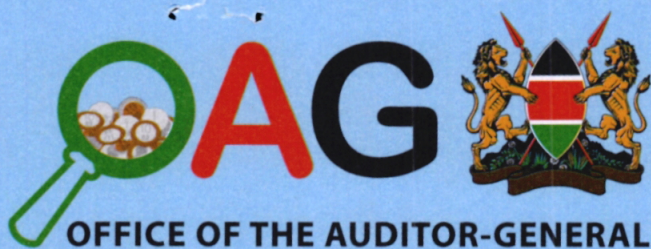


REPUBLIC OF KENYA

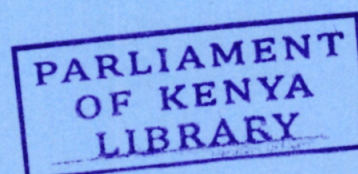


OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF



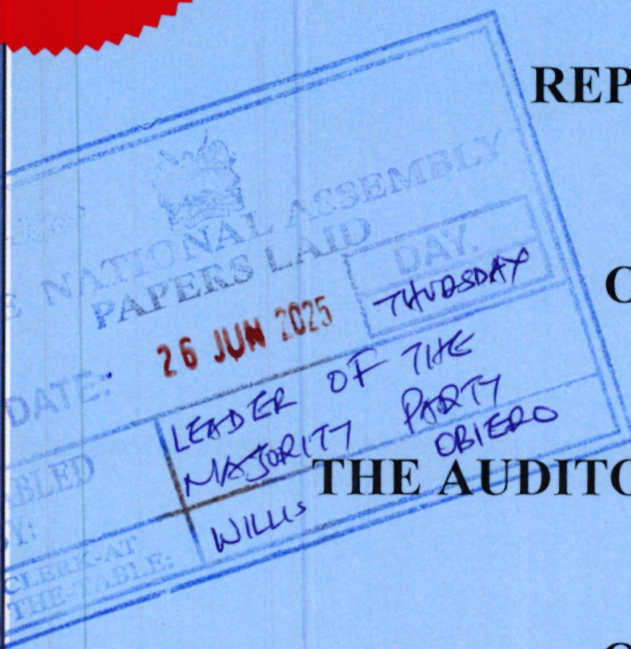
THE AUDITOR-GENERAL

ON

LAMU GIRLS SECONDARY
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

LAMU COUNTY



Revised 30th June 2024.



Lamu Girls 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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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
MASSE	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)

Key School Information and Management

[Customise the details in this section to suit your School]

(a) Background information

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

The school was registered in February/2021 under registration number 05/S/3000203 and is currently categorized as a *National*, public school established, owned or operated by the Government.

The school is a boarding school and had 744 number of students as at 30th June 2024. It has 4 streams and 36 teachers of which 12 teachers are employed by the School Board of Management.

b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Salim.M.Bunu	Chairman	13/4/2023
2	Jamilah Mohamed	Secretary - Principal	13/4/2023
3	Mariam Abdalla	Member	13/4/2023
4	Abubakar Musa	Member	13/4/2023
5	Justus Ndro	Member	13/4/2023
6	Shadya Musa	Member	13/4/2023
7	John Irungu	Member	13/4/2023
8	Fuad Sheyumbe	Member – Rep CEB	13/4/2023
9	Swabra Bakari	Member Rep Teachers	13/4/2023
10	Aisha Mohamed Lali Suleiman Maganga Shadya Musa	3 Members - Sponsor	13/4/2023
11	Abdulfatah Kassim	Member - Community	13/4/2023
12	Ahmed Adnan	Member Special Needs	13/4/2023
13	Juliet Mugure Mwangi	Rep Students	13/4/2023

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.

) 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	1.Salim.M.Bunu 2.Aboud Bahero 3.Ahmed Adnan 4. Shadya Musa 5.Jamilah Mohamed	BoM Chair Member Member Member Secretary-BoM	7 out of 7 7 out of 7 7 out of 7 7 out of 7 7 out of 7
2	Audit Committee	1.Maryam Abdalla 2.Fuad Sheyumbe 3.Ahmed Mohamed 4.Aisha Mohamed 5.Jamilah Mohamed	Chair Member Member Member Secretary	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
3	Finance,procurement and general purposes Committee	1.Suleiman Maganga 2.Abdulfatah Kassim 3.Shadya Musa	Chair Member Member	2 out of 2 2 out of 2 2 out of 2

		4.Halima Ali	Member	2 out of 2
		5.Jamilah Mohamed	Secretary	2 out of 2
4	Academic Committee	1.Ahmed Adnan 2.Swabra Bakari 3.Abubakar Omar 4.Aboud Bahero 5.Jamilah Mohamed	Chair Member Member Member Secretary	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
5	Development Committee	1.Abdulfatah Kassim 2.Salim.M.Bunu 3.Fuad Sheyumbe 4.Aboud Bahero 5.Naima Farouk 6.Rukia Abdalla	Chair Member Member Member Secretary SCDE	6 out of 7 7 out of 7 6 out of 7 7 out of 7 7 out of 7 6 out of 7
6	Discipline and welfare Committee	1.Aisha Mohamed 2.Justus Ngoro 3.Fuad Sheyumbe 4.John Irungu 5.Felister Wanjiku 6. Jamilah Mohamed 1.John Irungu 2.Aboud Bahero 3.Abubakar Omar 4.Swabra Bakari 5.Jamilah Mohamed	Chair Member Member Member Member Secretary Chair Member Member Member Secretary	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
7	Adhoc Committee (if any during the year)	0	0	0

(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	Jamilah Mohamed	TSC No. 437735
2	Deputy Principal	Naima Farouk	TSC No. 704840
3	School Accounts Clerk	Fatma Mohamed	ID No 27768018
4	Other (specify)		

e) Schools contacts

Post Office Box: 88- 80500 Lamu
 Telephone: 0717466605
 E-mail: lamugirls71@gmail.com
 Website: www.lamugirls.sc.ke
 Facebook: The Lamu Girls School
 Twitter: The Lamu Girls School

f) School Bankers

Provide details of the school bankers.

Name of Bank: Provide details of the school bankers.

Name of Bank: KCB
 Branch: LAMU
 Account Number: 1104752484
 Account Name: Lamu Girls Boarding

Name of Bank: KCB
 Branch: Lamu
 Account Number: 1104752581
 Account Name; Lamu Girls Operation

Name of Bank: KCB
 Branch: Lamu
 Account Number: 1104752204
 Account Name: Lamu Girls – Tuition

Name of Bank: KCB
 Branch: Lamu
 Account Number: 1223821072
 Account Name; Lamu Girls- Transition

- | | |
|------------------|--|
| 5. Name of Bank: | EQUITY |
| Branch: | Lamu |
| Account Number: | 1590281047988 |
| Account Name: | Lamu Girls –Boarding |
| 6. Name of Bank: | EQUITY |
| Branch: | Lamu |
| Account Number: | 1590262207827 |
| Account Name: | Lamu Girls Secondary – Parents Development |
| 7. Name of Bank: | EQUITY |
| Branch: | Lamu |
| Account Number: | 1590263348044 |
| Account Name: | Lamu Girls National School Fund |
| 8. Name of Bank; | EQUITY |
| Branch: | Lamu |
| Account Number: | 1590281047973 |
| Account Name: | Lamu Girls Secondary School Retention |

Independent Auditors

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

3 **Summary Report of Performance of The School**

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

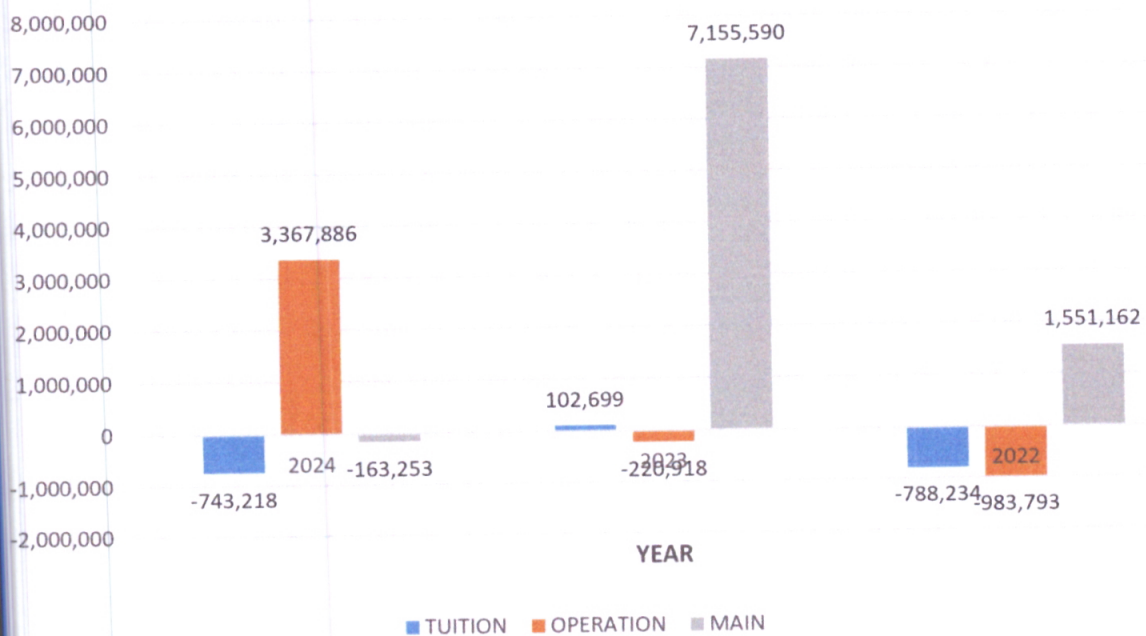
a) **Financial performance:**

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

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

S/N	ACCOUNT	2024	2023	2022
1.	TUITION	(743,218)	102,699	(788,234)
2.	OPERATION	3,367,886	(220,918)	(983,793)
3.	MAIN	(163,253)	7,155,590	1,551,162

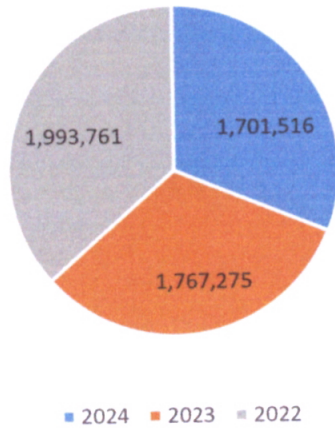
SURPLUS/DEFICIT



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

S/N	ACCOUNT	2024	2023	2022
1.	TUITION	1,701,516	1,767,275	1,993,761
2.	OPERATION	8,251,402	7,788,190	8,968,605

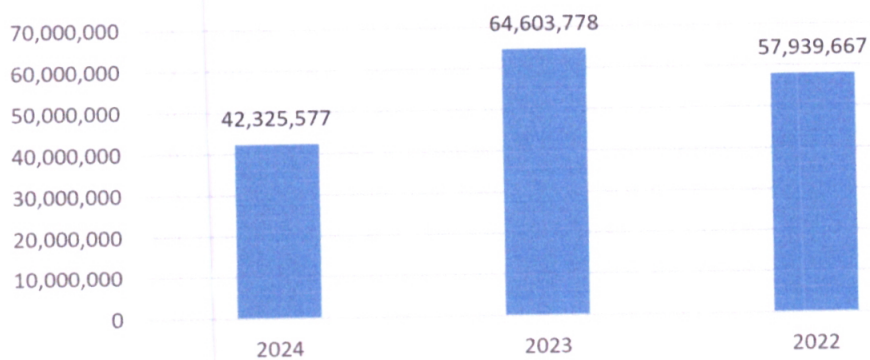
CAPITATION GRANTS



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

S/N	ACCOUNT	2024	2023	2022
1.	MAIN	42,325,577	64,603,778	57,939,667

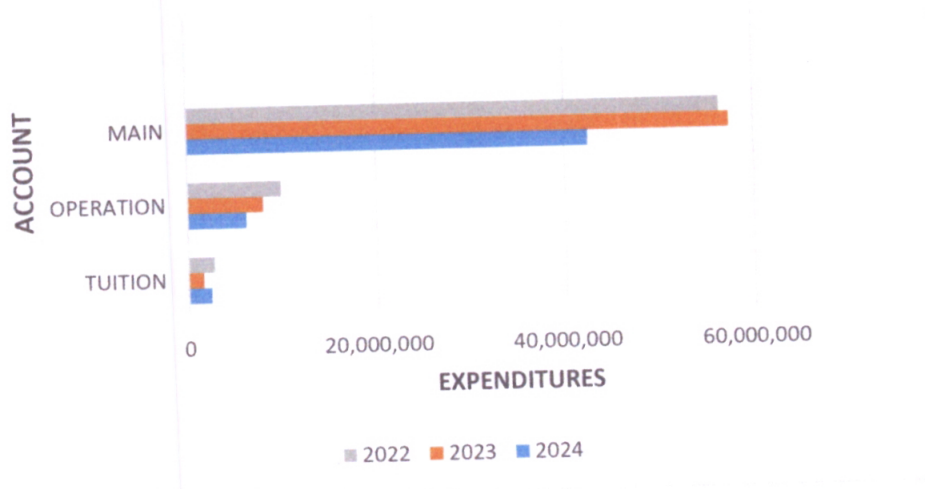
GROWTH OVER INCOME



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

S/N	ACCOUNT	2024	2023	2022
1.	TUITION	2,444,734	1,664,576	2,781,995
2.	OPERATION	6,221,913	8,009,108	9,952,398
3.	MAIN	42,488,830	57,448,188	56,388,504

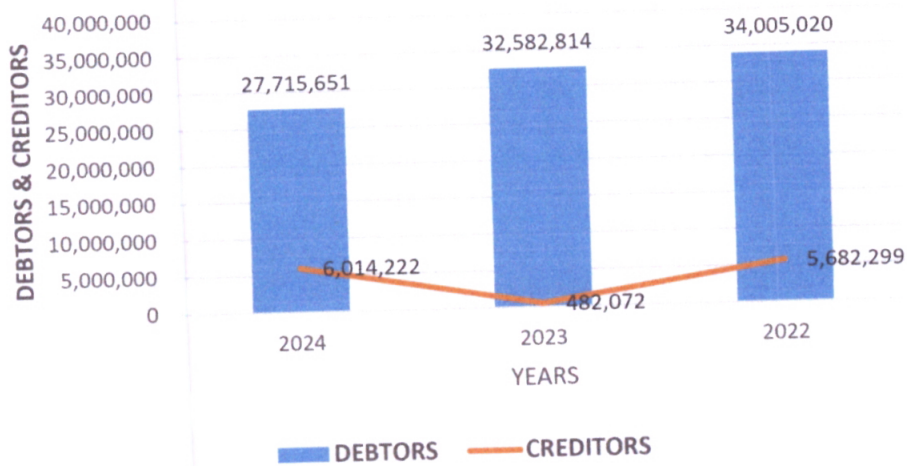
OVERVIEW GROWTH OVER EXPENDITURE



- Movement of debtors and creditors of the school over the last three years

S/N	PARTICULARS	2024	2023	2022
1.	DEBTORS	27,715,651	32,582,814	34,005,020
2.	CREDITORS	6,014,222	482,072	5,682,299

MOVEMENTS OF DEBTORS & CREDITORS



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

b) Teacher Student ratio:

(Include the teacher-to-student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject to indicate shortage/ allocation of resources).

1. Teacher to student ratio	1:30
2. Number of teachers recruited/posted to the school within the year	1
3. Number of teachers transferred during the year.	1
4. Number of teachers retired during the year	Nil
5. Number of teachers employed by TSC	25
6. Number of teachers employed by the BOM	12
7. Subject allocation:	
i. Maths	7
ii. English	6
iii. Kiswahili	7
iv. Biology	6
v. Physics	4
vi. Business Studies	3
vii. Agriculture	2
viii. Chemistry	5
ix. Geography	3
x. History and Government	4
xi. CRE	4
xii. IRE	4
xiii. Computer	2
xiv. Arabic	1
N/B: The school has a shortage in the following subjects	12 teachers

c) The mean score in the 2023 KCSE:

S/N	DESCRIPTION	2023	2022	2021
1.	Performance of the school	C	C-	C
2.	School mean score	5.82	5.45	5.9
3.	Number of students transited to higher learning	75	34	37

d) Number of Candidates in the 2023 KCSE:

(Tabulate the number of candidates sitting for KCSE over the last three years).

S/N	DESCRIPTION	2023	2022	2021
	No. of Candidates in 2023	146	159	125

e) The capacity of the school:

S/N	DESCRIPTION	2023
1.	Number of students	744
2.	Dormitories	7
3.	Dining Hall	1
4.	Laboratories: ICT Lab	1
	Home science Lab	1
	Physics Lab	1
	Chemistry Lab	1
	Biology lab	1
5.	Toilets(London 1-5 toilets, 5 bathrooms, London 2-5 toilets 5-bathrooms,London3-5toilets,5bathrooms,Holland-1-4 bathroom 7 toilets, Holland 2-7 toilets 4 bathrooms,Sweden-6 toilets,6 bathroom, Denmark 3 toilets,3 bathrooms, Ablution 5 toilets,5 bathrooms	80
6.	Kitchen	1

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

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of Computer Lab	MOE Infrastructure	Complete	3,425,320	3,426,754	25/04/2024

Handwritten signature

.....
chool Principal

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

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



.....
Name: SALIM BUNU

Designation: Chairman, School Board of Management

Date: 30/06/2024



.....
Name: JAMILAH MOHAMED

Designation: School Principal & Secretary to Board of Management

Date: 30/6/2024



.....
Name: FATMA MOHAMED

Designation: Accounts Clerk

Date: 30/6/2024

REPUBLIC OF KENYA



Enhancing Accountability

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

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

**REPORT OF THE AUDITOR-GENERAL ON LAMU GIRLS SECONDARY SCHOOL
FOR THE YEAR ENDED 30 JUNE, 2024 - LAMU 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 Lamu Girls Secondary School set out on pages 1 to 25, which comprise the statement of financial assets and financial liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Lamu Girls Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects total income final budget and actual on a comparable basis of Kshs.58,193,984 and Kshs.52,278,478 that vary with the recomputed amounts of Kshs.58,967,142 and Kshs.52,263,494 resulting in unreconciled variances of Kshs.773,158 and Kshs.14,984 respectively. In addition, the statement reflects final budgeted payments totalling Kshs.56,706,446 while the recomputed amount is Kshs.59,152,538 resulting in unexplained variance Kshs.2,446,092.

In the circumstances, the accuracy and completeness of the statement of budget versus actual amounts could not be confirmed.

2. Inaccuracies in the Financial Statements

Review of the financial statements revealed unexplained variances in amounts and balances in six (6) items between the financial statements and supporting schedules as indicated in the table below:

Particulars	Note to the Financial Statements	Financial Statement Amount (Kshs.)	Supporting Schedules Amount (Kshs.)	Variance (Kshs)
Statement of Receipts and Payments				
Government Grants for Infrastructure	3	2,154,400	1,336,000	818,400

Particulars	Note to the Financial Statements	Financial Statement Amount (Kshs.)	Supporting Schedules Amount (Kshs.)	Variance (Kshs)
Miscellaneous Income	5	2,133,609	2,092,609	41,000
Tuition Payments	6	2,444,730	3,137,666	692,936
Boarding and School Fund Payments	9	42,488,830	41,260,653	1,228,177
Statement of Financial Assets and Financial Liabilities				
Accounts Receivables	13	27,715,651	27,310,985	404,666
Accounts Payables	14	6,014,222	3,798,154	2,216,068

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

3. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,701,516 and Kshs.6,097,002 as disclosed in Notes 1 and 2 to the financial statements respectively. Review of the NEMIS capitation disbursements made to the school against the amount received by the school revealed an amount of Kshs.10,516,226 whereas the NEMIS capitation reflects an amount of Kshs.9,952,926 resulting to an unexplained variance of Kshs.563,300. Further, comparison of bank statements and the financial statements revealed amounts of Kshs.1,701,516 and Kshs.8,814,711 respectively, resulting in an unexplained variance of Kshs.2,717,709.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.1,701,516 and Kshs.6,097,002 respectively could not be confirmed.

. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.22,264,262 out of which a balance of Kshs.20,896,148 was in respect of bank and Kshs.1,368,114 was in respect of cash as disclosed in Notes 10 and 11 to the financial statements. Included in the bank balance are five (5) bank accounts with a balance of Kshs.11,986,005 whose cash books and bank reconciliation statements were not provided for audit. In addition, cash balance was not supported by cash count sheets or board of survey report.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.22,264,262 could not be confirmed.

Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.27,215,651 as disclosed in Note 13 to the financial statements. Included in the

balance are receivables amounting to Kshs.27,211,166 in respect of fee arrears out of which a balance of Kshs.21,936,378 had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.27,215,651 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lamu Girls 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 statements. Except for 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 Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, even though Management has indicated two (2) issues as resolved, the resolution process has not been supported and the issues remain unresolved as at 30 June, 2024.

Other Information

The Management is responsible for the other information set out on page iii, to xiv, which comprise of Key school Information and Management, Summary Report of Performance of the School and School 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is materially inconsistent with the financial statements.

The summary statement of performance on page viii reflects surplus/deficit amount in tuition, operations and main bank account are materially inconsistent with the financial statement as detailed below:

Account	Surplus/(Deficit) (Kshs)	Cash Book Bank Balance (Kshs)	Variance (Kshs)
Tuition	(743,218)	559,605	1,302,823
Operation	3,367,886	4,291,065	923,179
Main	(163,253)	5,705,818	5,869,071

The summary report of performance also reflects operation capitation of Kshs.8,251,402 whereas the statement of receipts and payments reflects Kshs.6,097,002 resulting in unreconciled variance of Kshs.2,154,400.

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 hereon.

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

Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects operations payment amount of Kshs.2,729,116 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.569,940 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.569,940 could not be confirmed.

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,701,516 and Kshs.6,097,002

respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of seven hundred and forty-four (744) students while the enrolment records provided by the school indicated a total number of seven hundred and forty-eight (748) students, resulting in an unexplained variance of four (4) students. As a result of the variances, the school was under funded by an amount of Kshs.88,976.

In the circumstances, the under-funding of the school may have affected service delivery to the students which did not receive capitation and value for money could not be confirmed.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.9,952,918. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year ending 30 June, 2024, NEMIS reflected seven hundred and forty-four (744) students, while records from the County Director of Education had seven hundred and forty-two (742) students, resulting in an overfunding of the school by an amount of Kshs.44,488. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

4. Failure to Prepare School Improvement Plan

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

In the circumstances, Management was in breach of the Policy Guidelines.

5. Failure to/Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.6,097,002 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.2,689,600 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.1,336,000 was transferred to infrastructure account, leaving a balance of Kshs.1,353,600 as at 30 June, 2024. Further, an amount of Kshs.668,000 and Kshs.150,000 was transferred after eighty-nine (89) and twenty-six (26) days of receipts

respectively. This was contrary to The Ministry of Education Circular Ref. No MOE.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 Policy Guidelines.

6. Late Submission of Financial Statements for Audit

Management submitted the financial statements to the Auditor-General on 14 March, 2025 instead of the statutory deadline of 30 September, 2024. This was contrary to the Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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 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.

Lack of Internal Audit Reports and Dysfunctional Board of Management Audit Committee

My view of records revealed that during the year under review, no reports of the Directorate of Schools Audit Services were discussed and implemented by the Board of Management (BOM) audit sub-committee.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Asset Valuation and Ownership Documents

Annex 2 to the financial statements on summary of fixed assets register reflects various asset class item numbering fifteen thousand six hundred and sixty-nine (15669) out of which seven hundred and fourteen items of assets were purchased during the year under review. However, critical details on date of acquisition and historical costs not been disclosed. Included in this summary are two (2) parcels of land measuring approximately 8.2 hectares and two (2) motor vehicles of undetermined value whose ownership documents were not provided for audit review.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

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

Responsibilities of the Management and 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 to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of an intention to terminate the School or 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.

A 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

June, 2025

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

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,701,516	1,767,275
Government grants for operations	2	6,097,002	5,186,190
Government Grants for infrastructure	3	2,154,400	2,602,000
School fund income- parents' contributions	4	40,191,968	47,929,123
Miscellaneous incomes	5	2,133,609	16,674,655
Total Receipts		52,278,495	74,159,243
Payments			
Tuition	6	2,444,730	1,664,576
Operations	7	2,729,116	6,661,726
Infrastructure	8	3,492,797	1,347,382
Bonding and school fund	9	42,488,830	57,448,188
Total Payments		51,155,477	67,121,872
Surplus/Deficit		1,123,018	7,037,371

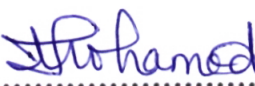
The school financial statements were approved on 30/06/2024 and signed by:

.....


Name: Salim Bunu


Chairman BOM

Date: 30/6/2024

.....


Name: Jamilah Mohamed
School Principal/ Secretary to
BOM

Date: 30/06/2024

.....





Name: Fatma Mohamed
Accounts Clerk

Date: 30/06/2024

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	20,896,148	10,602,837
Credit balances	11	1,368,114	139,094
Short term investments	12	-	-
Total cash and cash equivalent		22,264,262	10,741,931
Accounts receivables	13	27,715,651	32,582,814
Total financial assets (a)		49,979,913	43,324,745
Financial liabilities			
Accounts payables	14	(6,014,222)	(482,072)
Total Financial Liabilities (b)		(6,014,222)	(482,072)
Net financial assets (a-b)		43,965,691	42,842,673
Represented by			
Accumulated fund b/fwd	15	42,842,673	35,805,302
Surplus/deficit for the year		1,123,018	7,037,371
Net assets		43,965,691	42,842,673

The school's financial statements were approved on 30/06/2024 and signed by:

		
.....
Name: Salim Bunu	Name: Jamilah Mohamed	Name: Fatma Mohamed
Chairman BOM	School Principal/ Secretary to BOM	Accounts Clerk
Date: 30/06/2024	Date: 30/06/2024	Date: 30/06/2024


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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flow from Operating Activities			
Receipts			
Government grants for tuition		1,701,516	1,767,275
Government grants for operations		6,097,002	5,193,040
Government grants for infrastructure		2,154,400	2,602,000
School fund income- parents contributions/ fees		40,191,968	46,575,273
Other income		2,133,609	16,674,655
Total receipts		52,278,495	72,812,243
Payments			
Cash outflows for tuition		2,444,734	1,664,576
Cash outflows for operations		2,729,116	6,661,726
Cash outflows Boarding/lunch and school fund payments		42,488,830	59,879,210
Total payments		47,662,680	68,205,512
Net cash inflow/outflow from operating activities		4,615,815	4,606,731
Cash flow from investing activities			
Construction of Computer Lab		(3,425,320)	(1,347,382)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(3,425,320)	(1,347,382)
ADJUSTMENT:			
Decrease in Debtors		4,867,164	
Increase in Creditors		5,532,150	
		10,399,314	
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		11,522,332	3,259,349
Cash and cash equivalent at beginning of the FY		10,741,930	7,482,581
Cash and cash equivalent at end of the FY		22,264,262	10,741,930

(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).

(Lam Girls Secondary School)
Annual Report and Financial Statements For the year ended 30th June 2024

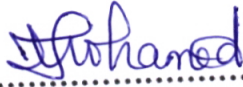
The school's financial statements were approved on **30/06/2024** and signed by:

.....


Name: **Salim Bunu**

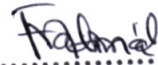
Chair BOM

Date: **30/06/2024**

.....


Name: **Jamilah Mohamed**
School Principal/ Secretary to
BOM

Date: **30/06/2024**

.....


Name: **Fatma Mohamed**

Accounts Clerk

Date: **30/06/2024**

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	375,000	-	375,000	-	0
Exercise Books	565,500	-	565,500	-	0
Laboratory Equipment	657,750	-	657,750	-	0
Internal Exams	372,000	-	372,000	-	0
Teaching / Learning Materials	353,250	-	353,250	1,701,516	62.26
Exams And Assessment	331,500	-	331,500	-	0
Chalk & Dusters	78,000	-	78,000		
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	3,172,500	-	3,172,500	2,232,849	70.38
Repairs And Maintenance	-	-	-	400,000	0.00
Local Transport / Travelling	705,000	-	705,000	-	0.00
Electricity And Water	1,057,500	-	1,057,500	794,037	75.09
Medical	487,500	-	487,500	706,800	144.98
Administration Costs	2,115,000	-	2,115,000	1,437,323	67.96
Activity	684,375	-	684,375	525,992	76.86
Gratuity	-	-	-	-	0.00

(Lamu Girls Secondary School)
Annual Report and Financial Statements For the year ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
	-	-	-	-	0.00
3) FDSE for infrastructure					
Maintenance & Improvement MoE	3,750,000	-	3,750,000	2,154,400	57.45
M&I parents' contribution	-	-	-	-	0.00
Economic Stimulus Programs	-	-	-	-	0.00
Transition Infrastructure Grants	-	-	-	-	0.00
Administration Block	-	-	-	-	0.00
(4) Fees Charged on Parents					
Personnel Emoluments	5,375,250	-	5,375,250	4,949,835	92.09
Repairs And Maintenance	1,500,000	-	1,500,000	1,378,553	91.90
Local Transport / Travelling	3,027,750	-	3,027,750	1,329,327	43.90
Electricity And Water	2,291,250	-	2,291,250	5,182,448	226.18
Medical	-	-	-	-	0.00
Administration Costs	4,584,000	-	4,584,000	3,100,854	67.65
Activity	598,500	-	598,500	706,362	118.02
SMASSE	-	-	-	-	0
Fee On Boarding Equipment and Stores	22,788,750	-	22,788,750	21,566,431	94.64
PA levies	-	1,190,000	1,190,000	1,190,000	100.00
BOM Teachers	-	773,158	773,158	773,158	100.00
5) Miscellaneous Income					
Tender Forms	-	37,000	37,000	37,000	100

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
Rent income	-	54,750	54,750	54,750	100
Income From Farming Activities	-	1,960	1,960	1,960	100
Uniforms	-	439,400	439,400	439,400	100
Refund	-	802,088	802,088	802,088	100
Laboratory	-	27,853	27,853	27,853	100
Income From Bus Hire	-	197,500	197,500	197,500	100
Clinic	-	21,163	21,163	21,163	100
SMASSE	-	544,100	544,100	544,100	100
Damages	-	1,545	1,545	1,545	100
Jerricans	-	5,350	5,350	5,350	100
Printing	-	900	900	900	100
Total Income	54,870,375	3,323,609	58,193,984	52,278,495	90
(6) Expenditure For Tuition					
Textbooks		-	-	-	0
Reference Materials	220,700	-	372,000	-	0%
Exercise Books	920,400	-	565,500	920,400	162.8
Laboratory Equipment	623,048	-	657,750	284,507	43.3
Internal Exams	377,000	-	78,000	176,450	226.2
Teaching / Learning Materials	15,600	-	353,250	1,059,164	299.8
Chalks	76,500	-	375,000	-	0
Exams And Assessment	173,700	-	331,500	-	0

(Lamu Girls Secondary School)
Annual Report and Financial Statements For the year ended 30th June 2024

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Teachers Guides	-	-	-	-	0
Administration Costs	-	-	-	-	0
Bank Charges		4,213	4,213	4,213	100
(7) Expenditure For Operations					
Personnel Emoluments	3,139,758	-	3,139,758	1,468,364	0.00
Repairs, Maintenance & Improvements	-	10,400	10,400	10,400	0
Local Transport / Travelling	721,000	-	721,000	300,100	41.62
Electricity, Water and Conservancy	1,076,850	-	1,076,850	239,650	22.25
Medical	503,800	-	503,800	70,672	14.03
Administration Costs	2,300,975	-	2,300,975	379,830	16.51
Activity Expenses	949,800	-	949,800	243,480	25.63
Gratuity	-	-	-	-	0
SMASSE	-	-	-	-	0
Tuition				6,750	
Bank Charges	-	9,870	9,870	9,870	100
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	0
Construction of Computer LAB	3,750,000	-	3,750,000	3,144,788	93.1
Retention money	-	-	-	343,966	0
Bank charges	-	-	-	4,043	0

(Lamu Girls Secondary School)
Annual Report and Financial Statements For the year ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% OF Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of equipment	-	-	-	-	0
(9) Expenditure For school fund/lunch/boarding	6,864,558	-	6,864,558	8,126,019	118.4
Personnel Emoluments	2,017,875	-	2,017,875	2,401,265	119.0
Repairs, Maintenance and Improvements	2,157,900	-	2,157,900	2,322,852	107.6
Local Transport / Travelling	2,476,470	-	2,476,470	2,255,096	91.1
Electricity, Water and Conservancy	-	-	-	96,275	0.0
Medical Expenses	3,724,100	-	3,724,100	5,883,399	158.0
Administration Costs	1,963,950	-	1,963,950	1,130,050	57.5
Activity	-	-	-	-	0.0
Gratuity	-	-	-	-	0.0
Lunch Programme	22,652,463	-	22,652,463	18,177,119	80.2
Boarding Equipment and Stores	-	50,170	50,170	50,170	100
Expenditure For Farm Activity	-	33,000	33,000	33,000	100
Clinic	-	82,491	82,491	82,491	100
Laboratory	-	-	-	-	0
Rent Expenses	-	60,905	60,905	62,105	100
Bank Charges	-	336,555	336,555	336,555	100
Refund	-	138,600	138,600	138,600	100
Uniform	-	138,600	138,600	138,600	100

(Lamu Girls Secondary School)
Annual Report and Financial Statements For the year ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Agriculture Project	-	141,410	141,410	141,410	100
Bus Hire	-	84,060	84,060	84,060	100
Kessha	-	660	660	660	100
Welfare	-	20,000	20,000	20,000	100
SMASSE	-	654,530	654,530	654,530	100
BOM Salaries	-	476,675	476,675	476,675	100
Tuition A/C	-	16,500	16,500	16,500	100
Loan Interest Repayment	-	-	-	-	0
Loan Principal Repayment	-	-	-	-	0
Acquisition Of Assets	-	-	-	-	0
Totals	56,706,446	2,090,039	56,706,446	51,155,478	90

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.

1. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	1,701,516	1,767,275
Others (specify)*	-	-
Total	1,701,516	1,767,275

Include others as per MOE circulars

Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	2,232,850	2,125,461
Repairs And Maintenance	400,000	-
Local Transport / Travelling	-	175,049
Electricity And Water	794,037	1,062,730
Medical	706,800	128,500
Administration Costs	1,437,323	1,328,413
Activity	525,992	366,038
Other Vote Heads (specify)*	-	-
Total	6,097,002	5,186,191

Include others as per MOE circulars

Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	2,154,400	2,602,000
Transition infrastructure grants	-	-
Administration Block	-	-

Description	2023-2024	2022-2023
	Kshs	Kshs
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	2,154,400	2,602,000

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	4,949,835	5,943,636
Repairs and maintenance	1,378,553	2,000,298
Local transport / travelling	1,329,327	1,830,606
Electricity and water	5,182,448	4,348,173
Medical	-	-
Administration costs	3,100,854	3,831,192
Activity	706,362	538,044
Expenditure on Boarding Equipment and stores	21,581,431	29,437,174
Levies*	1,190,000	-
From Teachers Salaries	773,158	-
Others (specify)	-	-
Total	40,191,968	47,929,123

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

Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Savings Account Equity	-	15,375,036
Laboratory	27,853	123,284
Rent	54,750	64,725
Uniform	439,400	355,745
Smassce	544,100	615,700
Fender	37,000	27,000
Damages	1,545	5,235
Merchandise	5,350	4,430

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Refund	802,088	30,500
Scrap metal	-	1,000
Uniform	1,960	
Printing	900	
Clinic	21,163	72,000
Bus hire	197,500	-
Other Income (specify)*	-	-
Total	2,133,609	16,674,655

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.

Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	920,400	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	284,507	121,652
Teaching / Learning Materials	1,059,164	1,501,328
Exams And Assessment	-	37,600
Teachers Guides	-	-
Bank Charges	4,213	3,996
Internal Exam	176,450	-
Others (specify)	-	-
Total	2,444,734	1,664,576

Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,468,364	3,423,128
Service Gratuity	-	-
Administration Cost	379,830	1,159,100
Repairs And Maintenance & Improvements	10,400	261,300
Local Transport / Travelling	300,100	337,300
Electricity And Water	239,650	190,760
Medical	70,672	105,103
Activity Expenses	243,480	1,171,045
Bank charges	9,870	13,990
Insurance Cost	-	-
Tuition	6,750	-
Others (specify)	-	-
Total	2,729,116	6,661,726

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Infrastructure Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	384,681.95
Purchase of shelves	-	888,000
Repair of RAMS and Pillars	-	74,700
Construction of laboratory	-	-
Construction of dormitory	-	-
Construction Computer Lab	3,425,320	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	3,425,320	1,347,381.95

Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	8,126,018	7,731,579
Refund	336,555	107,788
Repairs And Maintenance & Improvements	2,401,265	3,185,377
Local Transport / Travelling	2,322,852	2,042,766
Electricity And Water	2,255,096	1,982,764
Medical Expenses	96,275	78,910
Administration Costs	5,883,399	4,752,613
Activity	1,130,050	533,210
Uniform	138,600	646,980
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	18,177,119	16,436,947
Tuition A/c	16,500	1,015,310
Agriculture projects	141,410	58,400
School Bus Hire	84,060	99,920
Farm Projects	50,170	51,300
Kessha	660	-
Clinic	33,000	-

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Welfare	20,000	15,405
Contribution Money	-	320,487
Saving Account Equity	-	17,931,627
Interest charges	82,491	
Interest on Teachers Salaries	476,675	
Interest on Assets	654,530	426,830
Interest on Bank charges	62,105	29,975
Total	42,488,830	57,448,188

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

Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
			Kshs	Kshs
Tuition Account	Active	1104752204	559,605	294,239
Operations Account	Active	1104752581	4,291,065	(313,620)
School Fund Account/Boarding	Active	1104752484	5,705,818	1,699,459
Savings Account	Active	1590281047988	6,687,099	3,456,167
Parent Association Development Account	Dormant	1590262207827	42,565	43,765
Retention account	Active	1590281047973	1,138,319	794,353
National School Fund	Active	1590263348044	171,383	171,383
Retirement Benefit	Closed	1108122337	0	870,777
Infrastructure Account	Active	1223821072	1,429,517	3,586,314
Total			20,896,148	10,602,837

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account	-	-
Operations Account	50,006	6,419
School Fund Account	1,318,108	132,675
Total	1,368,114	139,094

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

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	27,211,166	32,327,546
NS	165,451	71,284
NH	52,250	25,200
PA	157,034	157,034
Salaries Advances	11,750	1,750
Imprest	118,000	-
Total	27,715,651	32,582,814

13 b Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	7,010,659	25.76%	10,391,168	32%
Between 1- 2 years	10,391,168	38.19%	8,553,646	26%
Between 2-3 years	8,553,646	31.43%	2,665,463	8%
Over 3 years	13,382,732	49.18%	21,764,072	67%
Fees arrears Collected	(12,127,039)	-44.56%	(11,046,803)	-34%
Total should tie to note 13 a)	27,211,166.00	100.00%	32,327,546.00	99%

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,268,037	-
Prepaid Fees	2,530,092	482,072
Retention Monies	343,966	-
Unpaid salaries and statutory deductions	17,852	-
Caution money	-	-
Direct lodgement	854,275	-
Other payables (specify)	-	-
Total	6,014,222	482,072

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,268,037	100%	-	0%
Between 1- 2 years	-	0%	2,411,178	47.80%
Between 2-3 years	-	0%	2,527,284	50.10%
Over 3 years	-	0%	104,714.	2.07%
Creditors Paid			(5,043,175.30)	
Total (should tie to note 14)	2,268,037	100%	0.25	100%

15. Fixed Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	10,602,836	6,838,698
Cash Balances	139,094	643,883
Short Term Investments	-	-
Receivables	32,582,814	34,005,020
Payables	(482,072)	(5,682,299)
Total	42,842,672	35,805,302

Other important disclosure notes

IPS. 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
High Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle		0	0
Duck		1	1
Trees		80	100
Coffee Or Tea Plantation		0	0
Poultry		0	0
Others (specify) Goats		7	0
Total		88	101

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
Foodstuffs	154,867	134,672
Laundry consumables	70,964	51,387
Food produce	0	0
Medication	0	0
Construction Materials	0	0
Others (specify) Stationery	69,900	0
	295,731	186,059

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)

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)
	Long outstanding account receivables	The long outstanding arrears would be written off after the lapse of 9 years from the time a student has cleared from school.	Resolved	Discussed during a Full Board meeting and directed to Audit committee 18/3/25 –already done
	Unsupported Account Receivables(Creditors)	Prepare a complete Register of Suppliers from now henceforth	Resolved	Immediately
	Variances in Financial Statements	To prepare Bank Reconciliations monthly for each account. Outsourcing Services until the school hires a bursar	Not resolved	Before the next submission of financial year reports
	Failure to prepare School Improvement Plan and Procurement Plan	The County Auditor to assist with a template on the same Procurement Plan already in place but to be improved on	Resolved	In the process
	Late submission of Financial Statements for Audit	It was because of the late training of the accounts clerk while the bursar deserted duty outsourcing to be done until the school hires a bursar	Not Resolved	Yearly, going forward will improve.
	Extended stay of Board of management members	Members appointed by the CEB at the CDEs office	Not Resolved	13/04/2026

(*Al-Farooq Girls Secondary School*)

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St. Mohamed

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
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Taneem General Supplies	20,150			20,150		
5. SMS Hardware	132,960			132,960		
6. Mabruk Sports Equipment & Stores	274,250		83,500	190,750		
7. Mani Books & Stationery	920,400		476,580	443,820		
8. Maheb Books & Stationers	202,135			202,135		
9. Kalmar Marketing Services	325,129		153,250	171,879		
10. Abdulhakim Shop	1,800			1,800		
11. Twaha General Supplies	2,537			2,537		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Sub-Total	1,879,361		713,330	1,166,031		
Supply Of Services						
12. Lamu Water & sewerage	4,150			4,150		
13. Kenya Power & Lighting	1,094,856			1,094,856		
14. Bernard Wawaka Kaboko	3,000			3,000		
Sub-Total	1,102,006			1,102,006		
Grand Total	2,981,367		713,330	2,268,037		

(Lamu Girls Secondary School)
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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 1	6.73			6.73
Land 2	1.462			1.462
Buildings And Structures	33	1		34
Motor Vehicles	2			2
Office Equipment, Furniture and Fittings	1695	147		1842
Textbooks	10923	0		10923
ICT Equipment	32	15		47
Tools And Apparatus	2211	549		2760
Other Machinery and Equipment	35	2		37
Heritage And Cultural Assets	22			22
Intangible Assets- Soft Ware	2			2
Total	14955	714		15669

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

