REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

RIAMUKURWE SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

NYERI COUNTY

RIAMUKURWE SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

Table of Contents

I. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

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

II. Key School Information and Management

(a) Background information

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

The school was registered in 03/2007 under registration number GP/A/4533/07 and is currently categorized as a Sub-County public school established, owned or operated by the Government.

The school is a day school and had 356 students as at *30th June 2023*. It has 2 streams and 16 teachers of which one of the teachers is employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	MR. GEORGE MWANGI	Chairman	5/03/2022
2	MR. JAMES M. WANGAI	Secretary - Principal	5/03/2022
3	MR. WASHINGTON NJOGU	Member	5/03/2022
4	MRS.FAITH MUTHONI WAMWARA	Member	5/03/2022
5	MR. JORAM M. KARIMI	Member	5/03/2022
6	MR. PETER MAINA MUTURI	Member	5/03/2022
7	MR. CHARLES WANG'ONDU	Member	5/03/2022
8	MRS.ANN WANJA THAIRU	Member – Rep CEB	5/03/2022
9	MR. ELDAD KARIUKI	Member Rep Teachers	5/03/2022
10	MS. BETH NJOKI NGARI	3 Members - Sponsor	5/03/2022
11	MR. JUSTUS GIKANDI	Member - Community	5/03/2022
12	MR. FRANCIS KIHURO	Member Special Needs	5/03/2022
13	MRS. LUCY MAINA	Member	5/03/2022
14	MR. RICHARD KANYORO MWANGI	Member	5/03/2022
15	EDWIN KIMATHI	Rep Students	5/03/2022

The functions of the School Board of Management are to:

- Promote the best interests of Riamukurwe Secondary 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 Riamukurwe Secondary 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 Riamukurwe Secondary 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 Riamukurwe Secondary 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**	MR. GEORGE MWANGI MR. JAMES M. WANGAI MR. JAMES MAINA MR. WASHINGTON NJOGU	B.O.M CHAIR PRINCIPAL MEMBER MEMBER	**1out 6**
2	Audit Committee	MR. JUSTUS GIKANDI MR. JAMES M. WANGAI MR. JORAM KARIMI MS. BETH NGARI	CHAIR PRINCIPAL MEMBER MEMBER	0 out of 6
3	Finance, procurement and general purposes Committee	MR. GEORGE MWANGI MR. JAMES MAINA MRS.FAITH MUTHONI LUCY MAINA MR. JAMES M. AINA	B.O.M CHAIR P.A CHAIR MEMBER MEMBER PRINCIPAL	1 out 6
4	Academic Committee	MR. ELDAD KARIUKI MR. JUSTUS GIKANDI MRS.BETH NGARI MR. JAMES MAINA PETER MUTURI MR. JAMES MAINA WANGAI	MEMBER CHAIR MEMBER P.A CHAIR MEMBER PRINCIPAL	1 of 6
5	Discipline and welfare Committee	MR. PETER MAINA MR. RICHARD KANYORO MRS.ANN THAIRU MRS.LUCY MAINA MR. JAMES WANGAI MAINA	CHAIRPERSON MEMBER MEMBER MEMBER PRINCIPAL	0out of 6

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	SAMUEL MACHARIA MUTHEE	TSC No 371831
2	Deputy Principal	EVA WANINI NDERITU	TSC No.323137
3	School Bursar	PURITY WANGU KABUGI	ID 33197072

(e) Schools contacts

Post Office Box: 5073-10100 NYERI
Telephone: 0721862021
E-mail: riamukurwe@gmail.com
Website: -
Facebook: -
Twitter: -

(f) School Bankers

The following school operated 4 accounts in the following banks:

1. Name of Bank: KCB
Branch: NYERI
Account Number: 1101945079
School Fund Account

2. Name of Bank: KCB
Branch: NYERI
Account Number: 1101946504
Tuition Account

3. Name of Bank: KCB
Branch: NYERI
Account Number: 1101948698
Operations Account

4. Name of Bank: KCB
Branch: NYERI
Account Number: 1274395569
Infrastructure Account

(g) Independent Auditors

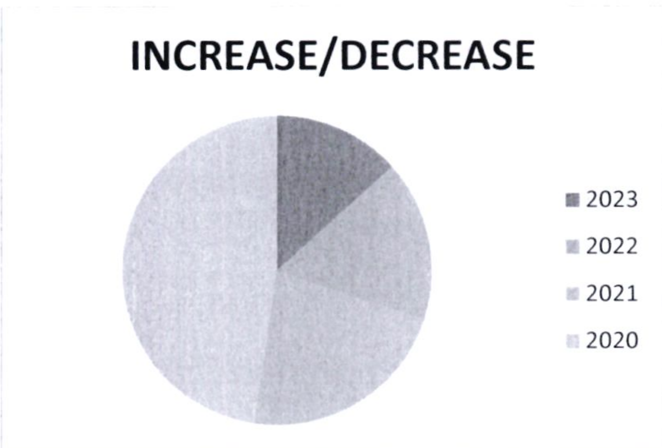
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

III. 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**:

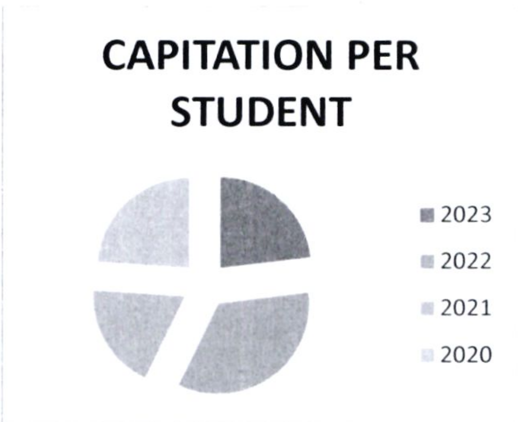
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	**2020**
		Kshs	**Kshs**	**Kshs**	**Kshs**
1	School Fund Account	(103,101.00)	13,217.00	58,203.00	(1,758,422.00)
2	Operations Account	391,673.25	(464,093.00)	409,734.75	971,895.00
3	Tuition Account	3,162.00	(17,886.60)	20,334.00	1,587.00
	TOTAL	**291,734.25**	**(468,761.60)**	**488,271.75**	**(784,940.00)**
	Increase/Decrease	**760,495.60**	**(957,033.35)**	**(1,273,211.75)**	**2,722,740.80**



A surplus of Ksh**291,734.25** was realised in the year 2023 as a result of the academic calendar not aligning. This means that there were funds in the account that was yet to be expended.

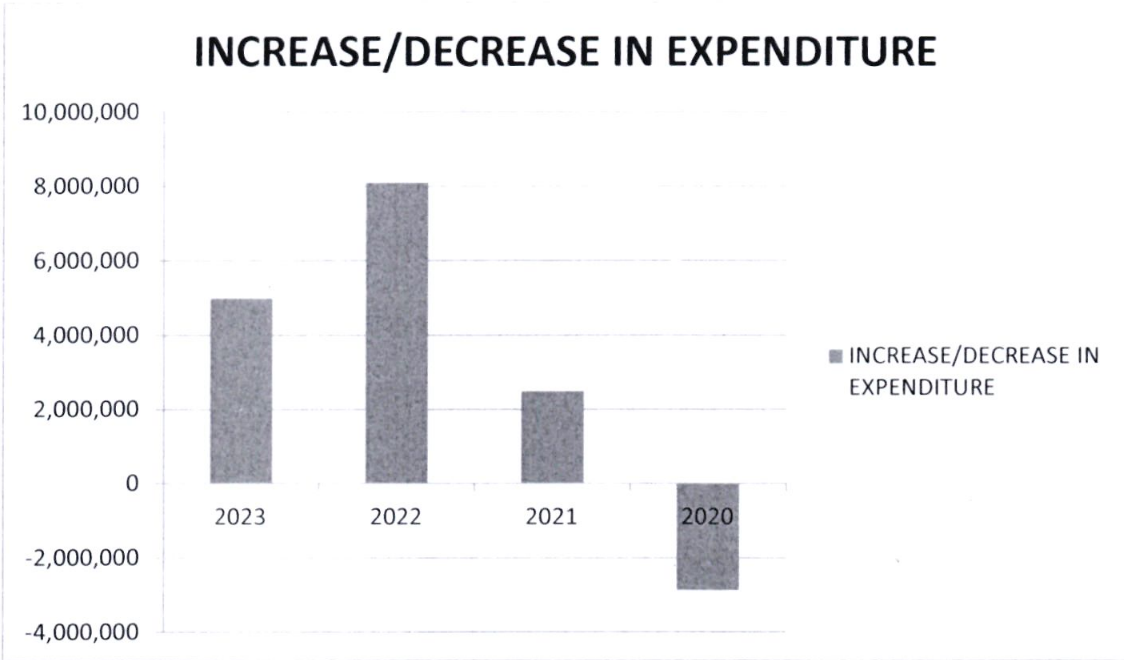
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	**2020**
		KSHS	**KSHS**	**KSHS**	**KSHS**
1	Operations Account	3,892,177.25	5,448,139.00	3,638,964.75	4,674,714.90
2	Tuition Account	890,987.00	1,612,188.40	501,314.00	559,092.00
	Total	**4,783,164.25**	**7,060,327.40**	**4,140,278.75**	**5,233,806.90**
	Increase/Decrease	**(2,277,163.15)**	**2,920,048.65**	**(1,093,528.15)**	**(898,050)**
	No of Students	356	357	377	377
	Ratio of Capitation per student	**1:13407.78**	**1:19776.83**	**1:10982.17**	**1:13882.78**



There appears to be a great difference between the capitation granted per student in year 2022 and year 2023.This difference has not been explained and it has adversely affected the general management of the school for the year ended 30th June 2023.

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	**ACCOUNTS**	**2023**	**2022**	**2021**	**2020**
		Kshs	**Kshs**	**Kshs**	**Kshs**
1	School Fund Account	5,208,778.00	7,029,113.00	2,777,807.00	3,141,652.00
2	Operations Account	3,500,504.00	5,912,232.00	3,229,230.00	300,855.00
3	Tuition Account	887,825.00	1,630,075.00	480,980.00	557,505.00
	Total	**9,597,107.00**	**14,571,420.00**	**6,488,017.00**	**4,000,012.00**
	Increase/Decrease	**4,974,313.00**	**8,083,403.00**	**2,488,005.00**	**(2,874,458.00)**



There was a decrease in expenditure in the year 2023 as a result of the academic calendar not aligning. This means that there were funds in the account that was yet to be expended.

a) Teacher Student ratio:

Between the month of July 2022 and June 2023, the status of the teaching staff is as follows: There are 17 teachers posted by the Teachers Service Commission and 1 recruited by the Board of Management. Although the teacher student ratio lies at 1: 25. We have a shortage of 2 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

b) Mean score in the *2022* KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET
2022	103	3.284	4	3.9	4.0
2021	100	2.824	5	5.0	4.1
2020	87	3.718	6	7.0	6.5
2019	91	3.604	6	6.5	5.8
2018	95	3.075	5	5.3	5.0

c) Number of Candidates in the 2022 KCSE:

YEAR	No. of Candidates
2022	103
2021	100
2020	87
2019	91

d) Capacity of the school:

There are 356 students, since it's a day smoother are no dormitories. Theres only one dining hall,4 laboratories, one library hall,14 toilets and 10 classrooms.

e) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Borehole	Donation from a well wisher	complete	Not disclosed by the donor	Not disclosed by the donor	complete

....

School Principal

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX 5073-10100 NYERI.
Date...................Sign...................

V. 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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of **Riamukurwe 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 Riamukurwe Secondary School 's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

…………………………………………

Name: Mr. John Mwangi Njoki

Designation: Chairman, School Board of Management

Date: 23/3/26

…………………………………………

Name: Mr. Samuel Macharia Muthee

Designation: School Principal & Secretary to Board of Management

Date: 23/3/2026

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX
Date…………… Sign……………

…………………………………………

Name: M/s Purity Kabugi

Designation: Bursar/ Finance Officer

Date: 23/3/2026

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON RIAMUKURWE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - NYERI COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

A. Report on the 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 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 Government achieves value for money and that such funds are applied for 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, the risk management environment and the 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 Riamukurwe Secondary School - Nyeri County set out on pages 1 to 14, which comprise of the statement of assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Riamukurwe Secondary School as at 30 June, 2023, 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 Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.2,757,239 as disclosed in Note 9 to the financial statements. However, supporting schedules, detailed aging analysis and issued invoices for receivables amounting to Kshs.2,142,421 from the previous years were not provided for audit review.

In the circumstances, the accuracy, completeness and existence of the accounts receivable balance of Kshs.2,757,239 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 pages iv to xii which comprise of Key School Information and Management, Summary Report of Performance of the School, and the 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, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects capitation grants for operations of Kshs.3,892,177 as disclosed in Note 2 to the financial statements. However, included in the amount is Kshs.1,298,000 in respect of infrastructure grants which were not transferred to the infrastructure account contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Failure to Prepare School Improvement Plan

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

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

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

The statement of receipts and payments reflects boarding and School fund payments amount of Kshs.5,208,778 as disclosed in Note 6 to the financial statements. Included in the payment is an amount of Kshs.339,470 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.339,470 could not be confirmed.

4. 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(2) 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 circumstance, the compliance and effectiveness in the procurement unit could not be confirmed.

5. Irregularities in Accounting for Capitation Grants

During the period under review, the School received capitation grants amounting to Kshs.4,783,163 from the Ministry of Education. However, Management did not acknowledge receipt of the funds by having individual students sign forms that indicate their admission numbers and full names as per admission register and the amount awarded. This was contrary to the Ministry of Education circular dated 8 January, 2021 which instructed Principals to acknowledge receipt of funds to County Education offices through the Sub - County Director of Education an allocation of funds duly signed by individual students.

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

6. Non-compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit by the School Management did not fully comply with all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows: -

i) The financial period in the financial statements and Notes to the financial statements is presented as either 2023 or 2022 for the current and prior years respectively instead of financial year 2022-2023;

ii) The statement of budgeted versus actual amounts does not disclose the grand totals for budgeted expenditure and actuals.

iii) Figures in the financial statements and Notes to the financial statements have not been rounded off.

In the circumstances, the financial statements as prepared and presented are not in compliance with Public Sector Accounting standards Board Reporting Framework.

7. Under Funding of Capitation Grants

The statement of receipts and payments reflects Government grants for tuition and capitation grants for operations amount of Kshs.890,987 and Kshs.3,892,177 respectively as disclosed in Notes 1 and 2 to the financial statements. However, a review of NEMIS data and student's register revealed that during the financial year, NEMIS reported a total number of two hundred and ninety-one (291) students while the enrolment records provided by the School indicated a total number of three hundred and forty-eight (348) students, resulting in an unexplained variance of fifty-three (53) students. As a result of the variance, the School was under-funded by Kshs.871,160 (total capitation received/NEMIS enrolment X 53 students) in capitation grants.

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

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 effects of matter 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 did not constitute an internal audit unit and an audit committee as required by section 73 Subsection (1) (a), and subsection 5 of the Public Finance Management Act 2012 which state that "every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board".

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

2. Non- compliance with Stipulated Frequency of Board and Board Committee Meetings

During the year under review, the full Board held one (1) meeting whereas the Audit Committee and Academic Committee did not hold a single meeting. The Discipline and Welfare Committee held one (1) meeting and there was no Development Committee in place. The Board and the Committees therefore, did not meet the set threshold of a minimum of 4 meeting each financial year contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 that states that a Board of Management shall meet at least once every four months. This was also contrary to Circular OP/CAB.9/1A dated 11th March 2020 on Management of State Corporations, Section A (2) on board meetings states that "For avoidance of doubt, the board meetings shall be restricted to a minimum of four (4) as provided in the State Corporations Act and capped to a maximum of six for each financial year or as may be specified in the respective enabling legal instrument. The same principle shall apply to respective Committees of the Boards".

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

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 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 Board of Management

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.

The Board of Management is 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

13 May, 2026

VII. Statement Of Receipts and Payments For the Year Ended 30th June 2023

	Note	2023	2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	890,987.00	1,612,188.40
Capitation grants for operations	2	3,892,177.25	5,448,139.00
School Fund Income- Parents' Contributions	3	5,503,942.00	7,042,330.00
TOTAL RECEIPTS		**10,287,106.25**	**14,102,658.30**
PAYMENTS			
Payments for Tuition	4	887,825.00	1,630,075.00
Payments for operations	5	3,500,504.00	5,912,232.00
Boarding and school fund payments	6	5,208,778.00	7,029,113.00
TOTAL PAYMENTS		**9,597,107.00**	**14,571,420.00**
SURPLUS/DEFICIT		**291,735.00**	**(468,761.70)**

The school financial statements were approved on ___________ 2023 and signed by:

....	....	....
Name: Mr. John Mwangi	**Name: Mr. Samuel Muthee** **School Principal/ Secretary to BOM**	**Name: M/s Purity Kabugi**
Chair BOM		**Bursar/ Finance Officer**
Date:	**Date:** 23/3/2026	**Date:** 23/3/2026

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX ... NYERI.
Date.......................Sign...................

(Comparative FY refers to the financial year preceding the current financial year.)

VIII. Statement of Assets and Liabilities As At 30th June 2023

	Note	2023 Kshs	2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7	352,123.00	187,934.00
Cash Balances	8	6,352.00	(121,193.00)
Total Cash and cash equivalent		**358,475.00**	**66,741.00**
Account's receivables	9	2,757,239.00	2,353,820.00
TOTAL FINANCIAL ASSETS		**3,115,715.00**	**2,420,561.00**
FINANCIAL LIABILITIES			
Accounts Payables	10	(2,493,183.00)	(3,542,694.00)
NET FINANCIAL ASSETS		**622,532.00**	**(1,122,133.00)**
REPRESENTED BY			
Accumulated Fund b/fwd.	11	(1,122,133.00)	354,979.00
Surplus for the year		291,735.00	(468,762.00)
Increase in Receivables		403,419.00	475,150.00
Decrease in Payables		1,049,511.00	(1,483,500.00)
NET FINANCIAL POSSITION		**622,532.00**	**(1,122,133.00)**

The school's financial statements were approved on ________________2023 and signed by:

…………………………………	…………………………………	…………………………………
Name: Mr. John Mwangi	**Name: Mr. Samuel Muthee** **School Principal/ Secretary to BOM**	**Name: M/s Purity Kabugi**
Chair BOM 23/3/26		**Bursar/ Finance Officer**
Date:	**Date:** 23/3/2026	**Date:** 23/3/2026

(Comparative FY refers to the financial year preceding the current financial year.)

PRINCIPAL
RIAMUKURWE S... ...OOL
P. O. BOX-5073-10100, NYERI.
Date……………………Sign……………………

IX. Statement of Cash Flows for the Year Ended 30th June 2023

		2023	2022
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	890,987.00	1,612,188.40
Capitation grants for operations	2	3,892,177.25	5,448,139.90
School fund income- Parents contributions/ fees	3	5,503,942.00	7,042,330.00
Total receipts		**10,287,106.00**	**14,102,658.30**
Payments			
Payments for Tuition	4	887,825.00	1,630,075.00
Payments for operations	5	3,500,504.00	5,912,232.00
Boarding and school fund payments	6	5,208,778.00	7,029,113.00
Total payments		**9,597,107.00**	**14,571,420.00**
Net cash flow from operating activities		**291,735.00**	**(468,761.70)**
CASHFLOW FROM INVESTING ACTIVITIES		-	-
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**291,745.00**	**(468,761.70)**
Cash and cash equivalent at BEGINNING of the year		**66,741.31**	**535,503.01**
Cash and cash equivalent at END of the year		**358,476.00**	**66,741,31**

The school's financial statements were approved on 2023 and signed by:

………………………………	………………………………	………………………………
Name: Mr. John Mwangi	**Name: Mr. Samuel Muthee**	**Name: M/s Purity Kabugi**
Chair BOM 23/3/26	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:** 23/3/2026	**Date:** 23/3/2026

PRINCIPAL
RIAMUKURWE SEC. SCHOOL
P. O. BOX 5073-10100, NYERI.
Date…………Sign…………

X. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c= a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	65,100.00	-	65,100.00	41,897.00	64.36
Exercise Books	728,640.00	-	728,640.00	547,000.00	75.07
Laboratory Equipment	138,000.00	-	138,000.00	123,000.00	89.13
Internal Exams	56,160.00	-	56,160.00	70,000.00	124.64
Teaching / Learning Materials	103,000.00	-	103,000.00	109,090.00	105.91
Exams And Assessment	-	-	-	-	
	1,090,900.00		**1,090,900.00**	**890,987.00**	**81.67**
(2) Capitation Grant on Operations					0.00
Personnel Emoluments	2,054,535.00	-	2,054,535.00	2,054,850.00	100.02
Repairs And Maintenance	1,428,000.00	-	1,428,000.00	1,298,000.00	90.90
Local Transport / Travelling	106,505.00	-	106,505.00	97,304.92	91.36
Electricity And Water	106,505.00	-	106,505.00	97,304.92	91.36
Medical	106,505.00	-	106,505.00	65,300.00	61.31
Administration Costs	411,980.00	-	411,980.00	97,304.91	23.62
Activity	319,515.00	-	319,515.00	182,112.50	57.00
Gratuity	-	-	-	-	
	4,533,545.00	**-**	**4,533,545.00**	**3,892,177.25**	**85.85**
(4) Fees Charged on Parents					
Lunch Programme	4,377,080.00	357,000	4,734,080	5,503,942	116.26
Total Income	**10,001,525.00**	**357,000.00**	**10,358,525.00**	**10,287,106.25**	**99.31**
(6) Expenditure For Tuition					0.00
Reference Materials	65,100.00	-	65,100.00	58,000.00	89.09

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c= a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Exercise Books	728,640.00	-	728,640.00	539,265	74.01
Laboratory Equipment	138,000.00	-	138,000.00	130,000.00	94.20
Internal Exams	56,160.00	-	56,160.00	20,000.00	35.61
Teaching / Learning Materials	103,000.00	-	103,000.00	106,000.00	102.91
Chalks	70,000.00	-	70,000.00	35,000.00	50.00
Bank Charges	1,440.00	-	1,440.00	1,825.00	126.74
	1,162,340.00		**1,162,340.00**	**890,090.00**	**76.58**
(7) Expenditure For Operations					
Personnel Emoluments	2,054,535.00	-	2,054,535.00	1,695,912.00	82.54
Repairs, Maintenance & Improvements	1,428,000.00	-	1,428,000.00	10,300.00	0.72
Local Transport / Travelling	106,505.00	-	106,505.00	200,000.00	187.78
Electricity, Water and Conservancy	106,505.00	-	106,505.00	329,400	309.28
Medical	106,505.00	-	106,505.00	-	
Administration Costs	411,980.00	-	411,980.00	803,172.00	194.95
Activity Expenses	319,515.00	-	319,515.00	209,720.00	65.64
	4,533,545.00	-	**4,533,545.00**	**3,500,504.00**	**77.21**
(9) Expenditure For school fund/lunch/boarding					
Lunch Programme	4,377,080.00	357,000.00	4,734,080.00	5,203,778.00	109.92
Totals	**4,377,080.00**	**357,000.00**	**4,734,080.00**	**5,208,778.00**	**110.03**

XI. 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 Riamukurwe Secondary 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

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

3. In-kind contributions

In-kind contributions are donations that are made to Riamukurwe Secondary 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, Riamukurwe Secondary 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.

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. 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 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 Riamukurwe Secondary 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. Riamukurwe Secondary School's budget was approved by Riamukurwe Secondary School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

XII. Notes To The Financial Statements

1 Government Grants for Tuition

Description	*2023*	*2022*
	Kshs	**Kshs**
Reference Materials	41,897.00	-
Exercise Books	547,000.00	-
Laboratory Equipment	123,000.00	-
Internal Exams	70,000.00	
Teaching / Learning Materials	109,090.00	1,612,188.40
Total	**890,987.00**	**1,612,188.40**

2 Government Grants for Operations

Description	*2023*	*2022*
	Kshs	**Kshs**
Personnel Emoluments	2,054,850.00	-
Repairs And Maintenance	1,298,000.00	1,757,455.00
Local Transport / Travelling	97,304.92	-
Electricity And Water	97,304.92	-
Medical	65,300.00	-
Administration Costs	97,304.91	-
Activity	182,112.50	-
Other Vote Heads (P/E, LT&T, EWC, ADM)	-	3,530,684.90
Total	**3,892,177.25**	**5,448,139.90**

3 School Fund Income - Parents Contribution/Fees

Description	*2023*	*2022*
	Kshs	**Kshs**
Lunch Programme	5,503,942.00	7,042,330.00
Total	**5,503,942.00**	**7,042,330.00**

Notes to the Financial Statements (continued)

4 Tuition

Description	2023	2022
	Kshs	Kshs
Exercise Books	539,265.00	-
Reference materials	58,000.00	-
Laboratory Equipment	130,000.00	-
Teaching / Learning Materials	106,000.00	1,630,075.00
Chalks	35,000.00	-
Bank Charges	1,825.00	-
Others (Internal exams)	17,735.00	-
Total	**887,825.00**	**1,630,075.00**

5 Operations

Description	2023	2022
	Kshs	Kshs
Personnel Emoluments	1,695,912.00	-
Service Gratuity	252,000.00	-
Administration Cost	803,172.00	-
Repairs And Maintenance & Improvements	10,300.00	-
Local Transport / Travelling	200,000.00	-
Electricity And Water	329,400.00	-
Activity Expenses	209,720.00	102,300.00
Inter-account borrowing	-	1,891,350.00
Others (P/E, ADM, LT&T, EWC)	-	3,918,582.00
Total	**3,500,504.00**	**5,912,232.00**

Notes to the Financial Statements (continued)

6 Boarding And School Fund

Description	*2023*	*2022*
	Kshs	Kshs
Lunch Programme	5,208,778.00	7,029,113.00
Total	**5,208,778.00**	**7,029,113.00**

7 Bank Accounts

Account Name & Currency	Status	Bank Account Number	*2023*	*2022*
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE	1101946504	7,664.20	4,502.20
Operations Account	ACTIVE	1101948698	366,153.35	(30,809.90)
School Fund Account/Boarding	ACTIVE	1101945079	(21,694.79)	214,242.01
Infrastructural Account	DORMANT	1274395569	0	0
Total			**352,122.76**	**187,934.31**

8 Cash In Hand

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Notes and Coins	6,352.00	(121,193.00)
Total	**6,352.00**	**(121,193.00)**

Notes to the Financial Statements (continued)

9. Accounts Receivable

Description	2023	2022
	Kshs	Kshs
Fees Arrears	2,757,239.00	2,253,820.25
Total	2,757,239.00	2,253,820.25

9. b Ageing Analysis of Accounts Receivable

Description	2023		2022	
	Kshs		*Kshs*	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year	614,918.00	21	475,150.00	20
Between 1- 2 years	363,751.00	17	878,000.00	37
Between 2-3 years	1,778,670.00	62	1,000,670.35	43
Over 3 years	-	-	-	-
Total (should tie to note 12)	**2,757,239.00**	**100**	**2,353,820.35**	**100**

10 Accounts Payable

Description	2023	2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,336,963.00	3,456,494.00
Prepaid Fees	156,220.00	86,200.00
Total	2,493,183.00	**3,542,694.00**

Notes to the Financial Statements (continued)

10b. Ageing Analysis of Accounts Payable

Description	2023 Kshs		2022 Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,049,511.00	42	1,397,300.00	40
Between 1- 2 years	1,241,080.00	56	955,370.00	28
Between 2-3 years	46,372.00	2	1,110,834.00	32
Over 3 years	-	-		-
Total (should tie to note 13)	**2,336,963.00**	**100**	**3,456,494.00**	**100**

11. Fund Balance Brought Forward

Description	2023	2022
	Kshs	Kshs
Bank Balances	187,934.00	535,503.01
Cash Balances	(121,193.00)	-
Receivables	2,353,820.00	1,878,670.35
Payables	(3,542,694.00)	(2,059,194.00)
Total	**(1,122,133.00)**	**354,979.36**

XIII. Other important disclosure notes

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

12 Biological assets

Description	Numbers	2023	2022
		Kshs	Kshs
Trees	900	1,800,00.00	
Sheep	10	100,000.00	80,000.00
Total		**1,900,000.00**	**80,000.00**

13 Stock/ Inventory

Description	2023	2022
	Kshs	Kshs
Food stuffs	81,733.00	92,000.00
Lab consumables	72,500.00	108,000.00
	154,233.00	**200,000.00**

XIV. 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 23/3/2024
Principal

PRINCIPAL
RIAMUKURWE S... OL
P. O. BOX 5073-40100 NYLd.
Date...............

XV. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. DAVID KIBEBE	79,858.00	5/11/2021	31,000.00	48,858.00	9,000.00	
Sub-Total	**79,858.00**		**31,000.00**	**48,858.00**	**9,000.00**	
Supply Of Goods						
2. MOSES MACHARIA	481,460.00	5/11/2021	318,195.00	163,265.00	215,380.00	
3. ZENIUM PRINTS SOLUTION	568,000.00	5/11/2021	336,500.00	231,500.00	60,500.00	
4.JOGIMU ENTERPRISES	868,795.00	5/11/2021	690,880.00	177,915.00	313,325.00	
5.. RESANA STATIONERS	675,015.00	5/11/2021	307,865.00	367,150.00	382,125.00	
6.STEPHEN MWANGI	109,000.00	5/11/2021	74,000.00	35,000.00	55,000.00	
7.ALFRA GENERAL SERVICES	344,850.00	5/11/2021	0.00	344,850.00	36,000.00	
8.CHARITY WAMBUI	1,153,500.00	5/11/2021	966,000.00	187,500.00	0.00	
9.JESEE KAMAU MURAGE	662,000.00	5/11/2021	358,000.00	304,000.00	0.00	
10.GRACE MATHENGE	191,500.00	5/11/2021	0.00	191,500.00	0.00	
11.LUCY WANGARI	120,000.00	5/11/2021	69,000.00	51,000.00	19,000.00	
12.EMUTEC VENTURES	79,600.00	5/11/2021	44,100.00	35,500.00	0,00	

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Sub-Total	**5,253,720.00**		**3,164,540.00**	**2,089,180.00**		
Supply Of Services						
13.AIRNET BROADBAND	200,000.00	5/11/2021	151,675.00	48,325.00	64,180.00	
14.LICHI SECURITY SERVICES	314,000.00	5/11/2021	211,500.00	102,500.00	0.00	
15.JOHN GITONGA	174,300.00	5/11/2021	126,200.00	48,100.00	0.00	
Sub-Total	**688,300.00**		**489,375.00**	**198,925.00**	64,180	
Grand Total	**6,021,878.00**		**3,684,915.00**	**2,336,963.00**		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	**EST.20,000,000.00**	-	-	**EST.20,000,000.00**
Buildings And Structures	**EST.20,000,000.00**	-	-	**EST.20,000,000.00**
Office Equipment, Furniture And Fittings	**EST.5,000,000.00**	-	-	**EST.5,000,000.00**
Textbooks	**EST.4,000,000.00**	-	-	**EST.4,000,000.00**
ICT Equipment	**EST.2,000,000.00**	-	-	**EST.2,000,000.00**
Tools And Apparatus	**EST.2,000,000.00**	-	-	**EST.2,000,000.00**
Intangible Assets- Soft Ware	**EST.90,000.00**	-	-	**EST.90,000.00**
Total	**EST.113,090,000.00**	-	-	**EST.113,090,000.00**