

REPUBLIC OF KENYA

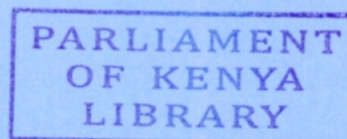


REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 JUN 2026	CAY. Wednesday
TABLED BY:	Deputy Majority Whip Hon. Naomi Wago, MP
CLERK-AT THE TABLE:	Irene Nduku

THE AUDITOR-GENERAL

ON



NANYUKI HIGH SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

LAIKIPIA COUNTY



Nanyuki High School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

2. Key School Information and Management

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

(a) Background information

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

The school was registered in 1965 under registration number 31S30000334 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a day/boarding school and had 1400 number of students as at 30th June 2025. It has 11 streams and 88 teachers of which 12 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

1	Dr. Moses Ikiara	Chairman	15/08/2022
2	Mr. Solomon Koech	Secretary – Chief Principal	15/08/2022
3	Mr. Raphael Kimatu	PA Chairman	15/08/2022
4	Mr. David Olale Orwa	Member - Community	15/08/2022
5	Ms. Brenta Nzisa Muli	Member - Community	15/08/2022
6	Mr. Abdi Guyo	Member - Community	15/08/2022
7	Ms. Lydia Kimani	Member - Community	15/08/2022
8	Mr. Julius Ndatha	Member - Community	15/08/2022
9	Ms. Jayne Mathenge	Member - Community	15/08/2022
10	Mr. Isaiah Muriuki Kiugu	Member Rep Teachers	15/08/2022
11	Prof. Wanjiku Chiuri	Member – Rep CEB	15/08/2022
12	Mr. Daniel Lekorere	Members - Sponsor	15/08/2022
13	Ms. Olipha Bikeri	Members - Sponsor	15/08/2022
14	Mr. Robert Mburu Mungai	Members - Sponsor	15/08/2022
15	Mr. Robert Makuyu Mworio	MemberSpecial Needs	15/08/2022
16	Gideon Baraka(student leader)	Rep Students	15/08/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

1	Executive Committee	Dr. Moses Ikiara Mr. Solomon Koech Mr. Abdi Sora Prof. Wanjiku Chiuri Ms. Olipha Bikeri Mr. Robert Mworio Mr. Raphael Kimatu Mr. Isaiah Muriuki	Chairman Secretary Member Member Member Member Member Member	2
2	Finance, procurement and general purposes Committee	Mr. Abdi Sora Mr. Solomon Koech Mr. Robert Mworio Mr. Raphael Kimatu Mr. Julius Ndatha Mr. Robert Mburu	Chair Secretary Member Member Member Member	2
3	Academic Committee	Prof. Wanjiku Chiuri Mr. Solomon Koech	Chair Secretary	2

		Mr. David Orwa Maj. Daniel Lekorere Mrs. Lydia Kimani Mr. Paul Gitonga Ms.BrentaMuli	Member Member Member Member Member Member Member	
4	Development Committee	Mr. Robert Mworira Mr. Solomon Koech Mr. Raphael Kimatu Mr. Julius Ndatha Sub- County Director Mrs. Jayne Mathenge Mr. Isaiah Muriuki	Chair Secretary Member Member Member Member Member	2
5	Discipline and welfare Committee	Mr.RaphaelKimatu Mr.Ndatha Julius Mr.Muriuki Isaiah Mrs. Jayne Mathenge Mr. Paul Gitonga Mr. David Orwa Mrs. Lydia Kimani Ms.BrentaMuli	Chair Secretary Member Member Member Member Member Member	2

(d) School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Solomom Koech	364852
2	Deputy Principal	Mr. John Muthomi	373033
3	Deputy Curriculum	Mr. Paul Gitonga	437274
4	Deputy Boarding	Mr. Philip Njoroge	473800
3	School Bursar	Mr. Raphael kamau	Icpak NO 34844

(e) Schools contacts

Post Office Box: 233-10400 NANYUKI
 Telephone: 0202133352
 E-mail: nanyukischool@gmail.com
 Website:
 Facebook:
 Twitter:

(f) School Bankers

- Name of Bank: KCB SCHOOL FUND ACCOUNT
 Branch: NANYUKI
 Account Number: 1103131370
- Name of Bank: KCB OPERATION ACCOUNT
 Branch: NANYUKI
 Account Number: 1103 130668
- Name of Bank: KCB TUITION ACCOUNT
 Branch: NANYUKI
 Account Number: 1103 142 992
- Name of Bank: COOP BANK INFRASTRUCTURE A/C
 Branch: NANYUKI
 Account Number: 011393 69952000
- Name of Bank: EQUITY NG-CDF ACCOUNT
 Branch: NANYUKI
 Account Number: 027027 955 0988

- | | | |
|-------------------|---------------|---|
| 6. Name of Bank: | EQUITY | GRATUITY ACCOUNT |
| Branch: | NANYUKI | |
| Account Number: | 0270191514689 | |
| | | |
| 7. Name of Bank: | KCB | SAVINGS ACCOUNT |
| Branch: | NANYUKI | |
| Account Number: | 1102448419 | |
| | | |
| 8. Name of Bank: | KCB | FARM ACCOUNT |
| Branch: | NANYUKI | |
| Account Number: | 1269192469 | |
| | | |
| 9. Name of Bank: | KCB | INCOME GENERATING A/C |
| Branch: | NANYUKI | |
| Account Number: | 1269192345 | |
| | | |
| 10. Name of Bank: | KCB | STAKEHOLDERS &
DONATIONS ACCOUNT |
| Branch: | NANYUKI | |
| Account Number: | 1312529 881 | |
| | | |
| 11. Name of Bank: | KCB | GK WANJOHI ALUMNI
ENDOWMENT FUND A/C |
| Branch: | NANYUKI | |
| Account Number: | 1312 528 699 | |

(g) Independent Auditors

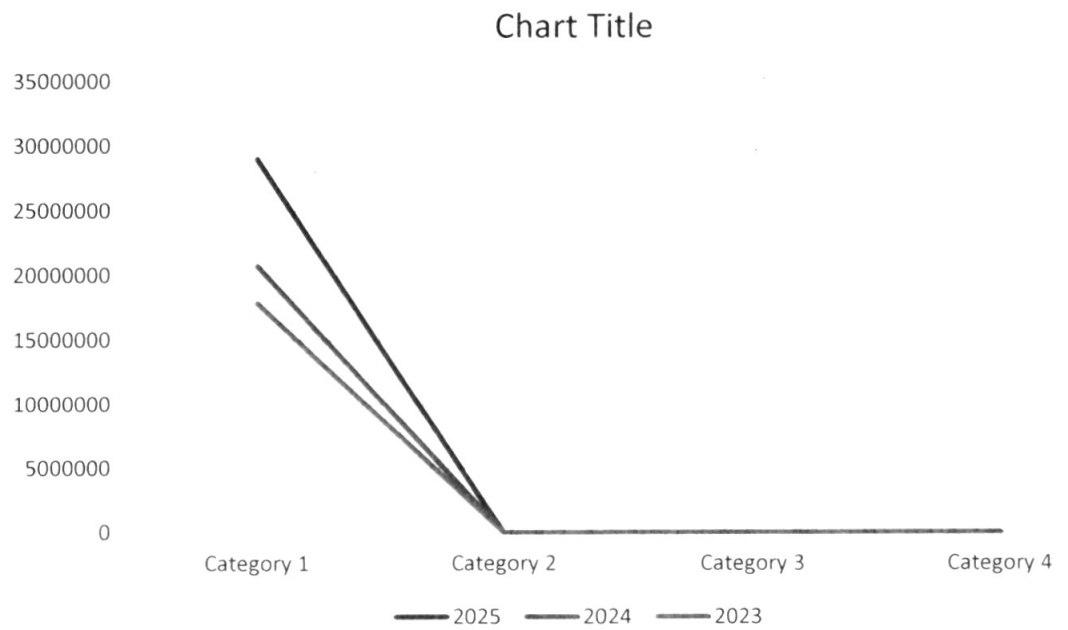
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3. Summary Report of Performance of The School

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

a) Financial performance:

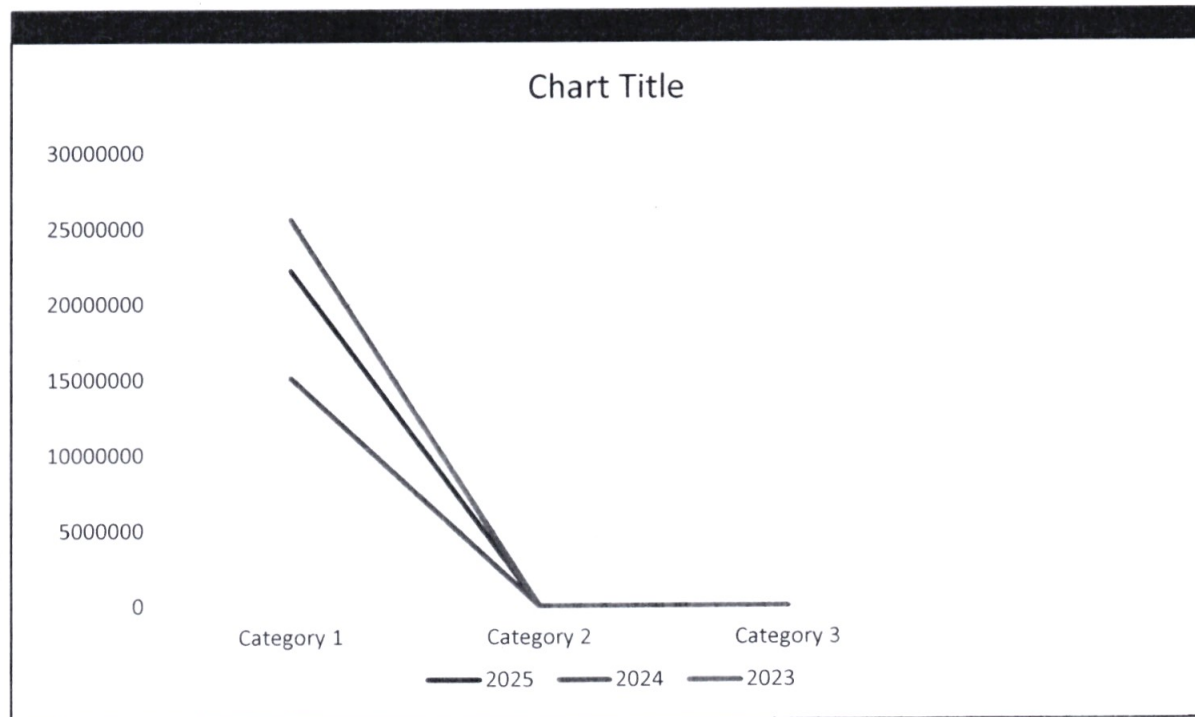
i. Surplus/Deficit



	Jun-25	Jun-24	Jun-23
surplus / deficit (kshs)	29,036,602.65	34,325,268.95	17,872,245.88

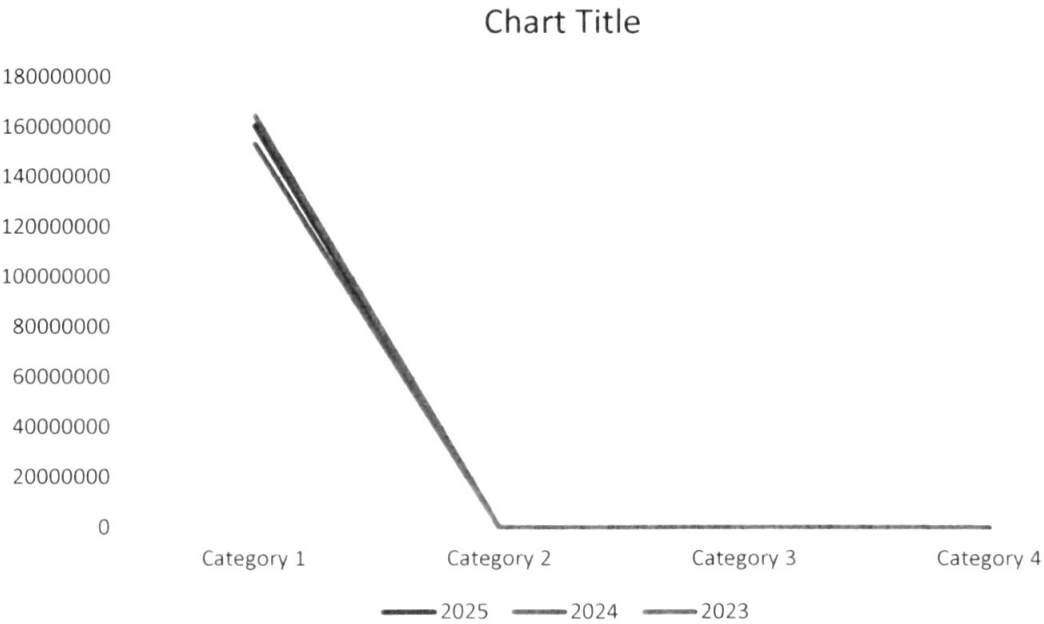
ii. *Capitation grants from the Ministry of Education for the last three years*

Capitation grant	23,091,083.35	18,190,897.00	25,628,420.10
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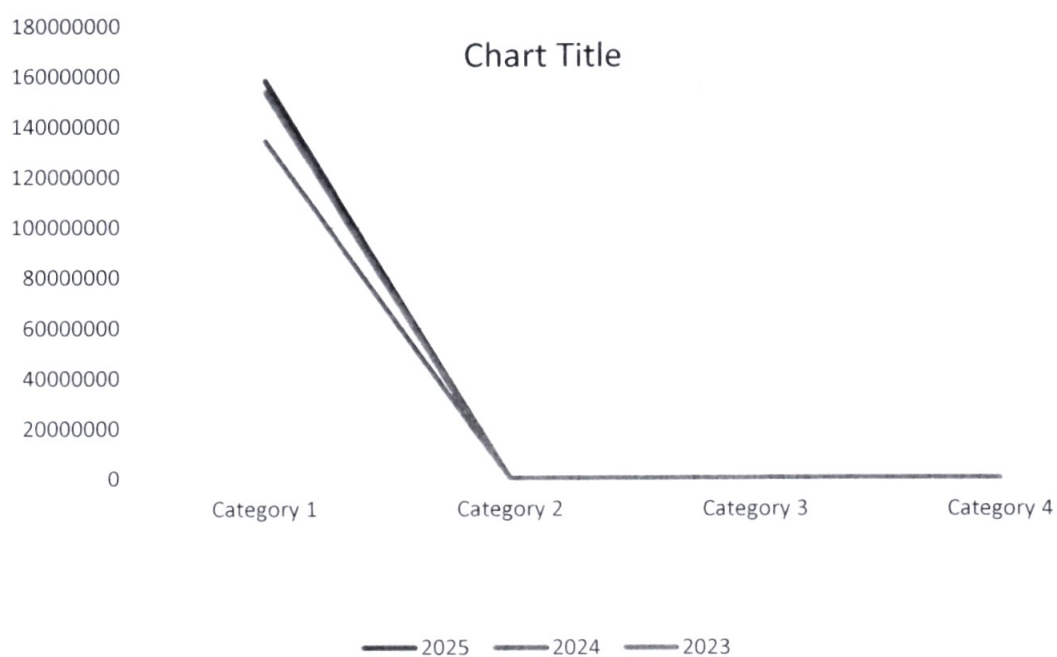
iii. A three-year overview of growth of other income(s) earned by the school\

Other incomes	187,390,026.50	189,776,726.70	164,679,447.73



iv. A three-year overview of growth in other expenditure of the school.

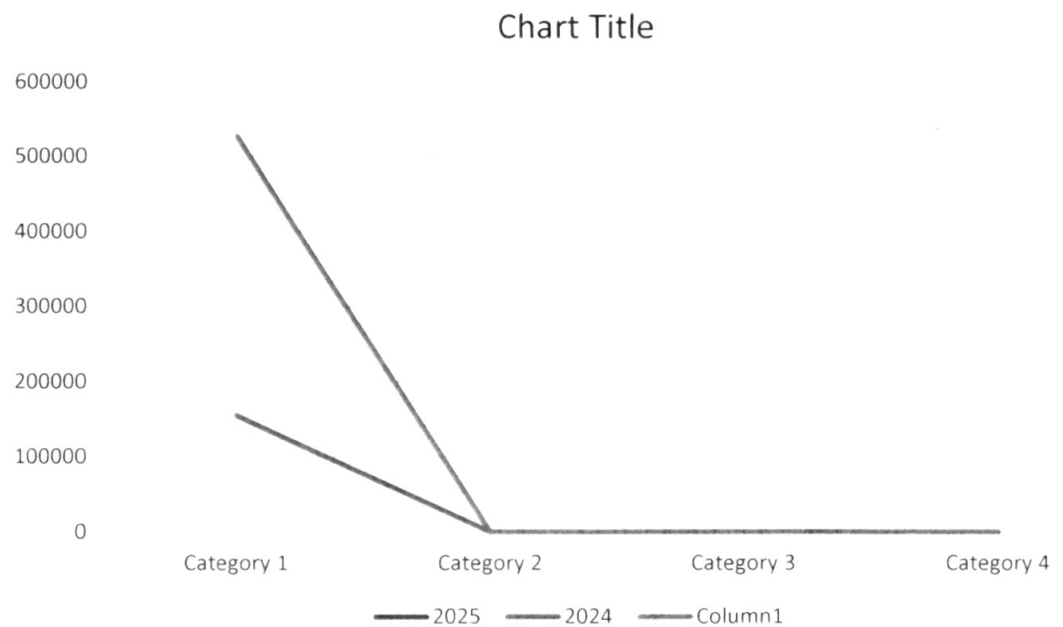
Other Expenditures	158,353,423.85	155,451,457.75	153,775,597.95



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

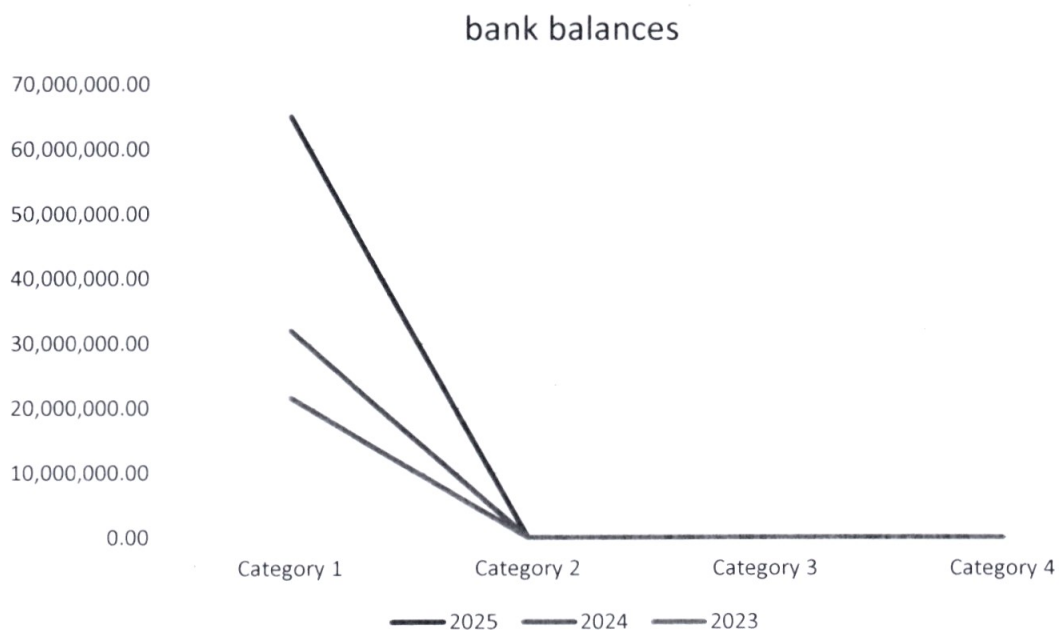
a) cash balances

Cash Balances	155,418.70	453,079.00	526,753.00



a) Bank Balances

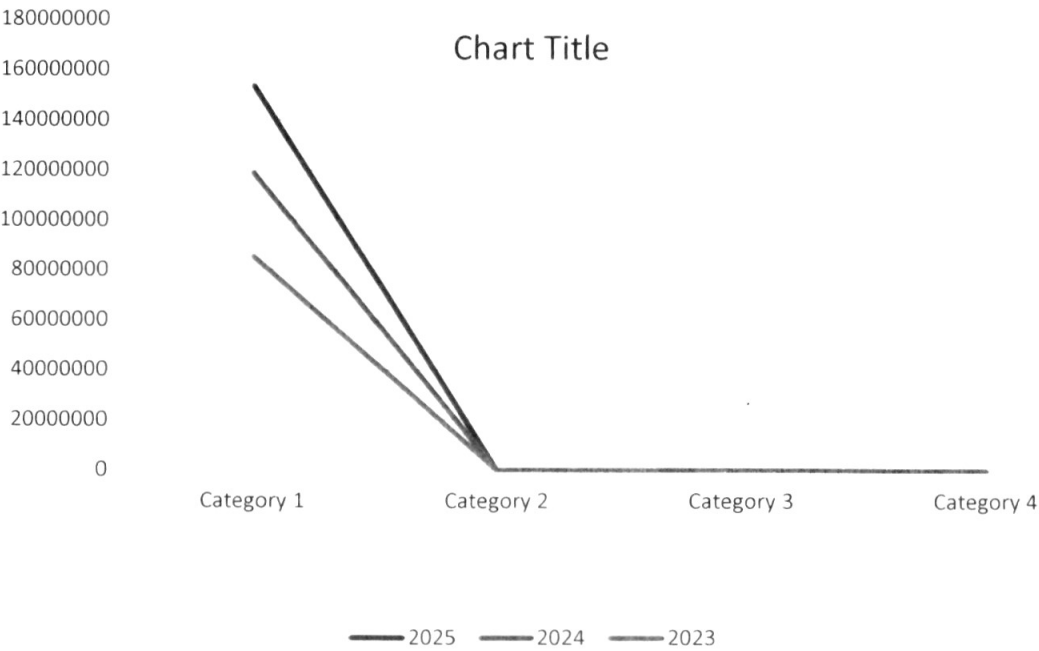
Bank Balances	60,830,554.70	55,082,891.65	21,626,687.32



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

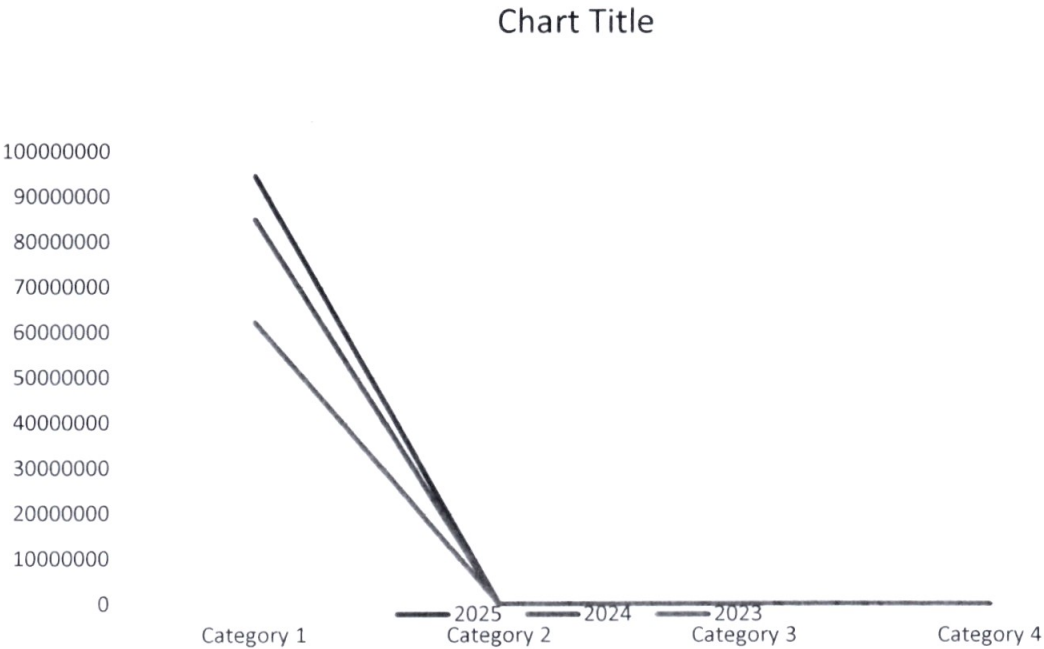
Sundry Debtors

Debtors	153,546,061.90	120,364,017.90	85,344,535.50



Sundry creditors

	94,630,210.30	85,034,766.89	62,305,190.00



b) Teacher Student ratio:

Teacher to student ratio is1:21

YEAR	STUDENTS	TSC TEACHERS	B.O.M TEACHERS	TEACHERS TRANSFERRED
2021	965	41	8	1
2022	1433	54	18	0
2023	1714	60	14	0
2024	1783	66	14	2
2025	1400	66	12	0

c) The mean score in the 2021,2022,2023,2024 KCSE:

YEAR	MEAN
2021	8.739
2022	8.890
2023	8.890
2024	8.9

UNIVERSITY DIRECT ADMISSION

YEAR	STUDENTS
2019	140
2020	165
2021	169
2022	217
2023	286
2024	312

d) Number of Candidates in the 2021-2025 KCSE:

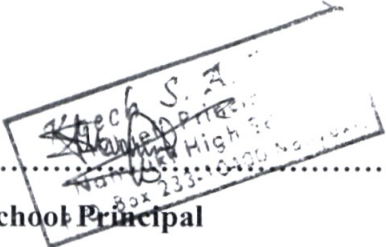
YEAR	CANDIDATES
2021	180
2022	237
2023	331
2024	343
2025	477

e) The capacity of the school:

FACILITY	NUMBER	RATIO
DORMITORY	9	
DINING HALL	1	
LABORATORY	3	
TOILETS	33	
LIBRARY	2	
CLASSROOM	34	

f) Development projects carried out by the school:

	Projects	source of funds	status	Initial cost (ksh)	amount spent (ksh)	expected completion
1	MODERN LIBRARY	MOE/TIG	Completed	10,000,000	10,000,000	N/A
2	CLASSROOM	MOE/TIG	Completed	1,500,000	1,500,000	N/A
3	WORKSHOP	MOE/RMI	Completed	3,900,000	3,900,000	N/A
4	LIBRARY HALL PH2	MOE/TIG/RMI	Ongoing	6,000,000	4,200,000	2022-2023 YR
5	HOSTELS	PARENT/RMI	Completed	34,991,773	38,183,016.900	2022
6	4 NO CLASSROOM	PARENT/MOE	Completed	11,221,399	11,621,487	2023
7	2NO CLASSROOM	MOE	Completed	4,998,180	6,016,310	2023



School Principal

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of *Nanyuki 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 30th June, 2025, and of the school's financial position as at that date.

.....
Name: JANE MATHENGE

Designation: Chairman, School Board of Management

Date: 1/4/26

.....
Name:

Designation: School Principal & Secretary to Board of Management

Date:

.....
Name:

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NANYUKI HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – LAIKIPIA COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Nanyuki High School set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2025 and the statement of financial performance, statement of cash flows

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Nanyuki High School at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Variances in Comparative Balances

Review of comparative balances reflected in the statement of financial performance, statement of assets and liabilities and the statement of cash flows, and the corresponding audited balances for the year ended 30 June 2024 revealed the following unreconciled variances:

S/No	Item	FY 2024-2025 Comparative Balances (Kshs)	FY 2023-2024 Audited Balances (Kshs)	Variance (Kshs)
1	Government Grants for Infrastructure	0	7,617,400	(7,617,400)
2	Infrastructure Payments	0	1,473,990	(1,473,990)
3	Tuition Payments	5,184,412	4,743,207	441,205
4	Bank Balances	55,082,892	54,121,190	961,702
5	Cash Balances	453,079	215,517	237,562
6	Net Financial Assets	89,665,954	90,865,222	(1,199,268)
7	Cash and Cash Equivalents (Statement of Cash Flows)	55,536,327	32,264,608	23,271,719

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

1.2 Inaccuracies in the Statement of Financial Performance

Review of the financial statements and the supporting notes revealed the following variances:

- i. The statement of financial performance reflects operations payments of Kshs.18,439,712 while the corresponding Note 7 to the financial statements discloses Kshs.24,014,312 resulting in unexplained variance of Kshs.5,634,600.

- ii. The statement of financial performance reflects government grants for operations comparative balance of Kshs.14,227,413 while Note 2 to the financial statements discloses Kshs.19,550,769 resulting to a variance of Kshs.5,323,356.
- iii. The statement of financial performance reflects school fund income – parents contributions comparative balance of Kshs.162,874,889 while Note 4 to the financial statements discloses Kshs.151,302,038 resulting in an unexplained variance of Kshs.11,572,851.

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

1.3 Inaccuracies in the Statement of Budgeted versus Actual Amounts

Review of the statement of budgeted versus actual amounts and approved budgetary estimates for the year under review revealed unexplained variances, as detailed below:

Budgetary Item	Financial Statements (Kshs)	Approved Budget Estimates (Kshs)	Variance (Kshs)
FSDE For infrastructure	0	24,083,000	24,083,000
Fees charged on parents	79,975,600	95,486,782	15,511,182
Capitation grants on operations	24,384,932	23,236,056	(1,148,876)
Expenditure for Tuition	7,191,917	6,004,700	(1,187,217)
Expenditure for infrastructure	0	8,500,000	8,500,000
Expenditure for school fund	74,247,673	96,938,930	22,691,257

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

2. Unsupported Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.64,475,612 as disclosed in Note 13 to the financial statements. However, the supporting schedules and issued invoices were not provided for audit review. Further, included in the balance are accounts receivables amounting to Kshs.60,342,671 which had been outstanding for more than one (1) year. However, there was no detailed ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.64,475,612 could not be confirmed.

3. Unaccounted for Infrastructure Payments

The statement of financial performance reflects infrastructure payments of Kshs.5,574,600 as disclosed in Note 8 to the financial statements. However, analysis of payment records and the infrastructure bank account revealed that the School paid a total of Kshs. 9,416,725 to various contractors during the year under review, resulting in an

unexplained difference of Kshs.3,842,125 which was not accounted for in the financial statements.

In the circumstances, the accuracy and completeness of infrastructure payments of Kshs.5,574,600 could not be confirmed.

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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.111,552,449 and Kshs.108,647,430 respectively, resulting in an under-funding of Kshs.2,905,019 or 3% of the budget. However, the School spent an amount of Kshs.113,495,820.00 against actual receipts amounting to Kshs108,647,430, resulting in an over-utilization of Kshs.4,848,390 or 5% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Prior Year Unresolved Matters

The Auditor General's report for the year ended 30 June, 2024 raised several audit issues which remained unresolved as at 30 June, 2025. Management has not taken adequate action to address these matters. The issues relate to prior periods and have been reported for emphasis of matter purposes. The unresolved issues include:

No.	Financial Year	Issue
1.	2023/2024	Inaccuracies in the Financial Statements
2.	2023/2024	Inaccuracies in Capitation Grants
3.	2023/2024	Unsupported Expenditure on Boarding and School Fund Payments
4.	2023/2024	Unsupported Cash and Cash Equivalents

No.	Financial Year	Issue
5.	2023/2024	Unsupported and Long Outstanding Account's Receivables
6.	2023/2024	Unsupported Accounts Payable
7.	2023/2024	Undisclosed Biological Assets
8.	2023/2024	Non-disclosure of inventory
9.	2023/2024	Late Submission of Financial Statements for Audit
10.	2023/2024	Unconfirmed Students Enrolment Data
11.	2023/2024	Failure to Transfer Infrastructure Funds from the Operations Bank Account
12.	2023/2024	Unapproved Fees Under Parents Association Support Programme
13.	2023/2024	Infrastructure Expenditure Wrongly Charged to Operational Account
14.	2023/2024	irregularities in the Construction of Two Classrooms
15.	2023/2024	Irregular Transfer of Funds to Secondary Schools Heads Associations
16.	2023/2024	Irregular Procurements
17.	2023/2024	Irregular Cash Purchases
18.	2023/2024	Non-Compliance with Necessary Authority in Procurement of infrastructure Projects, Goods and Services
19.	2023/2024	Failure to Prepare Professional Opinion
20.	2023/2024	Failure to Sign Contract Agreements
21.	2023/2024	Failure to inspect Goods Supplied
22.	2023/2024	Lack of a Procurement Plan
23.	2023/2024	Lack of Segregation of Duties
24.	2023/2024	Long Outstanding Accounts Payable
25.	2023/2024	Non-Compliance with Law on Staff Ethnic Composition
26.	2023/2024	Lack of an Approved Risk Management Policy
27.	2023/2024	Management of Textbooks
28.	2023/2024	Failure to Establish Audit Committee

2. Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

Management are responsible for the Other Information set out on page II to XIX which comprise of Key School Information and Management, Summary Report of Performance

of the School, and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Use of Asbestos for Roofing

Audit inspection of the school's infrastructure conducted on 16 March, 2026 revealed a number of buildings such as the Old administrative building, teachers' quarters, Servant quarters, Four Building hosting classrooms, and two dormitories and their ablution blocks were roofed with this material. This is contrary to Ministry of Environment, Climate Change and Forestry circular Ref: MEF/EMC/1/1 dated 23 August, 2024 that directed on the removal of asbestos roofing by Government agencies including offices, houses and learning institutions' premises as a means of providing a clean, safe, healthy and sustainable environment.

In the circumstances, the School poses a health risk to the students and staff with the continued deterioration of the roofing.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.17,983,690 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.5,574,600 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. The funds were not transferred on time contrary to The Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds to be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

Term	Amount (Kshs.)	Infrastructure Amount (Kshs)	Date Received	Date Transferred	Delay Period (Days)
Term 3- 2024	4,576,615	1,468,350	28/08/2024	28/08/2024	75
Term 1- 2025	9,160,578	2,874,000	14/03/2025	02/04/2025	18
Term 2-2025	4,246,498	1,232,250	21/04/2025	23/05/2025	33

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

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

The statement of financial performance reflects boarding and school fund payments amount of Kshs.94,396,788 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,334,000 transferred to various Secondary School Heads Associations. However, these were welfare organizations that drew their membership from School Principals only. The organizations are not therefore, defined in Government Funding system and there is no assurance that they have 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 the institutions amounting to Kshs.1,334,000 could not be confirmed.

4. Non-Compliance with Imprest Management Regulations

The statement of financial performance and Note 9 to the financial statements reflect boarding and school fund payments amounting to Kshs.94,396,788, which includes Kshs.4,044,624 incurred on local travel and transport for various members of staff. However, review of the School's records revealed that Management did not maintain an imprest register, and no evidence was provided to demonstrate that standing or temporary imprests were issued to facilitate the travel expenditures. This was contrary to Regulation 92 of the Public Finance Management (National Government) Regulations, 2015, which requires the Accounting Officer to establish and manage imprest facilities, including setting limits and conditions for their use.

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

5. Irregular Implementation of Maintenance and Improvement Projects

During the year under review, the School undertook repairs, maintenance, and improvement projects, including the repair and tiling of fourteen (14) classrooms and the construction of four (4) classrooms.

5.1 Repair and Tiling of Fourteen (14) Classrooms

The School undertook repair and tiling of fourteen (14) classrooms at an approved cost of Kshs.1,400,000. However, audit review revealed the following anomalies:

- i. The works were executed at a cost of Kshs.1,439,265, resulting in an unexplained upward variation of Kshs.39,265, contrary to Section 139(3) of the Public Procurement and Asset Disposal Act, 2015, which prohibits upward variation of contract price within twelve (12) months from the date of signing the contract.

- ii. The project was not included in the School's annual work plan, budget, or procurement plan for the financial year, contrary to Section 53(9) of the Public Procurement and Asset Disposal Act, 2015, which prohibits commencement of procurement without confirmed budgetary provision.
- iii. The procurement of materials was not conducted in accordance with the Public Procurement and Asset Disposal Act, 2015, as Management directly sourced materials from various vendors instead of applying appropriate procurement methods such as request for quotations.
- iv. No Bill of Quantities (BoQ) was provided for audit review to support the scope and cost of works undertaken.

5.2 Construction of Four Classrooms

Management entered into a contract agreement with a construction company on 26 September 2024 for the construction of four (4) classrooms at a contract price of Kshs.4,986,051. However, audit review revealed the following anomalies:

- i. The professional opinion submitted to the Accounting Officer on 26 September 2024 was neither approved nor rejected, contrary to Section 84(3) of the Public Procurement and Asset Disposal Act, 2015.
- ii. Although the project was completed and an occupation certificate issued, Management overpaid the contractor by Kshs.775,734, resulting in an upward variation of the contract price contrary to Section 139(3) of the Public Procurement and Asset Disposal Act, 2015. Further, no evidence was provided to confirm that the tender evaluation committee recommended the contract variation to the Accounting Officer for approval.

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

6. Non-Registration with the Data Protection Commissioner

During the year under review, the School had not registered with the Office of the Data Protection Commissioner as a data controller and data processor, despite actively collecting, processing, and storing personal data of staff, service providers, parents, and students. This was contrary to Section 18(1) of the Data Protection Act, 2019, which requires all data controllers and data processors to register with the Office of the Data Protection Commissioner.

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

7. 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in Cash Management Controls

During the year under review, the School operated eleven (11) bank accounts held in various financial institutions for different purposes. However, audit review revealed weaknesses in cash management controls, including lack of adequate segregation of duties in the recording of cashbook transactions and the preparation and review of bank reconciliation statements. Further, cashbooks were not properly maintained, as monthly opening balances were not consistently brought forward and closing balances were not regularly documented. In addition, the School continued to rely on a manual cash management system despite the availability of automated financial management solutions.

In the circumstances, the effectiveness of internal controls over cash management could not be confirmed.

2. Lack of a Risk Management Policy

During the year under review, the School operated without a Risk Management Policy. In addition, no evidence was provided to confirm that a structured risk assessment was conducted during the year under review. Although Management indicated that a Risk Management Policy was under development, no supporting documentation was availed for audit verification.

In the circumstances, the effectiveness of risk management in the School could not be confirmed.

3. Weaknesses in Textbook Management

During the year under review, the School received various textbooks and teachers' guides from the Ministry of Education under the 8.4.4 system, which were duly recorded in the relevant registers. However, physical verification revealed that some books were stored in cartons and on the floor due to inadequate shelving and storage facilities. Further, records indicated imbalances in book distribution, with surpluses in some subjects and shortages in others relative to student and teacher requirements. In addition, stock take reports indicated that 1,760 books had been lost and 1,334 damaged, contributing to shortages of instructional materials. The School had also not established formal mechanisms for the recovery or replacement of lost and damaged books from students.

In the circumstances, the effectiveness of controls over textbook management could not be confirmed.

4. Weaknesses in Fixed Assets Management

Annex 2 to the financial statements reflects a summary of the fixed assets register. However, audit inspection revealed that although the School owned land, motor vehicles, buildings, and other structures, it had not maintained a comprehensive fixed assets register to support the balances disclosed in the financial statements. Further, ownership documents for land, motor vehicles, and motorcycles were not provided for audit review. In addition, the School had not tagged its assets for identification and control purposes.

In the circumstances, the effectiveness of controls over asset management could not be confirmed.

5. Weaknesses in Management of Contracted Staff

Review of employee and payroll records revealed that the School had not developed or approved a salary structure, scheme of service for contracted staff and Board of Management teachers. Further, appointment letters did not specify contract periods, and no formal contracts outlining terms and conditions of engagement were provided for audit review. In addition, some appointment letters indicated salaries inclusive of allowances without a clear basis for their determination, while others referenced County Public Service Board (CAPSB) rates, which are not applicable to the School. Gratuity provisions also lacked clarity on applicable rates and accrual periods, and some positions, including that of the school nurse, were filled without evidence of advertisement, application, or formal appointment documentation.

In the circumstances, the effectiveness of management of contracted staff could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

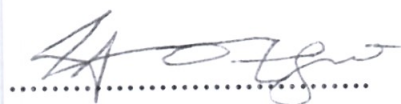
Nairobi

24 April, 2026

6. Statement Of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025 Kshs	Insert Comparative FY Kshs
Revenue			
Government grants for tuition	1	4,519,702	3,963,464
Government grants for operations	2	17,983,690	14,227,413
Government Grants for infrastructure	3		
School fund income- parents' contributions	4	102,253,531	162,874,889
Miscellaneous incomes	5	26,561,081	1,073,451
Total Revenue		151,318,004	182,139,217
Expenditure			
Tuition	6	3,870,302	5,184,412
Operations	7	18,439,712	14,227,413
Infrastructure	8	5,574,600	
Boarding and school fund	9	94,396,788	134,565,643
Total Expenditure		122,281,402	153,977,468
Surplus/Deficit		29,036,603	28,161,749

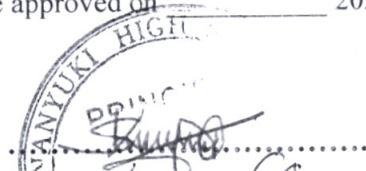
The school financial statements were approved on _____ 2025 and signed by:



Name:

JANE MATHENGE
Chair BOM

Date: 1/4/26



Name:

KOECH S.A
School Principal/ Secretary to
BOM

Date: 1/4/26



Name:

RAPHAEL NULUNDA
Bursar/ Finance Officer

Date: 1/4/26

7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	Insert Comparative 2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	60,233,723	55,082,892
Cash balances	11	155,418	453,079
Short term investments	12		
Total cash and cash equivalent		<u>60,389,141</u>	<u>55,535,971</u>
Account's receivables	13	64,475,612	120,364,018
Total financial assets (a)		124,864,753	175,899,989
Financial liabilities			
Accounts payables	14	6,162,196	85,034,767
Total Financial Labilities (b)			
Net financial assets (a-b)		118,702,557	89,665,954
Represented by			
Accumulated fund b/fwd	15	89,665,954	55,340,685
Surplus/deficit for the year		29,036,603	34,325,269
Net Assets		118,702,557	89,665,954

The school's financial statements were approved on _____ 2025 and signed by:

Name:

JAYNE MATHEWIE

Chair BOM

Date: 1/4/26

Name:

KOTCH S.A
School Principal/ Secretary to
BOM

Date: 1/4/26

Name:

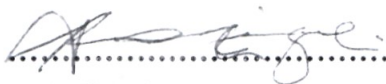
DAGHAR NGULINDA
Bursar/ Finance Officer

Date: 1/4/26

8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025	Insert Comparative 2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	4,519,702	3,963,484
Government grants for operations	2	17,983,690	21,287,353
Government grants for infrastructure			7,637,400
School fund income- parents contributions/ fees	3	102,253,531	138,252,027
Other income	4	26,561,081	1,073,541
Total receipts		151,318,004	172,314,804
Payments			
Cash outflows for tuition	6	3,870,300	4,499,710
Cash outflows for operations	7	18,439,712	21,437,363
Cash outflows for infrastructure	8	5,574,600	1,473,990
Cash outflows Boarding/lunch and school fund payments	9	117,983,745	134,913,444
Total payments		141,998,057	162,324,507
Net cash inflow/outflow from operating activities		9,319,947	9,990,297
Cash flow from investing activities			
Acquisition of assets			
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities		9,319,947	9,990,297
Net increase/decrease in cash and cash equivalents			
Cash and cash equivalent at beginning of the 1 st July, 2024		55,082,892	22,213,875
Cash and cash equivalent at end of the 31 st June, 2025		<u>60,233,723</u>	32,264,608

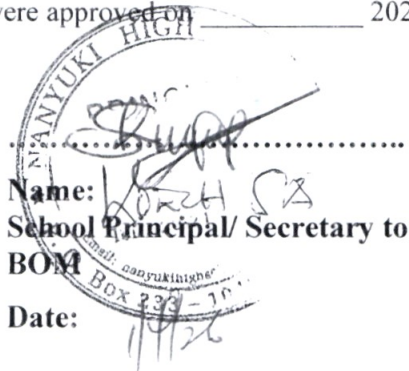
The school's financial statements were approved on _____ 2025 and signed by:



Name:

JAMES MATHENGE
Chair BOM

Date: 1/4/26



Name:

BOREH SA
School Principal/ Secretary to
BOM

Date: 1/4/26



Name:

RAFAEL NJIRU
Bursar/ Finance Officer

Date: 1/4/26

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books	3,420,000.00		3,420,000.00	617,246.00	18%
Laboratory Equipment	1,426,600.00		1,426,600.00	1,821,930.85	130%
Internal Exams	150,000.00		150,000.00		
Teaching / Learning Materials	2,195,317.00		2,195,317.00	2,080,526.00	95%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	7,963,752.00		7,963,752.00	5,480,600.00	70%
Repairs And Maintenance	3,484,600.00		3,484,600.00	4,987,265.50	140%
Local Transport / Travelling	1,593,056.00		1,593,056.00	1,480,900.00	93%
Electricity And Water	3,848,124.00		3,848,124.00	4,542,908.00	120%
Medical	2,550,000.00		2,550,000.00	-	
Administration Costs	2,928,000.00		2,928,000.00	2,560,860.00	87%
Activity	2,017,400.00		2,017,400.00	1,309,728.00	65%
Gratuity					

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
3) FDSE for infrastructure					
Maintenance & Improvement MoE					
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	10,648,076.00		10,648,076.00	9,191,202.00	86%
Repairs And Maintenance	4,264,936.00		4,264,936.00	6,574,206.00	154%
Local Transport / Travelling	2,890,243.00		2,890,243.00	2,305,620.00	80%
Electricity And Water	7,236,466.00		7,236,466.00	8,846,456.00	120%
Medical					
Administration Costs	4,486,028.00		4,486,028.00	4,826,774.00	109%
Activity	1,422,834.00		1,422,834.00	1,093,778.00	76%
SMASSE					
Fee On Boarding Equipment and Stores	49,027,017.00		49,027,017.00	50,927,429.00	100%
5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					

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
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income					
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books	3,420,000.00		3,420,000.00	1,085,600.00	32%
Laboratory Equipment	1426,600.00		1,426,600.00	1,803,309.00	126%
Internal Exams	150,000.00		150,000.00		
Teaching / Learning Materials	2,195,317.00		2,195,317.00	977,552.75	46%
Chalks				3,600.00	
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges				365.00	
(7) Expenditure For Operations					
Personnel Emoluments	10,648,076.00		10,648,076.00	10,181,438.00	955
Repairs, Maintenance & Improvements	5,574,600.00		5,574,600.00	5,574,600.00	100%
Local Transport / Travelling	1,593,056.00		1,593,056.00	1,590,890.00	99%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	3,848,124.00		3,848,124.00	4,050,600	110%
Medical	2,550,000.00		2,550,000.00	1,483,941.00	58%
Administration Costs	2,928,000.00		2,928,000.00	2,650,800.00	90%
Activity Expenses	1,162,200.00		1,162,200.00	626,410.00	54%
Gratuity					
SMASSE					
Creditors				479,450.00	
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	10,648,076.00		10,648,076.00	8,348,691.00	78%
Repairs, Maintenance and Improvements	1,761,100.00		1,761,100.00	1,406,569.00	80%
Local Transport / Travelling	1,722,100.00		1,722,100.00	2,484,691.00	144%
Electricity, Water and Conservancy	3,848,124.00		3,848,124.00	3,761,865.00	100%
Medical Expenses				2,500.00	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs	2,662,710.00		2,662,710.00	1,601,674.00	60%
Activity	1,422,834.00		1,422,834.00	1,559,933.00	109%
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	52,182,729.00		52,182,729.00	53,508,537.00	101%
Expenditure For Income Generating Activity				2,062,442.00	
Insurance Costs					
AIP				29,590,802.00	
Uniform				1,407,040.00	
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals					

NOTE: *Provided below is a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%*

i)The underutilization below 90% was due to changes of budget estimates whereby some vote heads like personal emolument the budget had catered for increase in salaries but it was used by overspend voteheads like activities and local travel which its expenditure exceeded what was budgeted.

ii)The overutilization above 100% was due to the increase in prices of some commodities and services and other unforeseen expenditure that emerged during the year.

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

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 financial

performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2025.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials	2,080,526.00	
Exercise Books	521,521.00	
Laboratory Equipment	3,000.00	
Internal Exams	92,724.00	
Teaching / Learning Materials	1,821,930.85	3,963,484.00
Others (<i>specify</i>) *		
Total	4,519,701.85	3,963,484.00

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance	4,987,265.00	7,854,440.00
Local Transport / Travelling		
Electricity And Water		
Medical	1,483,585.90	1,324,200.00
Administration Costs		
Activity	1,676,181.00	
Other Vote Heads (<i>specify</i>)*	9,836,659.00	10,372,129.23
Total	17,983,690.00	19,550,769.23

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement		
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (<i>specify</i>)(NGCDF and County govt.		
Total		

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	9,191,202.00	9,911,994.00
Repairs and maintenance	2,993,985.00	4,854,064.00
Local transport / travelling	2,305,620.00	2,738,728.00
Electricity and water	8,846,456.00	10,619,265.00
Medical		
Administration costs	4,846,774.00	5,866,411.00
Activity	1,093,778.00	1,340,766.00
Fee on Boarding Equipment and stores	67,975,716.00	115,970,810.00
Transfers	5,000,000.00	
Others (specify)		
Total	102,253,531.00	151,302,038.00

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Income	162,730.00	236,700.00
Income From Canteen Activities	1,394,612.15	38,704.00
Stakeholders account	25,003,739.00	
Income From savings account		443,140.00
POCKET MONEY		279,266.00
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		63,330.00
Exams		37,900.00
Interest from gratuity account		13,205.00
Loans/Borrowings*		
Other Income (specify) *		
Total	26,561,081.15	1,112,245.00

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	1,085,600.00	2,500,650.00
Textbooks		
Reference materials		
Laboratory Equipment	1,803,309.00	896,640.00
Teaching / Learning Materials	977,552.75	1,338,717.00
Exams And Assessment		
Teachers Guides	3,600.00	3,600.00
Bank Charges	240.00	
Others (<i>specify</i>)		
Total	3,870,301.75	5,184,412.00

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	10,181,438.00	4,052,972.00
Service Gratuity		
Administration Cost	260,800.00	265,000.00
Repairs And Maintenance & Improvements	5,574,600.00	6,390,830.00
Local Transport / Travelling	1,590,890.00	194,470.00
Electricity And Water	4,050,600.00	2,503,746.00
Medical		
Activity Expenses	626,410.00	335,075.00
Insurance Cost		5,870.00
creditors	479,450.00	
Total	24,014,312.00	14,227,413.00

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	5,574,600.00	
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	5,574,600.00	

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	8,348,691.00	12,103,735.00
Service Gratuity		
Repairs And Maintenance & Improvements	1,406,569.00	4,717,618.00
Local Transport / Travelling	2,484,691.00	4,717,618.00
Electricity And Water	3,761,865.00	7,072,786.00
Medical Expenses	2,500.00	104,321.00
Administration Costs	1,601,674.00	2,890,009.50
uniform	1,407,040.00	5,115,690.00
Activity	1,559,933.00	2,033,487.00
Expenses On Income Generating Activities**	2,062,442.00	
Fee On Boarding Equipment and Stores	53,508,537.00	89,184,997.60
Lpg gas		972,340.65
Bank charges		5,917.00
Others-farm		953,510.00
Loan Interest Repayment		
AIP Expenditure	16,829,443.00	635,914.00
PA expenses		
Others (specify)		
Total	94,396,788.00	134,565,642.75

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1103142992	1,138,434.50	489,034.00
Operations Account	Active	1103130668	6,693,852.60	9,06,016.30
School Fund Account/Boarding	Active	1103131370	16,025,805.60	13,012,353.41
Savings Account	Dormant	1102448419	16,273.65	17,551.00
Parent Association Development Account	Active	1312529881	30,246,385.50	22,072,099.80
Income Generating Activities Account	Active	1269192345	637,339.95	962,190.00
Infrastructural Account	Active	01139369952000	4,241,843.95	8,084,793.95
GK Wanjohi Account	Active	1312528699	911,693.00	911,693.00
Farm account	Dormant	1269192469	23,262.00	27,735.00
Gratuity	Dormant	0270191514689	203,230.00	203,230.00
NG-CDF	Active	0270279550988	95,602.00	96,682.00
Total			60,233,722.75	55,082,891.65

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	155,418.00	453,079.00
Total	155,418.00	453,079.00

12 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

13 Accounts Receivable

Description	2024-2025	2023-2025
	Kshs	Kshs
Fees Arrears	64,475,753.00	120,364,018.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	64,475,753.00	120,364,018.00

NOTE: The previous years receivables were overstated by Khs 85,034,737.90 and after downward recalculation it was noted that total receivables for the year 2023-2024 was Kshs 35,329,280.00

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,352,209.25	8 %	9,477,424.00	8 %
Between 1- 2 years	9,786,908.00	15 %	27,553,685.00	23 %
Between 2-3 years	16,453,870.60	26 %	36,464,921.40	30%
Over 3 years	34,101,892.00	51 %	46,867,987.00	39%
Total (should tie to note 13 a)	64,475,753.00	100%	120,364,017.90	100%

Adjusted receivables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,352,209.25	8 %	9,477,424.00	27 %
Between 1- 2 years	9,786,908.00	15 %	6,765,908.00	19 %
Between 2-3 years	16,453,870.60	26 %	8,987,654.87	25%
Over 3 years	34,101,892.00	51 %	10,098,293.13	29%
Total (should tie to note 13 a)	64,475,753.00	100%	35,329,280.00	100%

NOTE; The total figure for receivable should be 35,329,280.00

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	7,737,891.00	8,118,751.00
Prepaid Fees	5,969,867.00	9,982,649.00
Creditors paid	(7,545,561.60)	(5,356,745.00)
Pocket monies		(1,234,794.00)
Uniform money		(3,964,300.00)
Other payables (<i>specify</i>)		
Total	6,162,196.40	7,545,561.00

NOTE

The accounts payables for the previous years were over misstated, trade payables for the year 2023-2024 was posted as Khs 80,124,540.89 and after recalculation were noted to be Kshs 8,118,751.00

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	7,737,891.00	100%	5,657,089.90	75%
Between 1- 2 years	-	%	1,888,472.10	25%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	7,737,891.00	100%	7,545,561.00	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	55,082,892.00	21,626,687.32
Cash Balances	453,079.00	526,753.00
Short Term Investments		
Receivables	120,364,017.00	63,128,406.32
Payables	(85,034,777.00)	(15,564,987.00)
Total	89,665,954.00	56,539,953.00

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle	28	450,000	450,000
Goats	-		
Trees	5000	2,500,000	2,500,000
Coffee Or Tea Plantation	-		
Poultry	-		
Others (specify)	-		
Total			

NOTE;The disclosure are not in the financial statement

18 Borrowings

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	650,976.00	
Lab consumables	346,654.00	
Farm produce	260,900.00	
Medication	120,000.00	
Construction Materials	-	
Others (specify)	-	

NOTE: The disclosures are not used in preparation of the financial statement

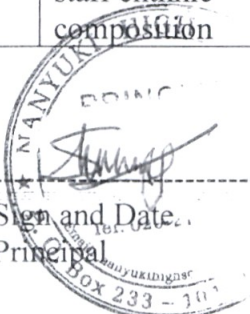
20 Progress On Follow Up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Late submission of financial statement	The management resolved the issue by submitting the financial statement on time for audit.	Not resolved	
4.2	Inaccuracies of financial statements	The management resolved the issue of Inaccuracies by correcting the financial statements	Not resolved	
4.4	Unconfirmed student enrolment	The management confirmed the students enrolment by providing the missing registers	Not resolved	
4.17	Failure of transfer infrastructure funds	The management resolved the issue by transferring the funds as indicated by the issued circular.	Not resolved	
4.18	Irregular construction of 2 classrooms	The management ensured missing documents were availed and the funds explained the they were used	Not resolved	
4.10	Irregular transfer of funds to LESSHA	The management is still seeking the approval for the funds transferred to lessha for activities.	Not resolved	
4.12	Irregular procurements	The management ensured the procurement act is followed by tendering for all goods and services	Not resolved	
4.13	Irregular cash purchases	The management ensured the finance office has started using	Not resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		cash imprest to manage cash well		
4.21	Non -compliance with necessary authority in procurement of infrastructure projects	The management ensured all committees are involved and projects approved before commencement.	unresolved	
4.21.1	Failure to prepare professional opinion	The management prepared a professional opinion to the financial officer	unresolved	
4.21.2	Failure to sign contract agreement	The management resolved the issue by signing contracts for the employees	unresolved	
4.21.3	Failure to inspect goods and services	The committee for goods inspection was formed.	unresolved	
4.21.4	Lack of procurement plan	The management prepared procurement plan together with the budget and approved	unresolved	
4.21.5	Lack of segregation of duties	The management offered work contracts with segregation of duties	unresolved	
4.16	Long outstanding accounts payables	The outstanding payables were resolved they were misstated	unresolved	
	Non-compliance with the law on staff ethnic composition	The management ensured that ethnic balance was done atleast the composition is 70%	unresolved	

Sign and Date
Principal



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services		Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
		A	b	C	d-a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings							
1.							
2.							
3.							
Sub-Total							
Supply Of Goods							
4.							
5.							
Sub-Total							
Supply Of Services							
6.							
7.							
8.							
Sub-Total							
Grand Total							

Annex 2 – Summary of Fixed Assets Register

Annual Report and Financial Statements For the year ended 30th June 2025

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	424,000,000	-		424,000,000
Buildings And Structures	172,391,500.00	-		172,391,500
Motor Vehicles	19,600,000	-		19,600,000
Office Equipment, Furniture and Fittings	17,929,800			17,929,800
Textbooks	10,000,000	875,908.90		10,875,908.90
ICT Equipment	957,450	874,000.00		1,831,450.00
Tools And Apparatus	10,000,000	1,234,890.60		11,234,890.60
Other Machinery and Equipment	10,232,000	-		10,232,000.00
Heritage And Cultural Assets	60,750,000	-		60,750,000.00
Intangible Assets- Soft Ware	500,000	400,000.00		900,000.00
Total	726,360,750	3,384,799.50		729,745,549.50