327
Chalk	133,964	129,411
Total	2,252,740	2,157,514

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,107,260	3,138,065
Repairs And Maintenance	0	0
Local Transport / Travelling	644,902	655,325
Electricity And Water	879,412	893,625
Medical	727,725	78,900
Administration Costs	1,231,178	1,275,785
Activity	717,590	604,500
Other Vote Heads (specify)*		
Total	7,308,067	6,646,200

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	4,312,540	3,174,000
Transition infrastructure grants	0	0
Administration Block	0	0
Economic stimulus grants	0	0
Other (specify)(NGCDF and County govt.	0	0
Total	4,312,540	3,174,000

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

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	12,389,316	10,221,685
Repairs and maintenance	0	0
Local transport / travelling	0	0
Electricity and water	0	0
Medical	0.	0
Administration costs	136,072	2,445,925
Activity	0	0
Fee on Boarding Equipment and stores	0	0
PA Levies*	0	0
Others (specify)	11,346,564	11,783,512
Total	23,871,952	24,451,122

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

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent Income	0	0
Income From Farming Activities	23,000	83,500
Insurance Compensation	0	0
Income From Posho Mill	0	0
Income From Bus Hire	737,000	254,000
Fee For Hire of Ground and Equipment	0	0
Income From Grants and Donations*	0	0
Interest Income	0	0
Dividends Income	0	0
Loans/Borrowings*	0	0
Other Income (specify) *	0.	0
Total	760,000	337,500

(Include an explanation on the kind and source of grants/ donations received by the school.)

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	553,374	978,464
Textbooks	0	0
Reference materials	0	0.
Laboratory Equipment	327,206	139,855
Teaching / Learning Materials	216,630	294,605
Exams And Assessment	389,670	618,260
Teachers Guides	0	0
Bank Charges	9,672	8,200
Others (specify)	56,920	161,320
Total	1,553,472	2,200,704

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,753,122	3,289,489
Service Gratuity	0	206,810
Administration Cost	1,993,664	2,871,736
Repairs And Maintenance & Improvements	0	0
Local Transport / Travelling	816,725	737,765
Electricity And Water	746,700	1,230,730
Medical	17,710	10,185.
Activity Expenses	1,246,350	1,189,698.
Insurance Cost	0	0
Others (specify)	3,668	5,272.00
Total	8,577,939	9,541,485

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	1,640,140	4,215,549
Construction of laboratory	0	0
Construction of dormitory	0	0
Purchase of furniture	0	0
Purchase of equipment	0	0
Purchase of apparatus	0	0
Drilling of boreholes	0	0
Others (specify)	0	0
Total	1,640,140	4,215,549

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	6,433,288	6,506,887
Service Gratuity	0	0
Repairs And Maintenance & Improvements	891,660	682,783
Local Transport / Travelling	0	0
Electricity And Water	652,966	0
Medical Expenses	0	0
Administration Costs	1,926,066	3,759,981
Lunch Programme	6,042,791	6,504,388
Bank Charges	9,789	33,614
Expenses On Income Generating Activities**	565,960	576,280
Fee On Boarding Equipment and Stores	0	0
Rent Expenses	0	0
Insurance Cost (Life Property)	0	0
Loan Principal Repayment	0	0
Loan Interest Repayment	0	0
Acquisition Of Assets	0	0
PA expenses	0	0
Others (specify)	0	0
Total	16,522,520	18,063,93

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

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	095000010959	310,884	33,763
Operations Account	Active	1107933595	2,946,678	2,384
School Fund Account/Boarding	Active	1125694661	112,595	120,905
Savings Account	Active	1146262833	900,605	21,339
Parent Association Development Account	-	-	0	0
Income Generating Activities Account	-	-	0	0
Infrastructural Account	Active	1276712286	1,959,819	2,063,114
Total			6,230,581	2,241,505

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	64,653	19,412
Total	64,653	19,412

12 Short Term Investments

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

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13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	43,635,084	33,719,931
Other Non-Fees Receivables	0	1,985,000
Salary Advances (list/schedule attached)	2,500	0
Imprest (list/schedule attached)	0	0
Rent arrears (list/schedule attached)	0	0
Total	43.637,584	35,704,931

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	6,741,742	18%	0	26%
Between 1- 2 years	5,836,564	15%	9,473,923	8%
Between 2-3 years	12,316,532	33%	2,918,282	29%
Over 3 years	18,742,746	34%	23,312,276	37%
Total (should tie to note 13 a)	43,637,584	100%	35,704,931	100%

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	0	589,861
Prepaid Fees	705,936	499,945
Retention Monies	0	0
Unpaid salaries and statutory deductions	0	0
Caution money	0	0
Other payables (<i>specify</i>)	0	0.
Total	705,936	1,089,806

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	705,936	1000%	1,089,806	100%
Between 1- 2 years	0	0%	0	%
Between 2-3 years	0	0%	0	%
Over 3 years	0	0%	0	%
Total (should tie to note 14)	705,936	100%	1,089,806	100%

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	2,241,505	6,598,904
Cash Balances	19,412	42,568
Short Term Investments	0	0
Receivables	35,704,931	26,582,463
Payables	1,089,806	907,442
Total	39,055,654	34,131,377

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual-related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non-financial assets and liabilities.

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	1	40,000	28,000
Goats	15	5,000	75,000
Trees	0	0	0
Coffee Or Tea Plantation	0	0	0
Poultry	0	0	0
Others (specify)	0	0	0
Total		45,000	103,000

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

Other important disclosure notes

19 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	0	0
Lab consumables	0	0
Farm produce	0	0
Medication	0	0
Construction Materials	0	0
Others (specify)	0	0
	0	0

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

20 Progress On Follow Up of Auditor Recommendations

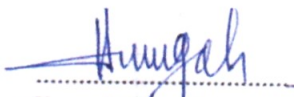
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies of the Financial Statements		Not Resolved	2026
2	Unsupported Accounts Payables		Not Resolved	2026
3	Budget underutilization		Not Resolved	2026
4	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)	The management has taken note of the recommendation and will seek guidance from the M.O.E where contributions are to be made to the KESSHA. KESSHA is not a welfare organization but an association which brings principals together to share experiences and chat a way forward on how to improve performance in schools	Resolved	-
5	Late Transfer of Infrastructure Funds from Operations Bank Account	The management in future will adhere to the 15 days compliance as we were previously unaware.	Resolved	-
6	Under Funding of Capitation Grants	The school management will update NEMIS records on time and communicate to the responsible stakeholders involved of the same	Resolved	-
7	Non -Compliance	The law was complied	Resolved	-

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	with the Law of Affirmative Action	with because no person with disability applied and was denied opportunity. We employ teachers and workers based on their qualification.		
8	Irregularities in Human Resource Management	The school management has taken note of the recommendation of OAG and will in future make sure to comply as such.	Resolved	-
9	Weakness in Procurement of Goods and Services	The school management will adhere to the procurement laws and regulations in future to ensure outmost compliance and inform all relevant parties	Resolved	-
10	Non -Compliance with Public Sector Accounting Standard Board Template	The school management has used the correct public Sector Accounting Standard Board Template as required by PSAB	Resolved	-
11	Long Outstanding Students' Debtors	Measures taken to recover the long outstanding school fees arrears i) Parents meetings to be held regularly to sensitive parents on the need to pay fees in good time. ii) Parents representatives to assist by talking to fellow parents who have difficult in payment of school fees.	Not resolved	Second term 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		iii) Use of bursary for NG-CDF and the County Government iv) Parents are allowed to pay fees in kind i.e supply firewood, maize, goats e.t.c		
12	Lack of Audit Committee and Internal Audit Function	The Audit committee is in place but it was not functioning because the board members were not sensitized well on its function. We promise to sensitize them on their role and start work with immediate effect.	Not resolved	Second term 2026
13	Lack of Fixed Assets Register	The school management has taken action by introducing the fixed assets register which will be updated whenever an asset has been procured or disposed of	Not resolved	Second term 2026
14	Weaknesses in the Board of Management	i) Board charter: we were not aware of this document but in the way going forward we shall make sure the Board charter is availed. ii) Annual work plan The annual work plan was there but was not documented. The board has at least 3 meetings every year. The committees meet at least once in every term. And the executive board meets as many times as	Not resolved	Second term 2026

		need arises. iii) Appointment letters In future a copy of all appointment letters will be kept in a file. This is the usual practice but the letters for 2022-2025 their letters were erroneously not filed		



Sign and Date
Principal



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	KShs	KShs	KShs	KShs	KShs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land				
Buildings And Structures				
Motor Vehicles	7,236,720	0	0	7,236,720
Office Equipment, Furniture and Fittings	696,000	0	0	696,000
Textbooks				
ICT Equipment	110,000	0	0	110,000
Tools And Apparatus				
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	8,042,720	0	0	8,042,720

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