

REPUBLIC OF KENYA




*Enhancing Accountability*



**REPORT**

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 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 18 JUN 2025	DAY: Wednesday
TABLED BY:	Hon. Owen Bayo, MP Deputy Majority Leader
CLERK-AT THE-TABLE:	Lomale

**OF**

**THE AUDITOR-GENERAL**

**ON**

**MOI KAPSOWAR GIRL'S HIGH SCHOOL**

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

**ELGEYO MARAKWET COUNTY**



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**MOI KAPSOWAR GIRLS HIGH SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2024**

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

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

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

**B. Definition of Key Terms**

**Comparative Year**-Means the prior period.

**2. Key School Information and Management****(a) Background information**

Moi Kapsowar Girls High School is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. The school is located in Elgeyo Marakwet County, Marakwet West Sub-County.

The school was registered on 26<sup>th</sup> October 2015 under registration number 28S30000241 and is currently categorized as a National School established, owned or operated by the Government.

The school is a boarding school and had 1,592 students as at 30<sup>th</sup> June 2024. It has seven streams and 66 teachers out of which 13 are employed by the school Board of Management (BOM) while 53 are posted by the Teachers Service Commission (TSC).

**(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	Timothy Kilimo	BOM Chair	05/07/2022
2	JoanToo	Principal	11/05/2022
3	John Mugun	PA Chair	05/07/2022
4	Fedha Mildred Lumayo	PA	05/07/2022
5	Caleb Nyagar Akuku	PA(Community)	05/07/2022
6	Enock Toroitich	PA(Community)	05/07/2022
7	David SongoK	PA(Community)	05/07/2022
7	Caroline Keitany	PA	05/07/2022
8	Ewin Kallow	Teaching Staff	05/07/2022
9	Stanley Mutwol	Sponsor	05/07/2022
10	Prof Grace Cheserek	Sponsor	05/07/2022
11	Selly Kimosop (Dr)	Special interest	05/07/2022
12	Betty Kirop	Special Needs	05/07/2022
13	Caroline Lagat	Co-opted	05/07/2022
14	Jonathan Kurgat	Co-opted	05/07/2022
15	Shifra Auriela	Rep Students	05/07/2022
16	Lydia Cherono Chepngoswa	PA	05/07/2022
17	Sammy Mathai Maina	PA	05/07/2022

## Key school information and management(continued)

**The functions 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 Committee	Timothy Kilimo Joan Too John Mugun Dr. Selly Kimosop Stanley Mutwol Mildred Lumayo	Chair Principal Member BOM Member BOM Member Bom Member	3outof3 3outof3 3outof3 3outof3 3outof3 3outof3
2	Audit Committee	Enock Toroitich Betty Kirop Sammy Mathai Carolyne Keitany Songok David	Chair Member Member Member Member	2outof2 2outof2 2outof2 2outof2 2outof2
3	Finance, Procurement And General Purposes Committee	Enock Toroitich Betty Kirop Sammy Mathai Carolyne Keitany Songok David	Chair Member Member Member Member Member	2outof2 2outof2 2outof2 2outof2 2outof2 2outof2
4	Academic Committee	Dr. Mildred Lumayo Ewin Kallow	Chair Member	3outof3 3outof3

		Stabley Mutwol John Mugun Dr.Selly Kimosop	Member Member Member	3outof3 3outof3 3outof3
5	Development Committee	Eng Caleb Akuku SCDE Dr. Selly Kimosop Timothy Kilimo Joan Too John Mugun Christine Chebet	Chair Member Member Member Member Member Member	2outof2 2outof2 2outof2 2outof2 2outof2 2outof2 2outof2
6	Discipline and Welfare Committee	Edwin Kallow Lydia Chepng'oswa Caroline Keitany David Songok Sammy Mathai Christine Chebet	Member Member Chair Member Member Member	1out of1 1out of1 1out of1 1out of1 1out of1 1out of1

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June, 2024 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Joan Too	352093
2	Deputy Principal	Christine Chebet	290123
4	School Finance Officer	David Kibet Bowen	

**(e) Schools contacts**

PostOfficeBox:26-Kapsowar Mobile

Number: 053 -361502

E-mail:

[kapsowarmoi@yahoo.com](mailto:kapsowarmoi@yahoo.com) Website:

<https://moikapsowargirls.sc.ke/>

**(f) School Bankers**

The school operated 5 Number of bank accounts and 1 Pay bill number as follows:

Name of Bank:	Kenya Commercial Bank
Branch:	Kapsowar
Account Number:	1103272616
Purpose	School Fund Account

Name of Bank:	Kenya Commercial Bank
Branch:	Kapsowar
Account Number:	1103272489
Purpose	Operations

Name of Bank:	Kenya Commercial Bank
Branch:	Kapsowar
Account Number:	1103274341
Purpose	Tuition Account

Name of Bank:	Kenya Commercial Bank
Branch:	Kapsowar
Account Number:	1138799998
Purpose	Infrastructure Account

Name of Bank:	Kenya Commercial Bank
Branch:	Kapsowar
Account Number:	1103275011
Purpose	Farm Account

MPESA Pay Bill No.:	Business Number: 522123
	Account Number: 20445KADMNO
	Attached to bank account-1103272616

**(g) Independent Auditors**

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

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

This section presents a highlight of the trend of the performance of the school over the past three reporting periods.

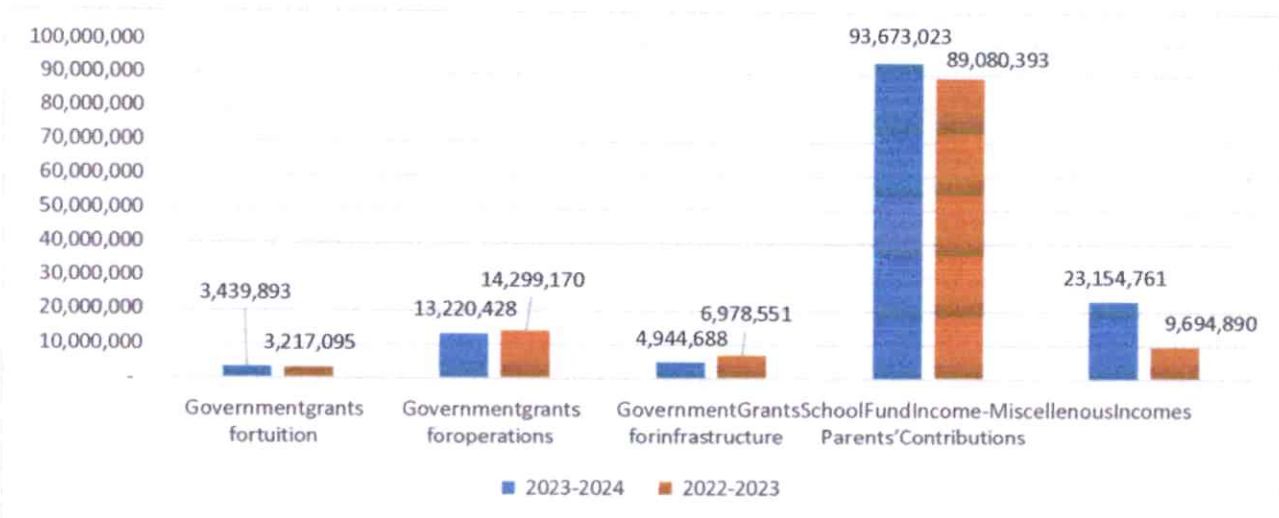
**a) Financial performance:**

This section presents the financial performance for the last three reporting periods, and the trend thereof as tabulated below:

YEAR	2022	2023	2024
PERFORMANCE PERIOD	July21-June22	July22-June23	July23-June24
	KShs	KShs	KShs
Surplus	(1,483,997)	6,972,719	8,364,846
Growth/(Drop) in Surplus	(3,691,432)	8,456,716	1,392,127
Government Grants for Operations	15,440,606	14,299,170	13,220,428
Government Grants for Infrastructure	-	6,978,551	4,944,688
Capitation Grants-Tuition	3,531,699	3,217,095	3,439,893
Total Capitation	18,972,305	24,494,816	18,165,116
Increase/(Decrease)	9,606,173	5,522,511	(6,329,700)
No. of Students	1,062	1,670	1,592
Ratio of Capitation per Student	17,865	14,668	11,410
Total Expenditure	116,026,292	116,297,380	130,067,947
Growth in Expenditure	84,971,727	271,088	13,770,567
Total Accounts Receivables	25,995,366	41,490,026	44,069,879
Growth in Accounts Receivables	7,925,816	15,494,660	2,579,853
Accounts Payables	12,876,462	28,371,122	30,950,975
Growth in Accounts Payables	7,925,816	15,494,660	2,579,853
Cash and Bank Balances	3,137,602	10,110,321	18,475,167
Growth in Cash and Cash Equivalents	(1,483,997)	6,972,719	8,364,846

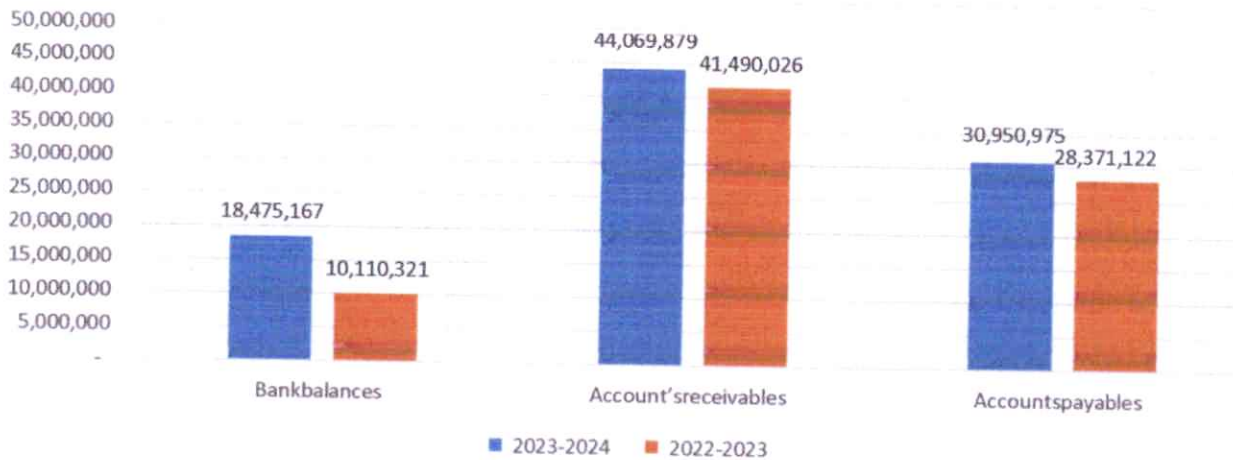
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

The school reported an improvement in the surplus position from Kshs.6,972,719 during the 2022-2023 reporting period to KShs.8,364,846 during the 2023-2024 financial year, reflecting an increase by Kshs.1,392,127. The improvement in the school’s financial performance was attributed to the increase in total receipts generated by the school from KShs.123,270,099 in 2022-2023 to KShs.138,432,793 during the current period. The increase in revenue is as shown below:



As shown above, the school recorded increased revenues from the school fund, miscellaneous incomes, government grants for tuition but recorded reduced operations and infrastructure grants.

The school reported an increase in bank balances, Accounts Payables and Receivables. The balance of accounts receivable increased from KShs.41,490,026 in 2022-2023 to KShs.44,069,879 in 2023-2024 indicating a KShs.2,579,853 increase in accounts receivables. Accounts payables increased from KShs.28,371,122 in 2022-2023 to KShs.30,950,975 as at the end of the 2023-2024 financial year. The bank balances increased by KShs.8,364,846 from KShs.10,110,321 as at 30<sup>th</sup> June 2023 to KShs.18,475,167 as at the end of the 2023-2024 Financial Year.



The failure of the parents to clear school fees arrears resulted into cash flow challenges, a situation which led to an increase in the accounts payables.

**b) Teacher Student ratio:**

YEAR	2021	2022	2023	2024
Teacher: Student Ratio	55:1108	56:1228	60	66
Teachers Recruited during the Year	1Intern	2Interns	TSC- 7	5
Number of Teachers Transferred	0	1	0	1
Number of teachers Exited	0	0	BOM (3)	
Teachers Employed by TSC	37	38	45	53
Teachers Employed by B.O.M	18	18	15	15

**c) Mean score in the 2020-2024 KCSE:**

YEAR	2023	2022	2021
No of Candidates	291	195	265
Mean Score	7.7	7.12	7.2
<b>(d)Candidates with Mean Grade C+and above</b>	216	126	170
Transition to University	74%	65%	74%

74% of the school's candidates who sat for the 2023KenyaCertificate of Secondary Education series secured university admission grades (C+ and above), up from 65% who secured the minimum university entry grade the in the 2022 KCSE. Further, the school's mean score in the examinations improved from 7.12 in 2022 to 7.7 in 2023.

**(e) Capacity of the school:**

Facility	Student Population	Available	Shortfall
Classrooms	1592	25	5
Laboratories	1592	4	2
Dining Hall	1592	1	3
Dormitories	1592	9	2
Ablution Blocks-Toilets	1592	62	2
Ablution Blocks-Bathrooms	1592	42	26
Library	1592	1	2

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of Dormitory (Phase 1 and 2 storey)	FDSE	Complete 100%	9,474,341	4,100,000	Completed

.....  
**School Principal**



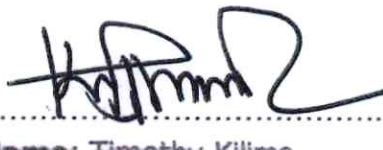
**4. Statement of School Management Responsibility**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81(3) requires the financial statements 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 Moi Kapsowar Girls High 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<sup>th</sup> June, 2024, and of the school's financial position as at that date.

 07/05/2025

.....  
**Name:** Timothy Kilimo

**Designation:** Chairman, School Board of Management


**Date:**

  
.....  
**Name:** Joan Too

**Designation:** School Principal & Secretary to Board of Management

**Date:**



  
.....  
**Name:** David Kibet Bowen

**Designation:** Bursar/Finance Officer

**Date:**

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MOI KAPSOWAR GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – ELGEYO MARAKWET 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.
- 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 Moi Kapsowar Girls' High School – Elgeyo Marakwet County set out on pages 1 to 16, which comprise of the statement of

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*Report of the Auditor-General on Moi Kapsowar Girls' High School for the year ended 30 June, 2024 – Elgeyo Marakwet County*

assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of budget 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 Moi Kapsowar Girls' High 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Under Disbursement of Capitation Grants**

The statement of receipt and payments reflects capitation grants for tuition and operations of Kshs.3,439,893 and Kshs.13,220,428 respectively as disclosed in Note 1 and 2 to the financial statements. However, review of students' enrolment and admissions data revealed variances between the number of students enrolled through National Education Management Information System (NEMIS) against the student data in the School's register. The variances in the Months of September, 2023, January, 2024 and May, 2024 totalled to five hundred and eight (508) students at the capitation rate per student of Kshs.22,241 totalling to Kshs.11,299,952 which was an underfunding resulting from students who were not registered in NEMIS.

<b>Month/Year</b>	<b>No of Students in NEMIS</b>	<b>No of Students as per the School Register</b>	<b>Variance</b>
September, 2023	1321	1573	252
January, 2024	1327	1573	246
May, 2024	1563	1573	10
	<b>Total</b>		<b>508</b>

The School Management explained that the variances were as a result of direct admission of students who were not registered in NEMIS due to lack of registration documents such as birth certificates and removal of students who were above eighteen (18) years of age from NEMIS. This resulted in the School incurring additional cost on the students who did not receive capitation grants.

In the circumstances, the accuracy of the government grants totaling to Kshs.21,605,009 could not be confirmed.

## **2. Long Outstanding Accounts Receivable**

The statement of assets and liabilities reflects accounts receivable balance of Kshs.44,069,879 which includes fees arrears of Kshs.43,656,804 as disclosed in Note 13 to the financial statements. Review of the schedules supporting receivables and the fees arrears ageing analysis as disclosed in Note 13 (b) revealed long outstanding fees arrears for over two (2) years amounting to Kshs.20,087,479. However, no tangible measures have been put in place to collect the amounts. Further, the School does not have a debtors' management policy to help mitigate the ballooning debts.

In the circumstances, the validity and recoverability of the accounts receivable balance of Kshs.44,069,879 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budget Control and Performance**

The statement of budget versus actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.122,165,526 and Kshs.138,432,793 respectively resulting to an over-funding of Kshs.16,267,267 or 13% of the budget. Similarly, the School spent an amount of Kshs.130,067,947 against actual receipts of Kshs.138,432,793 resulting to an under-absorption of Kshs.8,364,846 or 6% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 Audit Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on the Effectiveness in Internal Controls, Risk Management and Governance. However, no report or recommendations from the Management of the School and oversight bodies were submitted for audit verification. Therefore, the issues remain unresolved contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for national government entities to try to resolve any issues resulting from an audit that remain outstanding.

### **Other Information**

Management is responsible for the other information set out on pages (ii) to (xi) which comprise of Acronyms and Definition of Key Terms, Key School Information and Management, Summary Report of Performance of the School and Statement of 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. I have nothing to report in this regard.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Irregular Opening and Closure of the School's Bank Accounts**

During the year under review, the School closed the Equity Bank Farm Account and opened the Kenya Commercial Bank Farm Account. However, the School's Management

did not provide the authority to close and open the accounts from the National Treasury contrary to Section 28(1) of the Public Finance Management Act, 2012 which states that the National Treasury shall authorize the opening, operating and closing of bank accounts and sub accounts for all national government entities and Regulation 82 (4) and (5) of the Public Finance Management (National Government) Regulations, 2015 which prohibits the opening of bank accounts without prior authority of the National Treasury and that the authority should be in writing.

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

## **2. Under-Funding of Government Grants**

The statement of receipts and payments reflects Government grants for tuition, operations and infrastructure balances of Kshs.3,439,893, Kshs.13,220,428 and Kshs.4,944,688 respectively as disclosed in Notes 1, Note 2 and Note 3 to the financial statements, all totaling to Kshs.21,605,008.

The National Education Management Information System (NEMIS) data for the students in the School indicated that the School had a total of one thousand, five hundred and sixty-three (1,563) learners during the financial year under review. The Ministry of Education Circular Ref: MOE.HQS 3/13/3 dated 16 June, 2021 stipulated that the capitation to schools was based at a rate of Kshs.22,244 per learner, implying that the School was supposed to receive Government capitation amount of Kshs.34,767,372 during the financial year 2023/2024. However, the School received Kshs.21,605,008 resulting to a variance of Kshs.13,162,364.

In the circumstances, the School was under-funded by an amount of Kshs.13,162,364 which may have affected service delivery to the students.

## **3. Status of Projects Implementation in School**

Review of the implementation status of the projects in the School in the year under review revealed the following;

### **3.1. Congestion in Girls' Dormitories**

Note 3e on other information pertaining to capacity of the School, indicates that there were shortages of two (2) dormitories. To address the shortage, the School entered into a contract with a local contractor on 5 December, 2022 for the construction of Phase 1 of the Girls Dormitory at a cost of Kshs.9,742,341. It was observed that the contractor completed Phase I of the project and handed over the building to the School on 14 May, 2024. Physical inspection of the dormitory in April, 2025 revealed that Phase 1 was complete and the dormitory was in use.

Further, the School entered into a contract with a local contractor for the construction of Phase II of the project on 30 December, 2024 at a contract sum of Kshs.10,593,260.

However, the work was yet to begin exposing the students to accommodation challenges 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 have an enabling environment for learning.

In the circumstances, the current environment may not be conducive to learning.

### **3.2. Construction of Two (2) Storey Six (6) Classroom Tuition Block**

The School entered into a contract with a local contractor on 14 April, 2022 for the construction of Phase I of a two (2) storey six (6) classroom tuition block at a contract sum of Kshs.3,476,235. The works were to be done as per the drawings and specifications with the work program to be provided by the contractor. Review of the project file and physical verification of the project revealed that the contractor completed Phase I and handed over two (2) classrooms of the proposed six (6) classrooms on 14 November, 2022.

However, It was observed that another contractor was awarded the contract to complete Phase II (construction of the remaining four (4) classrooms) of the project on 25 December, 2024 at a contract sum of Kshs.6,750,718. Physical inspection of the project in April, 2025, revealed that works were ongoing. However, it was noted that the design of the proposed two (2) storey, six (6) classroom tuition block was changed to a one (1) storey six (6) classroom tuition block without the approval of Public Works and the Ministry of Education contrary to Section 139(1) of the Public Procurement and Assets Disposal Act, 2015 that states that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if (a) the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity.

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

### **3.3. Construction of School Library**

The School is constructing a library through donor financing as part of their corporate social responsibility. However, the project has currently stalled. The School's Management does not have a direct responsibility on the construction of the library but has a fiduciary responsibility to follow up with the donor so that the intended objective of putting up a library in the School is achieved.

In the circumstances, the School may not get value for money from the project that has stalled.

## **4. Failure to Prepare School Improvement Plan**

During the period under review, the School operated without an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operational 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 (4) 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, the School Management was in breach of the law.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 overall governance were not effective.

### Basis for Conclusion

#### 1. Irregular Composition of Committees of the Board

Review of the Committees of the Board of Management revealed that members of the Audit Committee also served as members of the Finance, Procurement and General Purposes Committee contrary to Paragraph 5 of the Head of the Public Service Circular No. OP/CAB. 9/1A of 11 March, 2020 which states that except the members representing the National Treasury and parent Ministry, a member serving in the Boards' Audit Committee shall not be appointed member of Finance Committee and vice versa. The constitution of the Audit Committee should strictly comply with the National Treasury circulars as issued from time to time.

In the circumstances, the Board of Management was in breach of the law and effectiveness of controls over governance could not be confirmed.

#### 2. Failure to Operate an Imprest System

During the year under review, the School made several cash payments by way of cash advances and allowances to members of staff. However, the cash advances and allowances were not made through issuance of imprests and were not properly supported with receipts. This was contrary to Regulation 91(1) of the Public Finance Management

(National Government) Regulations, 2015 which requires that for those officers who in the course of duty are required to make payments which cannot conveniently be made through the cash office of a government entity or bank account, the accounting officer may authorize that they be issued with an imprest, which is a form of cash advance or cash float. Regulation 94 of the Public Finance Management (National Government) Regulations, 2015 which requires that an officer holding an imprest, which is a cash advance, should ensure that the full amount of the imprest can be accounted for at all times in cash, stamps, money at bank and completed payment vouchers and the goods purchased through imprest are taken on charge and a certificate issued.

In the circumstances, the Management of the School was in breach of the law and existence of controls over cash payments could not be confirmed.

### **3. Lack of Proper Controls on Fuel Consumption**

The statement of receipts and payments reflects operation expenses amount of Kshs.7,179,571 as disclosed in Note 7 to the financial statements. Included in this amount is Kshs.320,000 relating to purchase of fuel. However, records on fuel usage were not well maintained and there was no evidence that frequent reconciliations between the fuel registers and suppliers' statement were done to ensure proper accountability of the fuel. It was also not possible to confirm the amount of fuel drawn from the supplier.

In addition, records of fuel drawn, quantities remaining and levels of stocks requiring replenishment were not being maintained by the Management. Procurement records supporting the purchase of fuel which included the advertisement, invitations to bid, tender opening minutes, tender evaluations minutes, professional opinion, user requisitions and contract agreement were not provided for audit review.

In the circumstances, there was no proper internal controls in acquisition and usage of fuel.

### **4. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of the fixed assets register balance of Kshs.264,755,923 which includes land valued at Kshs.144,000,000 and a motor vehicle valued at Kshs.3,000,000. However, the School's land title deed was not provided for review, therefore, it was not possible to verify the legitimacy of the School's claim to the land.

Further, examination of the logbook of the School's motor vehicle revealed that the ownership of the motor vehicle is held jointly between the School and a financial Institution bringing into question the School's ownership of the motor vehicle and the appropriateness of its disclosure in the financial statements.

In addition, the School has not tagged or branded its assets, which impairs the physical verification, monitoring, and safeguarding of those assets.

In the circumstances, it was not possible to confirm existence, ownership and proper management of fixed assets.

## **5. Failure to have in Place Operation Policy and Manuals**

During the year under review, Management did not have in place an approved Human Resources Policy, Manual, Scheme of Service and Staff Establishment to guide on staffing levels and human resources management. Further, there was no Finance Manual to guide on accounting and financial management in the School and an Information Communication Technology (ICT) policy to guide on the management of the School's ICT infrastructure. This was contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which requires that the accounting officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, it was not possible to confirm whether the School's operations were effectively managed without the policy documents.

## **6. Management of Text Books**

Review of the text book management system of the School revealed the following anomalies;

### **6.1 Unutilized Form One Text Books**

Library records indicated that there were new two hundred (200) Kenya Literature Bureau (KLB) for biology, two hundred (200) for KLB chemistry, one hundred (100) for KLB history and two hundred (200) for KLB home science form 1 text books. However, these form one (1) text books are currently not being utilized since there are no form one (1) students in School.

### **6.2 Inadequate Library Space**

The School's library has inadequate space for both text books and students' study. Due to limited space, text books are kept in boxes which are placed on the floor instead of shelves exposing them to damage and wear and tear.

### **6.3 Lack of Text books Stock Take Reports**

Audit inspection of the School records revealed that the Library was well organized and arranged. However, no physical stock take of the text books was carried out in the Library as at 30 June, 2024. It was therefore not possible to confirm the actual number of text books in the School Library as at the closure of the 2023/2024 financial year.

In the circumstances, effectiveness of internal controls over text books could not be confirmed and the Schools Management may not fully account for the text books in the Library.

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 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**26 May, 2025**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**6. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024**

Description Of vote head	Note	2023-2024 Kshs	2022-2023 Kshs
<b>Receipts</b>			
Government grants for tuition	1	3,439,893	3,217,095
Government grants for operations	2	13,220,428	14,299,170
Government Grants for infrastructure	3	4,944,688	6,978,551
School Fund Income-Parents 'Contributions	4	93,673,023	89,080,393
Miscellaneous Incomes	5	23,154,761	9,694,890
<b>Total Receipts</b>		<b>138,432,793</b>	<b>123,270,099</b>
<b>Payments</b>			
Tuition	6	2,816,650	2,664,480
Operations	7	7,179,571	14,292,702
Infrastructure	8	4,103,195	4,326,715
Boarding and school fund payments	9	115,968,531	95,013,483
<b>Total Payments</b>		<b>130,067,947</b>	<b>116,297,380</b>
<b>Surplus</b>		<b>8,364,846</b>	<b>6,972,719</b>

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

*[Signature]* 07/05/2025

**Name: Timothy Kilimo**

**Chair BOM**

**Date:**

*[Signature]*

**Name: Joan Too**

**School Principal/Secretary to BOM**

**Date:**



*[Signature]* 07/05/2025

**Name: David K. Bowen**

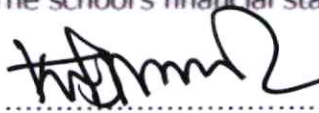
**Bursar/Finance Officer**

**Date:**

**7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2024**

Description	Note	2023-2024 Kshs	2022-2023 Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	18,475,167	10,110,321
Cash balances	11	-	-
Short term investment	12	-	-
<b>Total cash and cash equivalent</b>		<b>18,475,167</b>	<b>10,110,321</b>
Account's receivables	13	44,069,879	41,490,026
<b>Total financial assets</b>		<b>62,545,046</b>	<b>51,600,347</b>
<b>Financial liabilities</b>			
Accounts payables	14	30,950,975	28,371,122
<b>Net financial assets</b>		<b>31,594,071</b>	<b>23,229,225</b>
<b>Represented by</b>			
<b>Accumulated fund b/fwd</b>	15	23,229,225	16,256,506
<b>Surplus/deficit for the year</b>		<b>8,364,846</b>	<b>6,972,719</b>
<b>Net financial position</b>		<b>31,594,071</b>	<b>23,229,225</b>

The school's financial statements were approved on \_\_\_\_\_ 2024 and signed by:

 07/05/2025

**Name: Timothy Kilimo**

**Chair BOM**

**Date:**



**Name: Joan Too**

**School Principal/Secretary to BOM**

**Date:**

 07/05/2025  
**Name: David K. Bowen**

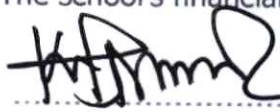
**Bursar/Finance Officer**

**Date:**

**8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Operating activities			
<b>Receipts</b>			
Government grants for tuition	1	3,439,893	3,217,095
Government grants for operations	2	13,220,428	14,299,170
Government Grants for infrastructure	3	4,944,688	6,978,551
School Fund Income-Parents Contributions	4	93,673,023	89,080,393
Miscellaneous Incomes	5	23,154,761	9,694,890
<b>Total receipts</b>		138,432,793	123,270,099
<b>Payments</b>			
Payments for tuition	6	2,816,650	2,664,480
Payments for operations	7	7,179,571	14,292,702
Infrastructure Payments-Bank charges	8	3,195	120
Boarding and school fund payments	9	115,968,531	95,013,483
<b>Total payments</b>		125,967,947	111,970,785
<b>Net cash flow from operating activities</b>		12,464,846	11,299,314
<b>Cash flow from investing activities</b>			
Proceeds from sale of assets			
Acquisition of assets		(4,100,000)	(4,326,595)
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from investing activities</b>		(4,100,000)	(4,326,595)
Cashflow from borrowing activities			
Proceeds from borrowings/loans			-
Repayment of principal borrowings			-
<b>Net cash flow from financing activities</b>		-	-
Net increase in cash and cash equivalents		8,364,846	6,972,719
Cash and cash equivalent at beginning of the year		10,110,321	3,137,602
<b>Cash and cash equivalent at end of the year</b>		<b>18,475,167</b>	<b>10,110,321</b>

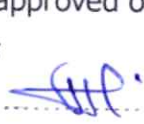
The school's financial statements were approved on \_\_\_\_\_ 2024 and signed by:

 07/05/2025

**Name: Timothy Kilimo**

**Chair BOM**

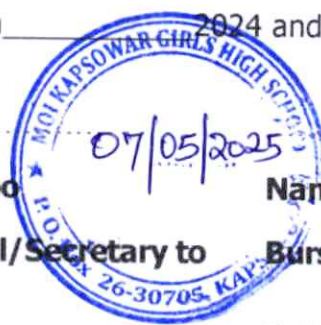
**Date:**

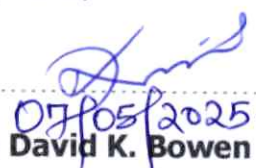


**Name: Joan Toor**

**School Principal/Secretary to BOM**

**Date:**



 07/05/2025

**Name: David K. Bowen**

**Bursar/Finance Officer**

**Date:**

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>RECEIPTS</b>						
<b>CAPITATION GRANT ON TUITION</b>						
Teaching/learning materials	5,801,600	-	5,801,600	3,439,893	2,362,207	59%
Total	5,801,600	-	5,801,600	3,439,893	2,362,207	59%
<b>CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	7,700,000	-	7,700,000	4,152,378	3,547,622	54%
Administration Costs	1,400,000	-	1,400,000	2,163,208	(763,208)	115%
Electricity, Water & Conservancy	2,100,000	-	2,100,000	2,383,985	(283,985)	114%
Activity Expenses	2,100,000	-	2,100,000	1,060,824	1,039,176	51%
L.T.T	1,960,000	-	1,960,000	331,750	1,628,250	16%
Insurance	2,800,000	-	2,800,000	1,408,983	1,391,017	50%
Repairs, Maintenance and Improvements	7,000,000	-	7,000,000	1,719,300	5,280,700	24%
Total	25,060,000	-	25,060,000	13,220,428	11,839,572	53%
<b>FDSE FOR INFRASTRUCTURE</b>						
Maintenance & Improvement	7,960,000	-	7,960,000	3,444,688	4,515,312	43%
Transition Infrastructure grants	-	-	-	1,500,000	(1,500,000)	-
Total	7,960,000	-	7,960,000	4,944,688	3,015,312	62%
<b>FEES CHARGED ON PARENTS</b>						
Personnel Emoluments	8,400,000	-	8,400,000	6,733,835	1,666,165	80%

Repairs, Maintenance and Improvements	2,800,000	-	2,800,000	2,602,977	197,023	93%
Local Transport & Travelling	4,900,000	-	4,900,000	4,206,485	693,515	86%
Electricity, Water and Conservancy	8,822,800	-	8,822,800	7,943,899	878,901	90%
Administration costs	6,396,600	-	6,396,600	5,721,043	675,557	89%
Fee on Boarding Equipment and Stores	42,539,000	-	42,539,000	54,252,445	(11,713,445)	127%
Activity	1,117,200	-	1,117,200	924,414	192,786	82%
Bursary		-	-	1,500,000	(1,500,000)	-
Prepayments	5,233,326	-	5,233,326	9,787,925	(4,554,599)	187%
Total	80,208,926	-	80,208,926	93,673,023	(13,464,097)	116%
<b>OTHER RECEIPTS</b>						
Income from Farm	-	-	-	515,959	(515,959)	-
Tender Forms	-	-	-	38,000	(38,000)	-
Administration	-	-	-	6,486,339	(6,486,339)	-
Bus Hire	-	-	-	1,069,000	(1,069,000)	-
Conferences	-	-	-	1,248,390	(1,248,390)	-
Bus Fund	3,135,000	-	3,135,000	13,408,948	(10,273,948)	-
House Rent	-	-	-	388,125	(388,125)	-
Total	3,135,000	-	3,135,000	23,154,761	(20,019,761)	-
<b>TOTAL INCOME</b>	122,165,526	-	122,165,526	138,432,793	(16,267,267)	89%
<b>EXPENDITURE FOR TUITION</b>						
Teaching/learning materials	5,002,980	-	5,002,980	2,815,000	2,187,980	56%
Bank Charges	-	-	-	1,650	(1,650)	-
<b>Total</b>	5,002,980	-	5,002,980	2,816,650	2,187,980	56%
Personnel emoluments	3,825,080	-	3,825,080	5,914,386	(2,089,306)	154%
Administration Costs	1,121,200	-	1,121,200	515,185	606,015	46%
Electricity, Water & Conservancy	2,739,960	-	2,739,960	430,000	2,309,960	15%
Activity Expenses	3,089,000	-	7,686,240	6,859,571	826,669	89%

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

L.T.T	3,850,000	-	3,850,000	320,000	3,530,000	8%
Insurance	950,000	-	950,000	-	950,000	0%
Repairs, Maintenance and Improvements	7,000,000	-	7,000,000	-	7,000,000	0%
<b>Total</b>	<b>22,575,240</b>	<b>-</b>	<b>27,172,480</b>	<b>14,039,142</b>	<b>13,133,338</b>	<b>52%</b>
<b>EXPENDITURE FOR INFRASTRUCTURE</b>						
M.I Payments	7,960,000	-	7,950,000	4,100,000	3,860,000	52%
Bank Charges	-	-	-	3,195	(3,195)	-
<b>Total</b>	<b>7,960,000</b>	<b>-</b>	<b>7,950,000</b>	<b>4,103,195</b>	<b>3,856,805</b>	<b>52%</b>
<b>EXPENDITURE FOR SCHOOL FUND</b>						
Personnel Emoluments	7,000,000	-	7,000,000	5,933,845	1,066,155	82%
Repairs, Maintenance and Improvements	2,800,000	-	2,800,000	-	2,800,000	0%
Local Transport & Travelling	1,490,000	-	1,490,000	2,737,694	(1,247,694)	183%
Electricity, Water and Conservancy	7,019,300	-	7,019,300	5,260,315	1,758,985	75%
Administration costs	4,556,700	-	7,397,211	4,166,081	3,231,130	56%
Fee on Boarding Equipment and Stores	44,445,820	-	44,445,820	67,616,691	(23,170,871)	152%
Activity	720,600	-	720,600	457,588	263,012	64%
Bursary	-	-	-	1,500,000	(1,500,000)	-
Bus Fund	3,135,000	-	3,135,000	-	3,135,000	0%
Expenditure on Income Generating Expenses	-	-	-	20,949,365	(20,949,365)	-
Prepayments	5,233,326	-	5,233,326	7,346,952	(2,113,626)	140%
<b>TOTAL</b>	<b>79,241,257</b>	<b>-</b>	<b>79,241,257</b>	<b>115,968,531</b>	<b>(36,727,274)</b>	<b>146%</b>
<b>GRAND TOTAL</b>	<b>120,074,426</b>	<b>-</b>	<b>120,074,426</b>	<b>130,067,947</b>	<b>(9,993,521)</b>	<b>108%</b>

**Budgetary Notes:**

Under-performance of receipts was due to the failure of the Ministry of Education to release the entire capitation due to the students during the period while school fund payments were over absorbed due to increased prices of commodities.

## **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* recognizes all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognizes all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognized when the event occurs whether cash is received or not. Expenditure arising from operations is recognized 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 receipt and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

**4. Cash and cash equivalents**

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorized 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial Statements.

**7. Non-current assets**

Non-current asset 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<sup>th</sup> June 2024.

**11. Notes To the Financial Statements****1 Government Grants for Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching/learning materials	3,439,893	3,217,095
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
<b>Total</b>	<b>3,439,893</b>	<b>3,217,095</b>

**2 Government Grants for Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	4,152,378	3,914,120
Administration Costs	2,163,208	2,029,144
Local Travel & Transport	331,750	-
Electricity, Water & Conservancy	2,383,985	2,386,000
Medical	-	-
Activity Expenses	1,060,824	733,000
Insurance	1,408,983	464,906
Repairs, Maintenance and Improvements	1,719,300	4,772,000
<b>Total</b>	<b>13,220,428</b>	<b>14,299,170</b>

**3 Government Grants for infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	3,444,688	6,978,551
Transition infrastructure grants	1,500,000	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify) (NGCDF and County govt.)	-	-
<b>Total</b>	<b>4,944,688</b>	<b>6,978,551</b>

**4 School Fund Income-Parents Contribution/Fees**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnelemoluments	6,733,835	8,263,324
Repairs, Maintenance and Improvements	2,602,977	3,280,812
Local Travel and Transport	4,206,485	5,846,067
Electricity, WaterandConservancy	7,943,899	8,799,582
Administration costs	5,721,043	7,071,433
Bursary	1,500,000	-
Fees Prepayments	9,787,925	6,423,018
BES	54,252,445	48,246,413
Activity	924,414	1,149,744
<b>Total</b>	<b>93,673,023</b>	<b>89,080,393</b>

**5 Miscellaneous Incomes**

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from Farm	515,959	1,622,000
Tender Forms	38,000	33,000
Administration	6,486,339	4,996,490
Bus Hire	1,069,000	80,000
Conferences	1,248,390	2,731,270
Bus Fund	13,408,948	-
House Rent	388,125	232,130
<b>Total</b>	<b>23,154,761</b>	<b>9,694,890</b>

**6 Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching/learning materials	2,815,000	2,664,000
Bank Charges	1,650	480
<b>Total</b>	<b>2,816,650</b>	<b>2,664,480</b>

**7 Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	5,914,386	6,554,793
Activity	-	100,000
Administration Costs	515,185	1,270,504
Local Travel &Transport	320,000	
Electricity, Water & Conservancy	430,000	1,595,405
Repairs, Maintenance and Improvements	-	4,772,000

<b>Total</b>	<b>7,179,571</b>	<b>14,292,702</b>
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**8 Infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
M.I payments	4,100,000	4,326,595
Bank Charges	3,195	120
Total Infrastructure Payments Reported in Statement of Receipts and Payments	4,103,195	4,326,715
Less: Acquisition of Assets-	4,100,000	4,326,595
Total Infrastructure Payments Reported in Statement Of Cash Flows	<b>3,195</b>	<b>120</b>

**9 Boarding And School Fund**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	5,933,845	8,157,296
Repairs, Maintenance and Improvements	-	2,206,551
Local Transport & Travelling	2,737,694	4,978,527
Electricity, Water and Conservancy	5,260,315	10,401,910
Administration costs	4,166,081	5,249,819
Expenses on Income Generating Activities	20,949,365	5,951,621
Fee on Boarding Equipment and Stores	67,616,691	49,971,775
Activity	457,588	556,931
Bursary	1,500,000	-
Prepayments	7,346,952	7,539,053
<b>TOTAL</b>	<b>115,968,531</b>	<b>95,013,483</b>

**10 Bank Accounts**

Name of Bank, Account No. & currency	Status	Bank Account Number	2023-2024	2022-2023
			Kshs	Kshs
Tuition Account, KCB	Active	1103274341	1,176,806	553,563
Operations Account, KCB	Active	1103272489	6,050,671	9,815
School Fund Account/Boarding, KCB	Active	1103272616	648,479	1,994,622
Farm Account, KCB	Active	1103275011	6,402,781	4,197,384
Infrastructural Account, KCB	Active	1138799998	4,196,430	3,354,937
<b>Total</b>			<b>18,475,167</b>	<b>10,110,321</b>

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**11 Cash In Hand**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**12 Short Term Investments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13 (a) Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears	43,656,804	41,490,026
<b>Other Non-fees Receivables</b>		
Rent Arrears	413,075	-
Imprest	-	-
<b>Total</b>	<b>44,069,879</b>	<b>41,490,026</b>

**13 b) Ageing Analysis of Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears for current year	16,795,150	12,296,280
Fees arrears for the previous year	6,774,175	9,704,545
Fees arrears for prior periods (over two years)	20,087,479	19,489,201
<b>Total</b>	<b>43,656,804</b>	<b>41,490,026</b>

**14 Accounts Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	21,163,050	21,948,104
Prepaid Fees	9,787,925	6,423,018
Retention monies	-	-
<b>Total</b>	<b>30,950,975</b>	<b>28,371,122</b>

**14a. Ageing Analysis of Accounts Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors for current year	21,163,050	21,948,104
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
<b>Total</b>	<b>21,163,050</b>	<b>21,948,104</b>

**15 Fund Balance Brought Forward**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank balances	10,110,321	3,137,602
Cash balances	-	-
Short Term Investments	-	-
Receivables	41,490,026	25,995,366
Payables	(28,371,122)	(12,876,462)
<b>Total</b>	<b>23,229,225</b>	<b>16,256,506</b>

## Otherimportantdisclosurenotes

IPSASCashStandardencourages entity todiscloseaccrual relatedinformationinrelation toentity'sassetsand liabilities. The notesoutlinedbelowaredisclosurenotesinrelation tothe school'snon- financialassetsandliabilities.

**16 Non-currentLiabilitiesSummary**

Description	2023-2024	2022-2023
	Kshs	Kshs
BankLoans	-	-
OutstandingLeases	-	-
HirePurchase	-	-
GratuityAndLeaveProvision	-	-
Others(specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17 Biologicalassets**

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	5	500,000	500,000
Trees	3,000	6,000,000	6,000,000
<b>Total</b>		<b>6,500,000</b>	<b>6,500,000</b>

**18 Borrowings**

Description	2023-2024	2022-2023
Borrowingsatbeginningoftheyear	-	-
ssBorrowingsduringtheyear	-	-
Repaymentsduringtheyear	-	-
Balance at the end of the year	-	-

**19 Stock/Inventory**

Description	2023-2024	2022-2023
	KShs	KShs
Stock/inventoryatbeginningoftheyear	748,434	1,876,751
Stock/inventorypurchasedduringtheyear	79,795,139	77,407,775
Stock/inventoryissuedduringtheyear	(78,536,092)	(78,536,092)
<b>Balance at end of the year</b>	<b>2,007,481</b>	<b>748,434</b>

## 20 ProgressOnFollowUpOfAuditorRecommendations

Thefollowingisthesummaryofissuesraisedbytheexternal auditor, andmanagement comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Accounts Receivables	The students' debtors date several years and back management has embarked in compiling schedules some of which are in hard copy	Resolved	
2	Unsupported Accounts Payable	Management has established a credit ledger which will be used in the future periods	Resolved	
3	Unsupported Bank balances	The management has on boarded accounts clerk (staff) to ensure books are promptly updated to avoid recurrence of the same	Resolved	
4	Irregular transfer of funds to Kenya secondary heads Association	Management observes that KESSHA is an association into which schools remit funds for its operations, management has sought guidance from MOE on how to handle requisition for remittances of the funds	Awaiting response	Before June 30 <sup>th</sup> 2025
5	Non-adherence to Third pay Rue	Management has noted and will comply with sec 19(3)	Resolved	
6	Failure to deduct and remit Statutory deductions on board of management contracted teachers	Management has noted and moving forward compliance of the act will be done	Resolved	
7	Failure to prepare School improvement plan	The management has noted and commenced the process of developing school improvement plan for next financial years	Resolved	
8	Late submission of financial statements to the Auditor General	The management has noted the observation and has prepared financial statements for 2023-2024 financial period which will be submitted by the end of the month as stipulated	Resolved and complied	
9	Lack of ownership documents	The management will raise issue of title deed with MOE and also written to bank on issue of log book		Before 30 <sup>th</sup> June 2025

SignandDate



## 12. Annexes

**Annex I-Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2023-2024	2022-2023	
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Supply Of Goods</b>						
<b>TUITIONACCOUNT</b>						
Conart Ltd	1,646,914	01-Jul-23	1,646,914	1,646,914		
Kindo Ltd	2,516,165	02-Aug-23	2,516,165	2,516,165		
sub-total						
<b>SCHOOLFUND/BOARDING ACCOUNT</b>						
Daniel Kanda	1,804,000	01-Jan-24	1,804,000	1,804,000		
Rosemary Rotich	151,200	01-Jan-24	151,200	151,200		
Felix Kiplagat	2,471,995	05-Jan-24	2,471,995	2,471,995		
Majida Uniforms 24/7Ltd	2,746,990	02-Jan-24	2,746,990	2,746,990		
Baibayet Merchandise Ltd	4,343,790	08-Jan-24	4,343,790	4,343,790		
Baibayet Hardware Ltd	543,250	01-Jan-24	543,250	543,250		
Fresh Fresh	1,035,065	01-Jan-24	1,035,065	1,035,065		
Sinendet	323,450	02-Jan-24	323,450	323,450		
Firemasters Ltd	33,250	02-Jan-24	33,250	33,250		
Timothy Chebii	1,687,751	10-Mar-23	1,687,751	1,687,751		
Candice Rono	670,000	02-Jan-24	670,000	670,000		
Chemasco	73,380	05-Jan-24	73,380	73,380		
Rose & Rose	145,000	03-Jan-24	145,000	145,000		
Gift Enterprise Ltd	116,600	12-Sep-23	116,600	116,600		
Oracle Digitech Engineering Ltd	854,250	01-May-24	854,250	854,250		
<b>Total</b>	<b>21,163,05</b>		<b>21,163,050</b>	-		

## Annex2–Summary of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f	Additions	Disposals	Historical
			1st July 2023	During the year	during	Cost c/f
			(Kshs)	(Kshs)	The year	30th June
						2024
			(Kshs)	(Kshs)	(Kshs)	(Kshs)
Land 2		Kapsowar	144,000,000	-	-	144,000,000
Buildings and structures		Kapsowar	82,799,063	4,100,000		86,899,063
Motor vehicles		Kapsowar	3,000,000	-		3,000,000
Office equipment, furniture and fittings		Kapsowar	4,950,000	-		4,950,000
ICT Equipment, and Other ICT Assets		Kapsowar	1,382,000	-		1,382,000
Fire Extinguishers		Kapsowar	251,000	-		251,000
Tools and apparatus		Kapsowar	1,708,730	-		1,708,730
Kitchen Appliances		Kapsowar	2,419,000	-		2,419,000
Beds		Kapsowar	4,400,000	-		4,400,000
Textbooks		Kapsowar	7,000,000	-		7,000,000
Other Machinery and Equipment		Kapsowar	7,146,130	-		7,146,130
Heritage and cultural assets		Kapsowar	400,000	-		400,000
Intangible assets-software		Kapsowar	1,200,000	-		1,200,000
<b>Total</b>			<b>260,655,923</b>	<b>4,100,000</b>	<b>-</b>	<b>264,755,923</b>