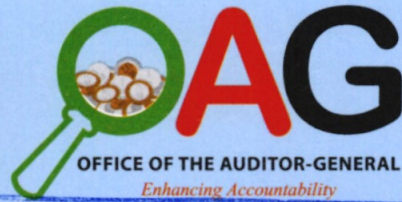


REPUBLIC OF KENYA



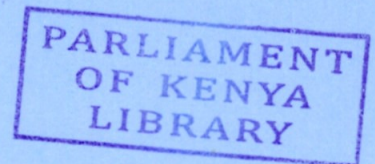
REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUN 2026	DAY: Wed
TABLED BY:	Hon. Owen San Bora Deputy Majority Leader
CLERK-AT THE-TABLE:	Mudo Atabo

OF

THE AUDITOR-GENERAL

ON



KAGUMO
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

MURANG'A COUNTY



KAGUMO SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

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KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

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KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

I. Key School Information And Management

(a) Background information

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

The school was registered in 2018 under registration number 21530000228 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day/boarding school and had 347 number of students as at 30 June 2024. It has 2 streams and 15 teachers of which 3 teachers are employed by the School Board of Management.

(a) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr.Josphat Watheka	Sponsor	15-2-2022
2	Mrs Grace Muthoni Maina	Secretary – Principal	15-2-2022
3	Mr.David Kuria Chege	Special needs	15-2-2022
4	Mr.Kenneth Muiru	Sponsor	15-2-2022
5	Rev.Peris Wanjeri Kariuki	Sponsor	15-2-2022
6	Mr.Ben Wanyoike	Community	15-2-2022
7	Mr.Elijah Waweru	Community	15-2-2022
8	Mrs.Loise Njoya	CEB	15-2-2022
9	Mr.Anthony Kariuki	Rep Teachers	15-2-2022
10	Ms.Caroline Wanjiru	Community	15-2-2022
11	Mr.Julius Kabiru	Special Group	15-2-2022
12	Mr.Humphry Kimani	Community	15-2-2022
13	Judy Kamene	Rep Students	15-2-2022

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****(b) School Board of Management - Board Members****Key School Information and Management (Continued)****The function of the School Board of Management include:**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive	Mr.Josphat Watheka Grace M.Maina Mr.Elijah Waweru Mr.Humphry Kimani Mrs.Catherine Kamau	Bom Chair Bom secretary Member Member Member	0 0 0 0 0
2	Audit Committee	Mr.Benson wanyoike Mr.Josphat Watheka Grace Muthoni Maina	Member Bom chair Bom Secretary	0 0 0
3	Finance, procurement and general purposes Committee	Mr.Josphat watheka Grace Muthoni Maina Mrs.Catherine Kamau	Bom Chairman Bom Secretary P.A chair	0 0 0
4	Academic Committee	Grace.Muthoni Maina Mr.Anthony Kariuki Rev.Peris Wanjeri	Bom Secretary Dean Member	0 0 0

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024**

			Member Member	
5	Development Committee	Mr.Josphat Watheka Grace Muthoni Maina Mrs Catherine Kamau Mr.Humphry Kimani Mr.James Mureithi	Bom Chair Bom Secretary P.A Chair Bom Member D/Principal	0 0 0 0 0
6	Discipline and welfare Committee	Mr.James Mureithi Rev,Peris Wanjeri Mr.Julius Kabiru Grace Muthoni Maina Ms.Wangari Ndia	D/Principal Bom Member Bom Member Bom secretary Member	0 0 0 0 0
7	Adhoc Committee (if any during the year)	N/a	Bom Secretary D/Principal Bom Member Bom Member Bom Member Bom Member Bom Member	0

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Grace M. Maina	324576
2	Deputy Principal	James Muriithi	312931
3	School Bursar	David Mwangi	ID 20849515

(e) Schools contacts

Post Office Box: 620, MARAGUA
 Telephone: 0722334498
 E-mail: kagumomsc@gmail.com
 Website:
 Facebook:
 Twitter:

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****(f) School Bankers**

The school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
 Branch: MURANG'A
 Account Number: 1109273509 (School Fund Account)
 1107188717 (Operational Account)
 1260887677 (Infrastructure Account)

2. Name of Bank: EQUITY
 Branch: MURANG'A
 Account Number: 0220291400323 (Tuition Account)
 0220193188967 (Farm Account)

3. MPESA Pay Bill No. N/A

(g) Independent Auditors

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

KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

II. Summary Report of Performance of The School

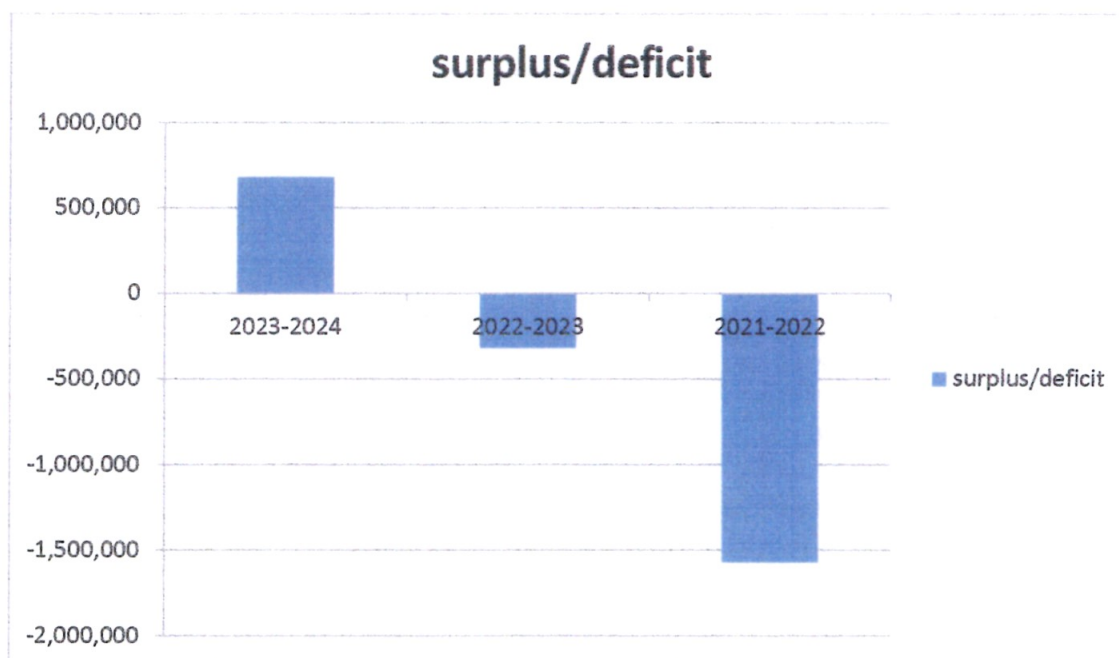
The following is a summary report of the performance of the school against the set performance evaluation criteria:

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*

Year	2023-2024	2022-2023	2021-2022
Surplus/deficit	682,696	(319,615)	(1,570,242)

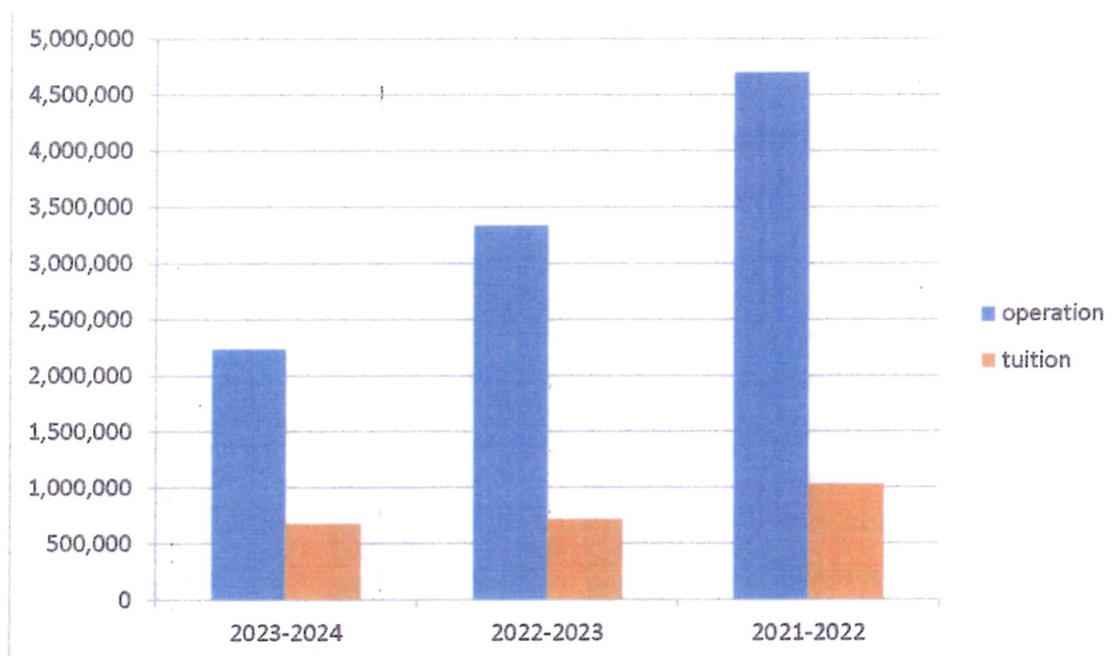


- *Capitation grants from the Ministry of Education for the last three years*

Year	2023-2024	2022-2023	2021-2022
Operation	2,235,279	3,340,157	4,699,016
Tuition	681,921	718,645	1,030,618

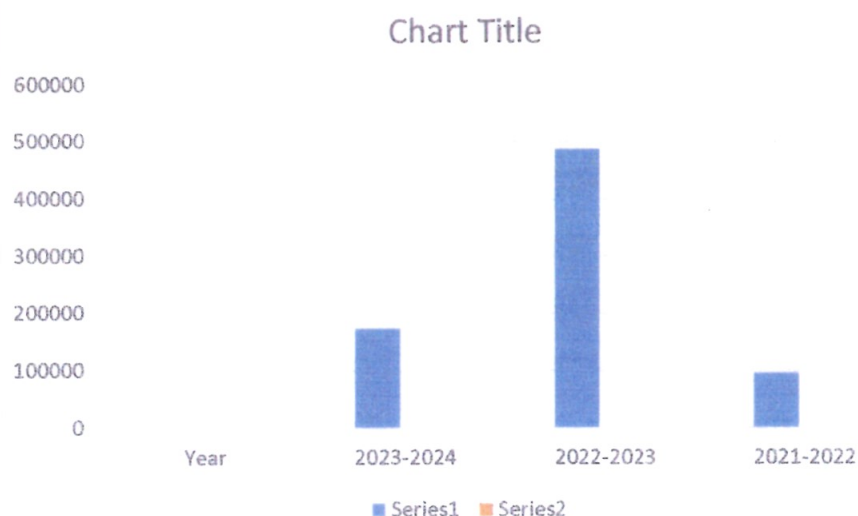
KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024



- Ratio of capitation grant per student over the last three years
- A three-year overview of growth of other income(s) earned by the school.

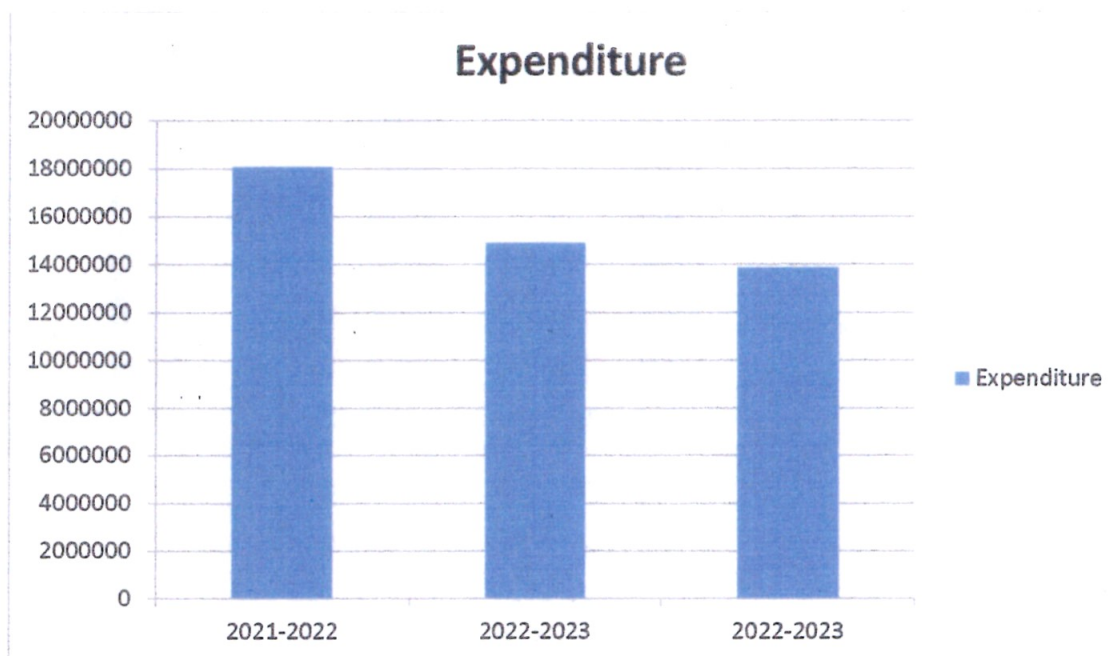
Year	2023-2024	2022-2023	2021-2022
School fees earned	173,924	487,636	95,511



KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

three-year overview of growth in expenditure of the school

<i>Year</i>	<i>2023-2024</i>	<i>2022-2023</i>	<i>2021-2022</i>
<i>Expenditure</i>	11,631,660	14,228,543	17,513,153

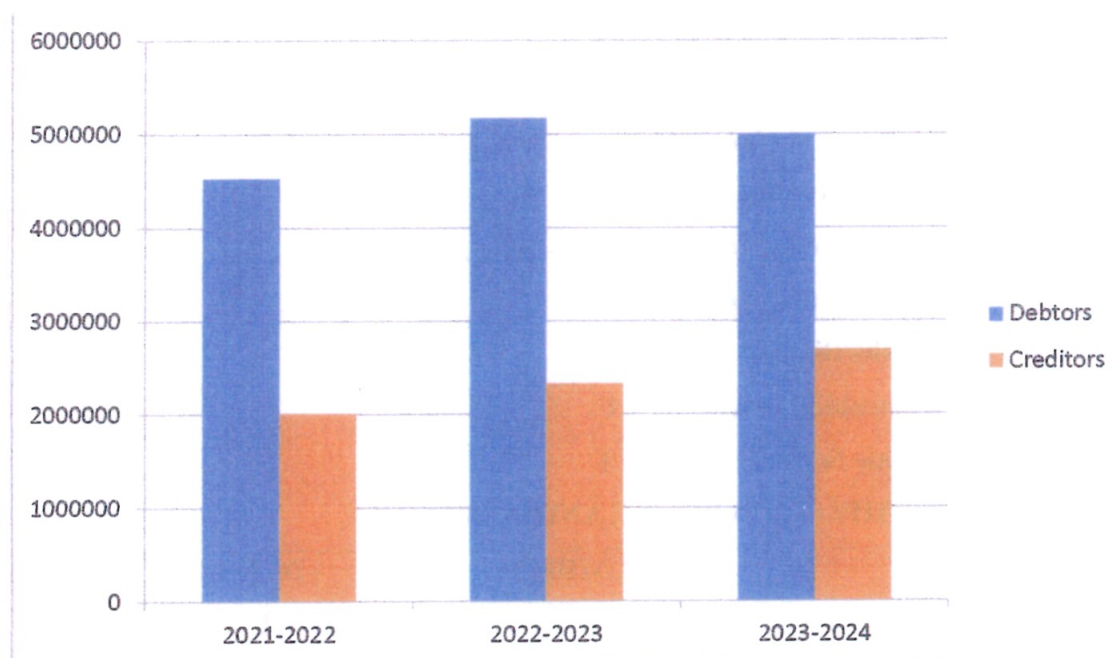


- *Movement of debtors and creditors of the school over the last three years*

<i>Year</i>	<i>2023-2024</i>	<i>2022-2023</i>	<i>2021-2022</i>
<i>Debtors</i>	5,002,805	5,185,345	4,541,307
<i>Creditors</i>	3,511,277	3,372,464	2,708,567

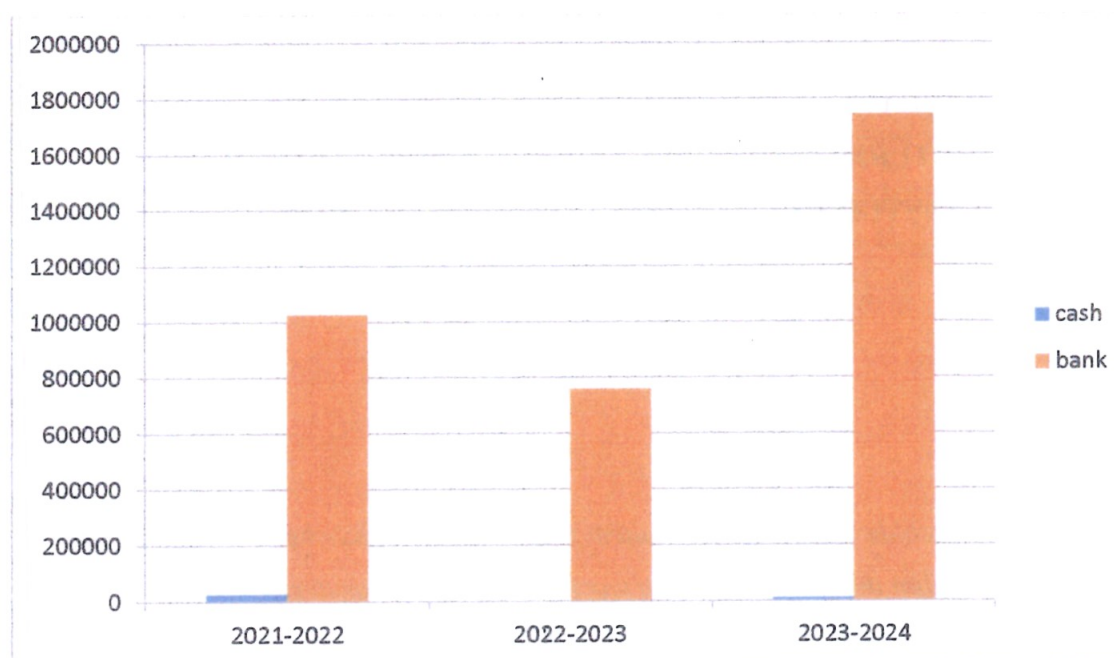
KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024



- Movement of cash and bank balances over the last three years

Year	2023-2024	2022-2023	2021-2022
Cash	12,425	116	28,439
Bank	1,742,591	760,851	1,028,285



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

b) Teacher Student ratio:

Number of teachers =15

Number of students=347

Teacher/Student Ratio=1:23

Teachers transferred: Maths/Geography

Teachers employed by B.O.M

1) Maths/Biology 1

2) Kiswahili/History 1

3) Home Science 1

TEACHERS EMPLOYED BY TSC AND SUBJECTS

SUBJECT	NUMBER	DEFICIT
ENGLISH	3	NIL
KISWAHILI	2	2
MATHEMATICS	5	2
BIOLOGY	1	2
CHEMISTRY	2	1
PHYSICS	2	NIL
HISTORY	3	NIL
CRE	2	1
GEOGRAPHY	1	1
AGRICULTURE	1	1
BUSINESS STUDIES	1	2

(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 in order to indicate shortage/ allocation of resources).

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

c) Mean score in the last 3 years KCSE:

MEAN SCORE.

YEAR	2024	2023	2022
MEAN SCORE	3.367	3.145	3.195
ENTRY	98	82	78

STUDENTS TRANSITION TO INSTITUTIONS OF HIGHER LEARNING.

YEAR	2024	2023	2022
NO.OF STUDENTS	5	1	4

COMMENT: The improvement varied due to Low entry marks during admissions.

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

d) Number of Candidates in the 2024 KCSE:

TABULATION OF NUMBER OF CANDIDATES SITTING K.C.S.E OVER LAST YEARS

YEAR		2024		2023		2022	
GENDER	BOYS	GIRLS	BOYS	GIRLS	BOYS	GIRLS	
NUMBER	21	77	56	26	59	19	

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

e) Capacity of the school:

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

NUMBER OF STUDENTS; 347 AND FACILITIES.

FACILITY	NUMBER	COMMENT/
DINNING HALL	1	ADEQUATE
CLASSROOMS	9	DEFICIT 2
LABORATORY	2(physics/chemistry	DEFICIT 1 (Biology)

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024**

<i>DORMITORIES</i>	<i>1-PERMANENT</i> <i>1-TEMPORARY</i>	<i>DEFICIT 1(permanent)</i>
<i>TOILETS</i>	<i>14-Doors for Girls</i> <i>4-Doors for Boys</i>	<i>DEFICIT 2</i> <i>DEFICIT 2</i>
<i>KITCHEN AND STORE</i>	<i>1</i>	<i>ADEQUATE</i>

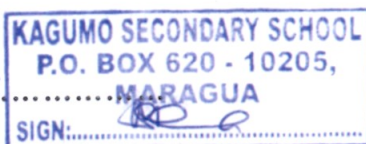
KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****f) Development projects carried out by the school:**

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

PROJECT	SOURCE OF FUNDS	AMOUNT	STATUS
SCHOOL RENOVATIONS	M.O.E	1,058,000.00	COMPLETE

Grace M. Maithe

School Principal



KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

III. Statement Of School Management Responsibility

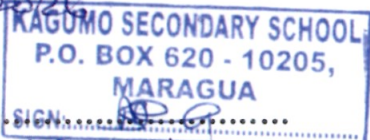
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 *Kagumo Secondary school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

.....
Name: Julius M. Kabiru
Designation: Chairman, School Board of Management
Date: 25/5/2026



.....
Name: Grace M. Maina
Designation: School Principal & Secretary to Board of Management
Date: 25/5/2026

.....
Name: David Mwangi
Designation: Bursar/ Finance Officer
Date: 25/5/2026

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 KAGUMO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – MURANGA 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 Kagumo Secondary School set out on pages 1 to 20, which comprise of the statement of financial assets and financial

Report of the Auditor-General on Kagumo Secondary School for the year ended 30 June, 2024 – Murang'a County

liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kagumo 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. Undisclosed Bank Account

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,755,016 as disclosed in Note 10 and Note 11 to the financial statements. However, review of records revealed that the school operated a National Government Constituency Development Fund (NGCDF) project account with a closing balance of Kshs.3,815 which was not disclosed in the School's financial statements. Further, the School Management did not carry out a board of survey at the close of the financial year.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.1,755,016 could not be confirmed.

2. Unsupported Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,008,805 as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.5,002,805 relating to fees arrears. However, receivables balance amounting to Kshs.4,094,352 was not supported with detailed schedules indicating the students and their respective outstanding balances.

In the circumstances, the accuracy and completeness of the account receivable balance of Kshs.5,008,805 could not be confirmed.

3. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.3,511,277 as disclosed in Note 14 to the financial statements. Included in the balance are trade creditors amounting to Kshs.2,689,299. However, the balance differs with amount reflected under Annex 1 to the financial statements on pending accounts payables of Kshs.1,114,377 resulting in an unsupported variance of Kshs.1,574,922.

Further, the accounts payables balance includes retention monies amounting to Kshs.437,958 which were not supported with a schedule indicating the contractors and their respective amount.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs. 3,511,277 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kagumo 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 judgment, 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

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 2 March, 2026 instead of the statutory deadline of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

2. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(1) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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

3. Failure to Prepare a 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 State Department for Basic 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 guidelines.

4. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed one thousand four hundred ninety-eight (1,498) set books to the school while only one thousand and ninety-four (1,094) books were issued to the students, resulting in four hundred and four (404) excess textbooks in the school store.

In the circumstances, value for money on the excess textbooks could not be confirmed.

5. Irregular Transfer of Funds to Kenya Secondary School Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.5,563,422 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.351,000 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.351,000 could not be confirmed.

6. Long Outstanding Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.3,511,277 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables amounting to Kshs.990,905 which had been outstanding for more than two (2) years. This was contrary to Section 74(4d) of the Public Finance Management Act, 2012 which requires accounting officers to promptly pay eligible and approved bills where funds are provided for.

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

7. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects capitation grants for operations and capitation grants for infrastructure of Kshs.2,235,279 and Kshs.3,430,200 respectively, totalling Kshs.5,665,479 from the Ministry of Education credited to the operations bank account. Included in the amount is Kshs.1,080,400 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, the funds had not been transferred to the infrastructure account as at 30 June, 2024. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/61 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of Ministry guidelines.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function

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

Further although the school had an audit committee it was not functional.

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

2. Long Outstanding Receivables

The statement of assets and liabilities reflect accounts receivables balance of Kshs.5,008,805 as disclosed in Note 13 to the financial statements. Included in the balance are fees arrears amounting to Kshs.5,002,805 out of which Kshs.3,940,204 had been outstanding for more than two years. However, no policy on the impairment of long outstanding fees arrears was provided for audit review, casting doubt on full recoverability of the accounts receivables balance.

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

3. Lack of an Approved Staff Establishment and Scheme of Service

Review of the School's personnel records provided for audit revealed that the School had teaching and non-teaching employees of the Board of Management. However, the school did not maintain a comprehensive approved staff establishment outlining the optimal number for each category of staff employed by the Board of Management. Further, the School did not provide approved formal terms and conditions of service to define the rights and obligations of an employee and the school in the employment contract. In addition, there were no approved job descriptions or clearly defined roles and responsibilities for staff members.

In the circumstances, the absence of an approved establishment, and formalized terms of service, the adequacy and appropriateness of staffing levels could not be confirmed.

4. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects a summary of the fixed assets register which includes land with a value of Kshs.7,500,000. However, land ownership documents were not provided for audit.

In the circumstances, the existence of effective measures in the management of 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 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

28 May, 2026

KAGUMO SECONDARY SCHOOL

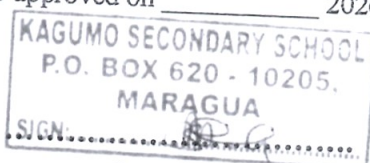
Reports and financial statements for the year ended 30 June 2024

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

DESCRIPTION OF VOTE HEAD	Note	2023-2024	2022-2023
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	681,921	718,645
Capitation grants for operations	2	2,235,279	3,340,157
Capitation grants for Infrastructure	3	3,430,200	-
School Fund Income- Parents' Contributions	4	5,793,032	9,362,490
School Fund Income- Other receipts	5	173,924	487,636
Proceeds from borrowings			
TOTAL RECEIPTS		12,314,356	13,908,928
PAYMENTS			
Payments for Tuition	6	741,037	1,068,405
Payments for operations	7	2,953,222	3,266,212
Payments for Infrastructure	8	2,373,980	-
Boarding and school fund payments	9	5,563,422	9,893,926
TOTAL PAYMENTS		11,631,661	14,228,543
SURPLUS/DEFICIT		682,696	(319,615)

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


.....



Name: Julius M. Kabiru

Chair BOM

Date: 25/5/2026

Name: Grace M. Maita
School Principal/ Secretary to
BOM

Date: 25/5/2026


.....

Name: David Mwangi
Bursar/ Finance Officer

Date: 25/5/2026

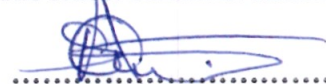
KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

VI. Statement Of Assets And Financial Liabilities As At 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	1,742,591	760,851
Cash Balances	11	12,425	116
Short term Investment	12	-	-
Total Cash and Cash Equivalents		1,755,016	760,976
Account's receivables	13	5,008,805	5,181,345
TOTAL FINANCIAL ASSETS		6,763,821	5,942,312
FINANCIAL LIABILITIES			
Accounts Payable	14	3,511,277	3,372,464
NET FINANCIAL SSETS		3,252,544	2,569,849
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	2,569,849	2,889,464
Surplus/Defict for the year		682,696	(319,615)
NET FINANCIAL POSITION		3,252,544	2,569,849

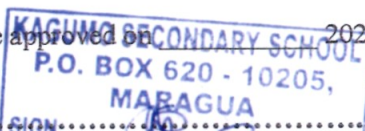
The school's financial statements were approved on 2026 and signed by:



Name: Julius M. Kabiru

Chair BOM

Date: 25/5/2026


Name: Grace N. Nainina
School Principal/ Secretary to BOM

Date: 25/5/2026



Name: David Mwangi

Bursar/ Finance Officer

Date: 25/5/2026

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****VII. Statement of Cash Flows for The Year Ended 30 June 2024**

		2023-2024	2022-2023
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	681,921	718,645
Capitation grants for operations	2	5,665,478	3,980,157
School fund income- Parents contributions/ fees	3	6,386,703	11,261,741
School fund income- other receipts	4	173,924	58,189
Total receipts		12,908,026	16,018,732
Payments			
Payments for Tuition		471,232	814,440
Payments for operations		4,754,525	3,814,520
Boarding and school fund payments		6,545,172	11,685,528
Total payments		11,770,929	16,314,488
Net cash flow from operating activities		1,137,097	(295,756.)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		(143,050)	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		(143,050)	-
NET CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash flows from Financing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		994,050	(295,756)
Cash and cash equivalent at BEGINNING of the year		760,967	1,056,724
Cash and cash equivalent at END of the year		1,755,017	760,967

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

KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

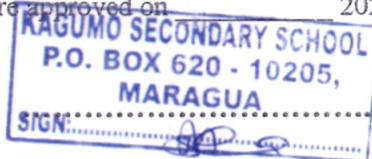
The school financial statements were approved on 2026, and signed by:



Name:

Chair BOM

Date: 28/6/2026



Name:

School Principal/ Secretary to
BOM

Date: 28/6/2026



Name: David Mwangi

Bursar/ Finance Officer

Date: 28/6/2026

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books		-	-		-	
Exercise books	-	-	-	-	-	-
Laboratory equipments and apparatus	683,760		683,760	681,921	1,839	99.7%
Teaching/learning materials	341,880		341,880	-	341,880	0%
Exams	341,880		341,880	-	341,880	0%
TOTALS	1,367,520		1,367,520	681,921	685,599	
(2) CAPITATION GRANT ON OPERATIONS			-		-	
Personnel emoluments/others	1,805,430		1,805,430	932,550	872,880	51.7%
Repairs and maintenance	1,650,000		1,650,000	3,430,200	(1,780,200)	207.9%
Local transport / travelling	517,110		517,110	212,402	304,708	41.1%
Electricity and water	262,350	-	262,350	313,940	(51,590)	119.7%
Medical			-	228,750	(228,750)	0%
Administration costs	517,110		517,110	326,240	190,870	63.1%
Activity	495,000		495,000	221,397	273,603	44.7%
TOTALS	5,247,000		5,247,000	5,665,479	(418,479)	
(3) FEES CHARGED ON PARENTS			-		-	
Personnel emoluments	568,000		568,000	475,345	92,655	83.7%

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

Repairs and maintenance	320,000		320,000	267,621	52,379	83.6%
Local transport / travelling	416,000		416,000	349,980	66,020	84.1%
Electricity and water	784,000		784,000	655,572	128,428	83.6%
Medical	-		-	-	-	
Administration costs	296,000		296,000	256,765	39,235	88.7%
Activity	40,000		40,000	83,805	(43,805)	209.5%
SMASSE	-		-	-	-	0%
BES/LUNCH	4,571,600		4,571,600	3,919,503	652,097	85.7.0%
Totals	6,995,600		6,995,600	6,008,591	987,009	
OTHER INCOME			-		-	
<i>School farm</i>			-			
<i>Bursary</i>			-			
<i>prepayments</i>			-	421,131	(421,131)	0%
<i>Milk proceeds</i>			-	134,174	(134,174)	0%
			-	-	-	
<i>Milk proceeds</i>			-	-	-	
TOTAL INCOME		-		555,305	(555,305)	
INCOME GRAND TOTALS	13,610,120		13,610,120	12,355,991	1,254,129	
(1) EXPENDITURE FOR TUITION			-			
Text books			-		-	
Exercise books			-	-	-	
Laboratory equipments and apparatus	782,520		782,520	545,335	237,185	69.7%
Teaching/learning materials	300,000		300,000	54,000	246,000	18.0%

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

Teachers guide			-	25,000	(25,000)	0%
Internal exams	95,000		95,000	115,420	(20,420)	121%
Adm costs			-	-	-	0%
Bank charges			-	1,282	(1,282)	0%
TOTALS	1,177,520		1,177,520	741,037	436,483	
PAYMENTS FOR OPERATIONS			-		-	
Personal Emoluments	1,805,430		1,805,430	1,695,963	109,467	93.9%
Service Gratuity	-		-			
Administration Cost	517,110		517,110	618,661	(101,551)	119.6%
Repairs and maintenance & improvements	1,650,000		1,650,000	2,373,980	(723,980)	143.9%
Local transport / travelling	517,110		517,110	416,700	100,410	80.6%
Electricity and water	262,350		262,350	142,737	119,613	54.4%
Medical	-		-		-	
Activity Expenses	495,000		495,000	71,040	423,960	14.4%
SMASSE	-		-	-	-	
Other payments	-		-	-	-	
Bank Charges			-	2,371	(2,371)	0%
Acquisition of Assets			-		-	
TOTALS	5,247,000		5,247,000	5,321,452	(74,4452)	
BOARDING AND SCHOOL FUND PAYMENTS			-		-	
BES	4,571,600		4,571,000	2,890,145	1,681,455	63.2%
RMI	320,000		320,000	247,965	72,035	77.5%
EWC	784,000		784,000	232,910	551,090	29.7%
LT@T	416,000		416,000	567,880	(151,880)	136.5%
ACTIVITY	535,000		535,000	330,585	204,415	61.8%

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024**

ADMIN COSTS	296,000		296,000	460,287	(164,287)	155.5%
Personal emolument	568,000		568,000	553,227	14,773	97.4%
Bursary			-		-	
Expenses on income generating activities			-		-	
House rent			-		-	
School farm			-	53,005	(53,005)	0%
Infrastructure grant,Borehole			-		-	
Bank charges			-	5,264	(5,264)	0%
			-		-	
Prepayments			-	601,984	(601,984)	0%
Fee on Boarding Equipment and Stores			-	-	-	
Nita			-	1,500	(1,500)	0%
Livestock(animal feeds,barns,treatmnt	-		-	98,960	(98,960)	0%
TOTAL	7,490,600		7,490,600	6,043,712	1,446,889	
EXPENDITURE GRAND TOTAL	13,915,120		13,915,120	12,106,201	1,808,919	

i) Underutilization of below 90% is as a result of parents failure to clear all fees allocated and students dropping out of school and this affects revenue collections.

ii) Overutilization above 100%

This has been caused by unexpected expenditures like teachers symposiums, Committee meetings, Seminars, Travels and subsistence's which exceeds the budgeted amount.

Others irregular Maintenances of furniture's like students desks, chairs and benches, Office machines and water hydram usually affects budget estimates.

iii) Unbudgeted items were not intended to generate income or to incur expenditure at the beginning of financial year therefore no percentage utilized during the period

KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

IX. 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 the 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 occur whether cash is received or not. Expenditure arising from operation 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 insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

Significant Accounting Policies (Continued)

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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****X. Notes To The Financial Statements****1 Capitation Grant for Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Text books	-	-
Exercise books	-	8,921
Laboratory equipments and apparatus	-	426,006
Teaching/learning materials	681,921	278,718
Exams	-	5,000
Internal exams	-	-
Reference books	-	-
Total	681,921	718,645

2 Capitation Grant for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments/others	932,550	1,099,101
Repairs and maintenance	-	1,058,000
Local transport / travelling	212,402	266,327
Electricity and water	313,940	358,622
Medical	228,750	52,000
Administration costs	326,240	357,882
Activity	221,397	148,225
Total	2,235,279	3,340,157

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Repairs and maintenance	3,430,200	-
Total	3,430,200	

4 Parents Contribution/Fees - School Fund Account

	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	475,345	871,328
Repairs and maintenance	267,621	394,088
Local transport / travelling	349,980	450,776
Electricity and water	655,572	752,162
Lunch/BES	3,703,944	6,437,859

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024**

Administration costs	256,765	370,020
Activity	83,805	86,257
Total	5,793,032	9,362,490

5 Other Receipts – School Fund Account

	2023-2024	2022-2023
	Kshs	Kshs
Salary advance	-	-
Operation	-	-
House rent	6,000	18,000
School farm	33,750	10,020
Other receipts	-	401,427
Milk proceeds	134,174	58,189
Total	173,924	487,636

6 Payments For Tuition

	2023-2024	2022-2023
	Kshs	Kshs
Text books	-	-
Exercise books	-	156,100
Laboratory equipments and apparatus	545,335	634,385
Teaching/learning materials	54,000	19,400
Teachers guide	25,000	127,530
Internal exams	115,420	18,900
Adm costs	-	108,370
Bank charges	1,282	3,720
	-	-
Total	741,037	1,068,405

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****7 Payments For Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emoluments	1,695,963	1,060,200
Service Gratuity	-	-
Administration Cost	618,661	580,110
Repairs and maintenance & improvements	-	1,052,950
Local transport / travelling	416,700	238,000
Electricity and water	142,737	114,122
Medical	-	-
Activity Expenses	71,040	218,660
SMASSE	-	-
Bank Charges	2,371	2,170
K.R.A-NITA	5,750	-
TOTAL	2,953,222	3,266,212.00

8 Payments For Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Repairs and maintenance & improvements	2,373,980	-
Totals	2,373,980	-

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024
Notes To The Financial Statements (Continued)

9 Boarding And School Fund Payments

	2023-2024	2022-2023
	Kshs	Kshs
BES	2,635,182	4,453,260
RMI	189,380	467,775
EWC	202,910	305,520
LT@T	617,880	1,071,200
ACTIVITY	350,474	455,797
ADMIN COSTS	485,357	1,256,831
Personal emolument	586,227	1,373,450
Expenses on income generating activities	-	-
Payment to oerations	156,400	-
School farm	151,965	67,950
Bank charges	5,264	3,623
Other fees payments	180,853	358,140
Fee on Boarding Equipment and Stores	-	-
K.R.A-NITA	1,500	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Animal feeds,treatment,cow barn maintenance and charges	-	80,380
Acquisition of Assets	-	-
TOTAL	5,563,422	9,893,926

*(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

10 Bank Accounts

Name of Bank, Account No. & currency	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account	211,276	586
Operations Account	1,043,076	132,094
School Fund Account/Boarding	84,875	116,971
Savings Account	36,019	805
Income generating activities Account	-	-
Infrastructural Account	367,345	510,395
Farm Account	-	-
Total	1,742,591	760,851

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	28
School Fund account	12,425	88
Total	12,425	116

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

KAGUMO SECONDARY SCHOOL

Reports and financial statements for the year ended 30 June 2024

Notes To The Financial Statements (Continued)**13 Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears	5,002,805	5,175,345
Other non-fees receivables	1,000	1,000
Salary advances	5,000	5,000
Imprest		-
Total	5,008,805	5,181,345.

[Include an ageing of the fees / non fees arrears below]

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears for current year	908,453	1,235,141
Fees arrears recovered during the year	1,080,993	597,103
Fees arrears for the previous year	1,235,141	541,256
Fees arrears for prior periods (over two years)	3,940,204	3,996,051
Total	5,002,805	5,175,345

Description	2023-2024	2022-2023
	Kshs	Kshs
Non Fees arrears for current year	-	-
Non Fees arrears received during the year	-	3,000
Non Fees arrears for the previous year	-	4,000
Non Fees arrears for prior periods (over two years)	-	-
Total	-	1,000

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2,689,299	2,334,927
Prepaid fees	384,020	599,579
Retention monies	437,958	437,958
Total	3,511,277	3,372,464

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024***[Include an ageing of the creditor's arrears below]*

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors for current year	1,114,377	1,344,022
Trade creditors paid during the year	760,005	1,025,291
Trade creditors for the previous year	1,344,022	1,860,411
Trade creditors for prior periods (over two years)	990,905	155,785
Total	2,689,299	2,334,927

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank balances	760,851	1,028,285
Cash balances	116	28,439
Short Term Investments	-	-
Receivables	5,181,345	4,541,307
Payables	3,372,464	(2,708,567)
Total	2,569,848	2,889,464

Other important disclosure notes

IPSAS 1 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 Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****17 Biological assets**

Description	Numbers	2023-2024	2021-2022
		Kshs	Kshs
Cattle	3	300,000	255,000
Goats		-	-
Trees		210,000	250,000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		510,000	505,000

Notes The Cows were valued at @ 100,000 prevailing market prices.

70 trees in the school compound was also valued at market rates ksh @3000

18 Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes**19 Stock/ Inventory**

Description	2023-2024	2022-2023
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	13,023,652	10,196,589
Stock/ inventory purchased during the year	3,233,418	2,827,063
Stock/ inventory issued during the year	3,233,388	2,827,063
Balance at end of the year	13,023,682	10,196,589

Note.The stock at the end of the year was valued at current market prices as at 30/6/2024

KAGUMO SECONDARY SCHOOL
Reports and financial statements for the year ended 30 June 2024

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)

Sign and Date
Principal

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****Annex 1 - Analysis Of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2023	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of goods						
1.Equiplab suppliers ltd	1,038,435	1-7-2021	493,100	545,335	623,435	Insufficient Funds
2.Ewam plus ltd	127,530	21-7-2022	107,530	20,000	45,530	Lack of funds for Tuition
3.Truelink logistics	82,130	30-6-2022	36,530	45,600	36,530	Low fees collection
4.D.P.L Festive ltd	36,205	30-6-2022	29,445	6,760	29,445	Late submission of invoice
5.Margaret W. Maina	716,605	1-4-2023	520,000	196,605	341,290	Parents unable to clear fees
6.Kiria Kabete cereals	38,500	30-6-2023	38,500	-	38,500	Debt cleared.
7.Kahuti water	53,317	1-7-2021	-	53,317	53,317	Disputed bills of payments
8.KPLC	31,000	30-6-2023	16,000	15,000	16,000	Debt cleared
9.BOM Salaries	335,130	30-6-2023	175,975	159,155	175,975	lack of funds to pay Bom salaries.
11.Belons Office machines services.	72,605	30-5-2024	-	72,605	-	Insufficient funds
Total	2,531,457		1,417,080	1,114,377	1,360,022	

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024****Annex 2 – Summary Of Fixed Assets Register**

Asset Class	Date purchased	Location	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 June 2024
Land(5 Acres)		Loc.8/Ngaru- Nguyoini,Maragua	Shared with Pry.Sch			7,500,000
Building and strucures		Centralised in school compound	14,300,000			14,300,000
Motor Vehicles	N/a					
Office Equipment, Furniture and Fittings		Offices				
a)B.E.S		Boarding department	1,082,000			1,082,000
b)Laboratory		Chemistry/physics lab.	475,000			475,000
c)Students furniture		Classes	1,585,000			1,585,000
d)Staffs furniture		Offices	265,000			265,000
e)Reception area		Reception	20,000			20,000
f)Book shelves		Library store	36,000			36,000
g)file cabinets		Principals office	116,330			116,330
ICT ASSETS						
a)Laptop	1-2-2022	Deans office	45,000			45,000
Tools and Apparatus		Laboratory	1,593.940			1,953,940
Text books		G.O.K				
Other Machinery and Equipment						
a)L.c.d Projector		Deans office	27,000			27,000
b)Power saw	22-6-2023	Boarding store	59,500			59,500
c)Mini Sewing Machines	19/6/2023	Home science dpt				19,400

KAGUMO SECONDARY SCHOOL**Reports and financial statements for the year ended 30 June 2024**

d)Printers	12/1/2022	offices	84,500	-----	-----	84,500
e)Electric bell	8-11-2020	Compound	25,000	-----	-----	25,000
f)Computers	6-2-2022	Offices	210,000	-----	-----	210,000
g)Photocopiers	30-8-2019	Offices	155,000	-----	-----	155,000
h)Photoprinter	16-9-2019	Secretary Office	200,000	-----	-----	200,000
Heritage and Cultural Assets	-----	-----	-----	-----	-----	-----
Intangible Assets- Software	1-7-2021 2/5/2020	Zeraki-Deans Office Shaccs-Accounts office	62,000 120,000	-----	----- 120,000.00	62,000
Weight machine	23-8-2023	Kitchen store	21,500	-----	-----	21,500

NOTE: The school land of 5 Acres was valued at Ksh 1,500,000 as per local land prices

Boarding Equipment and Stores items value of Ksh 1,082,000 was an estimated cost.

The Laboratory equipment value of Ksh 475,000 was an estimation.

Student desk and chairs was estimated by the student population of 317 @ 5000 total 1,585,000

Staff furniture/Desk was an estimated value of 20 teacher@13250.

The books shelves was an estimated market value of 10 shelves@ 3,600 total 36,000

The Lab apparatus was valued as per the latest market price at the end of financial year stock taking.