

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 19 JUN 2025

DAY.

Thursday

**REPORT**

TABLED  
BY:

Hon. Silvanus Otieno  
(Majority Party Whip)

CLERK-AT  
THE-TABLE:

Anastacia

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**ISIOLO BOY'S SECONDARY SCHOOL**

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

**ISIOLO COUNTY**



OFFICE OF THE AUDITOR-GENERAL  
ISIOLO REGIONAL OFFICE  
20 MAY 2025  
P. O. BOX 1027 - 60300, ISIOLO  
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*Revised 30<sup>th</sup> June 2024.*

OFFICE OF THE AUDITOR-GENERAL  
ISIOLO REGIONAL OFFICE  
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**ISIOLO BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

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## 1. Acronyms and Glossary of Terms

### A. Acronyms

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

### B. Definition of Key Terms

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

**2. Key School Information and Management**

**(a) Background information**

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

The school was registered in **11/1992** under registration number GP/A/276/92 and is currently categorized as a Extra County, public school established, owned or operated by the Government.

The school is a day/boarding school and had 324 number of students as at 30<sup>th</sup> June 2024. It has 3 streams and 19 teachers of which 0 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

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

Ref:	Name of Board Member	Designation	Date of appointment
1	MOHAMED BORU	Chairman	MAY 2022
2	JAMES M. GITUMA	Secretary - Principal	MAY 2022
3	FR. THURANIRA	Member	MAY 2022
4	ISMAIL GALMA	Member	MAY 2022
5	FATUMA ABDULLAHI	Member	MAY 2022
6	AHMED ABDI SETT	Member	MAY 2022
7	DR. KOTILE DIDHO	Member	MAY 2022
8	BISHOP KARUNYU	Member – Rep CEB	MAY 2022
9	MONIRA MUCHAI	Member Rep Teachers	MAY 2022
10	ALFRED TINAN	3 Members - Sponsor	MAY 2022
11	ABDINASIR MOHAMED	Member - Community	MAY 2022
12	ABDIA ABDI ABKULA	Member Special Needs	MAY 2022
13	YASIN AHMED	Rep Students	MAY 2022
14	LUKIYA ATIKIYA	Sponsor	MAY 2022
15	CHARLES UMBUA	Member	MAY 2022
16	HUSSEIN GOLICHA	Member	MAY 2022
17	ABDIRIZACK QUARU	Member	MAY 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, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.MOHAMED BORU 2.JAMES GITUMA 3.ISMAIL GALMA 4.AHMED SETT 5.BISHOP KARUYU	CHAIRMAN PRINCIPAL PA CHAIRMAN MEMBER VICE CHAIRMAN	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
2	Audit Committee	1.BISHOP KARUYU 2. AHMED SETT 3.ABDIA ABDI ABKULA		1 out of 1 1 out of 1 1 out of 1
3	Finance,procurement and general purposes Committee	1. .MOHAMED BORU 2.JAMES GITUMA 3.ISMAIL GALMA 4.AHMED SETT 5.BISHOP KARUYU		1 out of 1 1 out of 1 1 out of 1 1 out of 1



4	Academic Committee	1. CHAIRMAN 2. MONICA MUCHAI 3. KARUNYU 4. PRINCIPAL		2 out of 2 2 out of 2 2 out of 2 2 out of 2
5	Development Committee	1. MOHAMED BORU 2. ISMAIL GALMA 3. PRINCIPAL 4. AHMED SETT		
6	Discipline and welfare Committee	5. MOHAMED BORU 6. ISMAIL 7. BISHOP KARUNYU 8. PRINCIPAL 9. AHMED SETT		2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	JAMES M. GITUMA	TSC No. 436303
2	Deputy Principal	MOHAMED GODANA	TSC No. 685174
3	School Bursar	FREDRICK GATOBU	ICPAK No. BOM/ISLBS/001
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 54-60300, ISILOLO  
 Telephone: 0721 688 285  
 E-mail: [isioloboysecondaryschool@gmail.com](mailto:isioloboysecondaryschool@gmail.com)  
 Website:  
 Facebook:  
 Twitter:

**(f) School Bankers**

- Name of Bank: TUITION ACCOUNT  
 Branch: EQUITY BANK LIMITED ISILOLO  
 Account Number: 041029148596
- Name of Bank: OPERATION ACCOUNT  
 Branch: EQUITY BANK LIMITED ISILOLO  
 Account Number: 0410291811087
- Name of Bank: SCHOOL FUND ACCOUNT  
 Branch: CONSOLIDATED BANK LIMITED ISILOLO  
 Account Number: 10111200000276
- Name of Bank: INFRASTRUCTURE ACCOUNT  
 Branch: CONSOLIDATED BANK LIMITED ISILOLO  
 Account Number: 1011203000194

**(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:

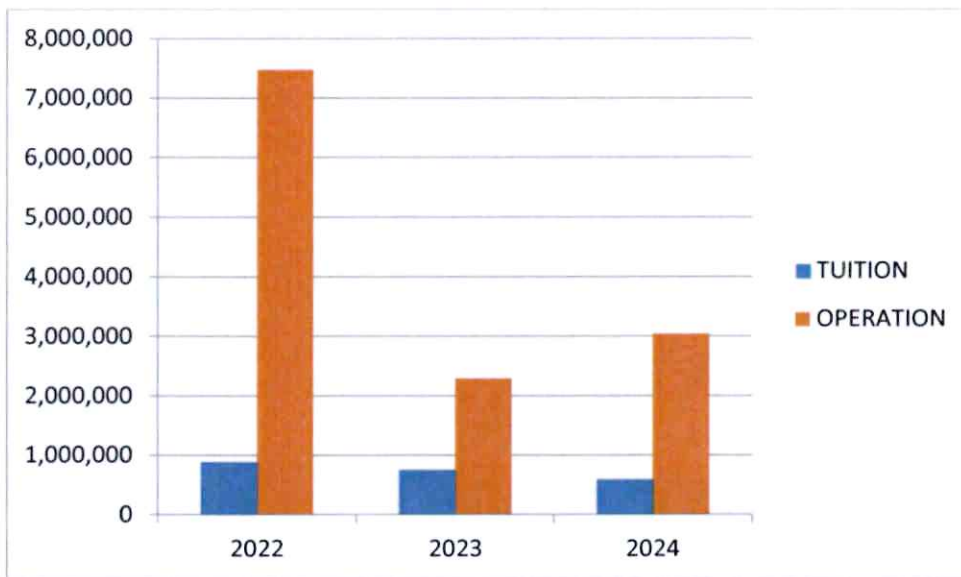
**a) Financial performance:**

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

2022	2023	2024
1,936,486	2,066,232	2,128,246

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

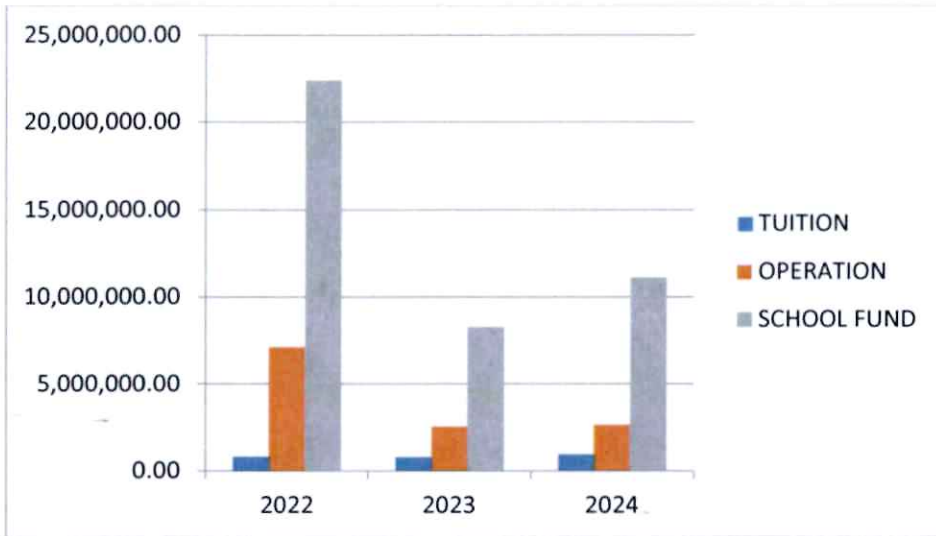
	2022	2023	2024
TUITION	894,475	756,807	597,530
OPERATION	7,486,790	2,302,415	3,052,497



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

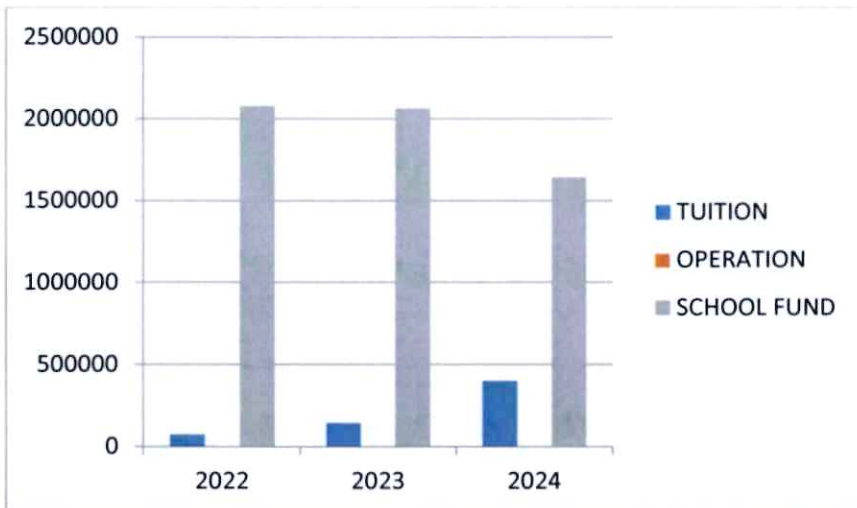
- *A three-year overview of growth in expenditure of the school*

	2022	2023	2024
TUITION	843,430.00	798520.00	967,893.00
OPERATION	7,163,881.00	2,584,353.00	2,689,474.00
SCHOOL FUND	22,386,914.00	8,281,099	11,122,730.00



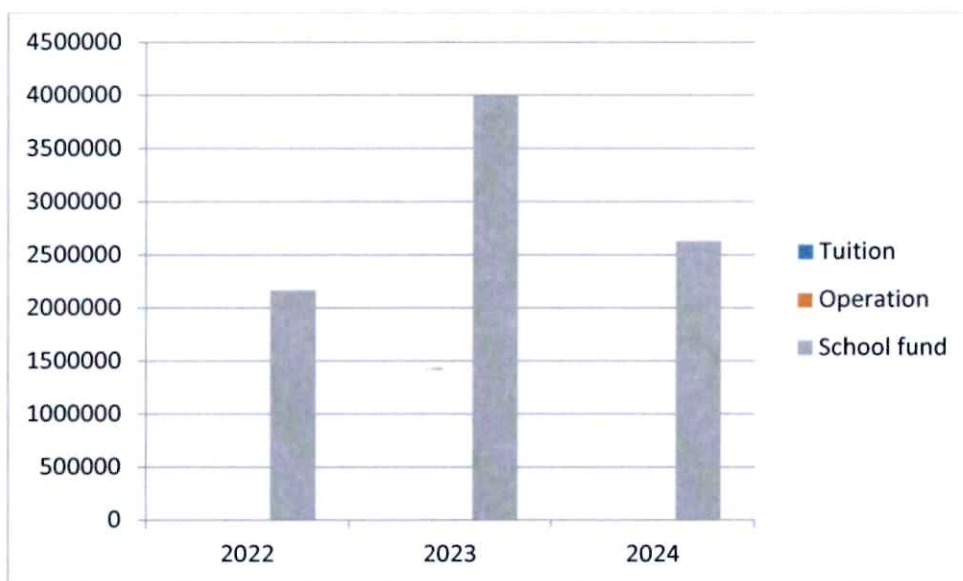
- *Movement creditors of the school over the last three years*

	2022	2023	2024
TUITION	74558.00	144,964.00	402,145.00
OPERATION	-	-	-
SCHOOL FUND	2,079,824.00	2,064,047.00	1,642,336.00



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

	2022	2023	2024
Tuition	-	-	-
Operation	-	-	-
School fund	2,166,505.00	3,995,574.00	2,628,925.00



a) Teacher Student ratio:

	2024
TSC TEACHERS	20
BOM TEACHERS	0
STUDENTS	309

b) Mean score in the 2023 KCSE:

	2021	2022	2023
STUDENTS ENTRY	55	60	54
MEAN SCORE	3.721	4.7	5.2

c) Number of Candidates in the 2024 KCSE:

	2022	2023	2024
CANDIDATES	60	54	68

d) Capacity of the school:

	2022	2023	2024
STUDENTS ENTRY	311	324	309

e) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

*[Handwritten Signature]*

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

The Board of Management of ISILO BOYS SECONDARY SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

.....  
**Name:** Mohamed B. Ali  
**Designation:** Chairman, School Board of Management  
**Date:** 16/5/2025

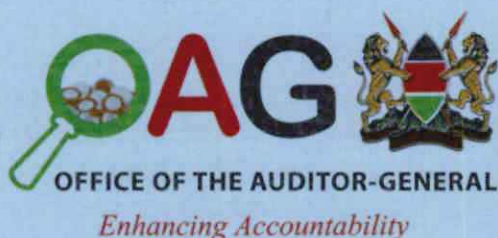
.....  
**Name:** JAMES M. KIJUMA  
**Designation:** School Principal & Secretary to Board of Management  
**Date:**



.....  
**Name:** Frederick MATHIAS  
**Designation:** Bursar/ Finance Officer  
**Date:** 16/5/2025

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON ISIOLO BOYS' SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – ISIOLO COUNTY

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Isiolo Boys' Secondary School set out on pages 1 to 21, which comprise the statement of assets and liabilities as at 30 June, 2024, and the 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 Isiolo Boys' Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Variances in the Financial Statements**

- i) Review of the statement of cash flows and the statement of receipts and payments balances revealed the following unexplained variances:

<b>Description</b>	<b>Statement of Receipts and Payments (Kshs.)</b>	<b>Statement of Cash Flows (Kshs.)</b>	<b>Variance (Kshs)</b>
School Fund Income	10,938,318	10,099,892	838,426
Tuition Payments	967,893	605,748	362,748
Operations Payments	2,689,424	2,929,074	(239,600)
Boarding Payments	11,122,732	10,616,196	506,536

- ii) The statement of assets and liabilities and Note 14 to the financial statements reflect accounts payable balance amounting to Kshs.11,572,594. Review of Note 14 under the prepaid fees reflected an opening balance of Kshs.421,206 instead of Kshs.451,206 as contained in the previous year audited financial statements resulting in unexplained variance of Kshs.30,000.

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

#### **2. Unsupported Payments**

##### **2.1 Tuition Payments**

The statement of receipts and payments and Note 6 to the financial statements reflect tuition payments amount of Kshs.967,893. However, payments amounting to Kshs.402,893 were not supported by vote book commitments and corresponding supporting schedules.

## **2.2 Operations Payments**

The statement of receipts and payments and Note 7 to the financial statements reflect operations payments of Kshs.2,689,474. Review of the operations account, payments, and bank statements revealed that expenditure totaling Kshs.185,400 were incurred on purchase of contracted goods/services. However, the expenditures were not supported with evidence of procurement procedures applied, requisition, quotations, order, invoices, delivery notes, and inspection and acceptance reports.

Further, operations expenditure amounting to Kshs.2,489,374 was categorized as 'other votes' in Note 7 to the financial statements and not specified as required in the reporting template.

In the circumstances, the accuracy and completeness of Kshs.402,893 and Kshs.2,689,474 expenditure on tuition and operations respectively could not be confirmed.

## **3. Unsupported and Long Outstanding Accounts Receivables**

The statement of assets and liabilities and Note 13 to the financial statements reflect accounts receivables balance of Kshs.35,277,929 in respect of fees arrears. However, included in the balance is an amount of Kshs.25,420,748, which had been outstanding for more than three (3) years. Further, Management did not provide the list and fees statements of students owing the institution and evidence of efforts to recover the outstanding receivables. In addition, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.35,277,929 could not be confirmed.

## **4. Unsupported and Long Outstanding Accounts Payables**

The statement of assets and liabilities and Note 14 of the financial statements reflect pending accounts payables amounting to Kshs.11,572,594. However, trade creditors amounting to Kshs.11,359,314 were not supported with schedules, invoices, delivery notes and stores' issues and receipts notes.

Further, payables amounting to Kshs.7,025,255 had been outstanding for more than two (2) years and did not form the first charge during the period as required of Regulation 42 (1)(b) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.11,572,594 could not be confirmed.

## **5. Accuracy of Capitation Grants**

The statement of receipts and payments and Notes 1 and 2 to the financial statements reflect government grants for tuition and operations of Kshs.597,530 and Kshs.2,098,397

respectively totalling Kshs.2,695,927. However, the Ministry of Education records indicate that a total of Kshs.3,320,777 was disbursed to the School, resulting in an unexplained variance of Kshs.624,850.

Further, the School's performance summary report disclosed capitation grants for operations of Kshs.3,052,497, while the statements of receipts and payments reflect Kshs.2,098,397, resulting in an additional unexplained variance of Kshs.954,100.

In the circumstances, the accuracy and completeness of capitation grants totalling Kshs.2,695,927 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Isiolo Boys' 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final budget receipts of Kshs.16,179,700 against actual receipts of Kshs.15,672,145, leading to underfunding by Kshs.507,555 or 3.1% of the approved budget. Further, the school incurred an expenditure of Kshs.14,179,622 against actual receipts of Kshs.15,672,145, leading to an under-expenditure of Kshs.1,492,523 or 10% of the actual receipts. The under expenditure may have impacted negatively on the service delivery.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

The audit report for the previous year highlighted several issues with respect to the Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Control, Risk Management, and Governance. The issues had not been resolved as of 30 June, 2024.

## **Other Information**

The Management is responsible for the other information set out on page iii to xiii 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 Isiolo Boys Secondary School 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. Failure to Submit Annual Report on Governance**

Review of the Board of Management (BOM) records and minutes of various committee meetings held during the year revealed that there was no evidence that Management submitted the required annual report on governance to the Director of Basic Education, contrary to Section 60 of the Basic Education Act, 2013 which states that every public school or institution of basic education shall submit on an annual basis a report to the Director of Basic Education.

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

#### **2. Unbalanced Budget**

The statement of budgeted versus actual amounts reflects budgeted total income of Kshs.16,179,700 and total budgeted expenditure of Kshs.17,058,990 resulting in an unbalanced budget by Kshs.879,290. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced.

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

### **3. Failure to Prepare Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.16,908,345 and Kshs.14,780,099 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This is contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which states that the procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

### **4. Failure to Implement E-Procurement System**

During the year under review, the School Management did not implement the E-Procurement system nor comply with the requirements of Executive Order No. 2 of 2018, requiring that all public entities must undertake all procurements through the E-procurement module with effect from 1 January, 2019.

Further, contrary to the order the School did not regularly update and publicize a comprehensive list of all registered suppliers, contractors, and consultants in various categories of goods, works, and services that were pre-qualified to meet its procurement needs. This information was to be consolidated and published by the 15<sup>th</sup> of the subsequent month, outlining tender and supplier data for the previous month.

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

### **5. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments and Note 3 to the financial statements reflect government grants on infrastructure of Kshs.2,954,100. However, the audit revealed that these funds were not transferred to the designated school infrastructure account as required by the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021. The circular stipulates that infrastructure grants, including maintenance and improvement funds, should be transferred to the infrastructure account within fifteen (15) days of receipt into the operations account.

Further, it was noted that the School did not utilize the Economic Stimulus Infrastructure Grant totaling Kshs.2,000,000 which had been transferred to the School for infrastructure development purposes.

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

### **6. Irregular Virement of Infrastructure Funds**

The statement of receipts and payments and Note 7 to the financial statements reflect operations payments amounting to Kshs.2,689,474. Included in this amount is

Kshs.240,000 that was irregularly transferred from the infrastructure bank account to the school fund. This was contrary Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 9 January, 2008 and MOE.HQS/3/13/3 dated 16 June, 2021, which direct that under the operations account, schools may seek authority from the County Education Boards to vire savings or surplus funds from one item to another, when it is absolutely necessary but no virement from the tuition account will be allowed. In addition, paragraph 3.13 of Circular Ref. No: MOE.HQS/3/10/18/(112) prohibits any virement of funds from the infrastructure account.

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

#### **7. Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

The statement of receipts and payments and Note 9 to the financial statements reflect boarding and school fund expenditure of Kshs.11,122,732. Included in this balance is Kshs.258,000 paid to the Kenya Secondary School Heads Association (KESSHA), an entity that operates as a private body and is not subject to the provisions of the Public Finance Management (PFM) Act, 2012 or other applicable public finance regulations.

In the circumstances, value for money transferred to KESSHA of Kshs.258,000 could not be confirmed.

#### **8. Lack of Procurement Unit**

The school had not established a functional procurement unit to oversee procurement activities contrary to Regulation 24(1) of the Public Procurement and Assets Disposal Regulations, 2020 which states that for the purpose of Section 45 of the Act and for a procuring entity to be able to make corporate decisions and for purposes of internal controls, the procuring entity shall have segregated responsibilities including the following minimum requirements; (b) a procurement function headed and staffed by procurement professionals.

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

#### **9. Failure to Remit Statutory Deductions**

The statement of receipts and payments and Note 7 to the financial statements reflects operations payments totaling Kshs.2,689,474. However, audit review revealed that statutory deductions amounting to Kshs.359,782 in respect of NSSF and NHIF were not remitted during the year under review. This is contrary to the provisions of Section 15 of the National Health Insurance Fund Act, Rev.2022 and Section 22 of the National Social Security Fund (NSSF) Act No. 45 of 2013, which require employers to deduct and remit employee contributions to the respective funds on a monthly basis.

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

## **10. Unconfirmed Student Enrolment Data**

The statement of receipts and payments and Notes 1 and 2 to the financial statements reflect government grants for tuition and operations totaling Kshs.2,695,927. However, records from the National Education Management Information System (NEMIS) and the County Director of Education indicated a student enrolment of one hundred and eighty-seven (187) students while School's records indicated a total enrolment of three hundred and thirty-three (333) students, resulting in an unexplained variance of one hundred and forty-six (146) students. Based on the applicable capitation rates, full registration of all 333 students in NEMIS would have entitled the School to receive Kshs.7,407,252. Instead, only Kshs.2,695,927 was received, resulting in an underfunding of Kshs.4,711,325. This was contrary to the Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June 2021, which mandates that all learners be registered in NEMIS to facilitate accurate disbursement of Free Day Secondary Education (FDSE) funds.

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. IT Internal Control Weaknesses**

Review of the School's IT governance and control structures revealed lack of, an IT Strategy Committee or an IT Steering Committee, documented disaster recovery and management policies, fire suppression systems to safeguard IT infrastructure, Business Continuity Plan (BCP) or IT Continuity Plan to ensure the continuity of operations in the event of a disruption and an accounting software system to manage key financial functions such as accounts payable, receivables, general ledger, invoicing, and asset management

In the circumstances, the effectiveness of information technology controls could not be confirmed.

## **2. Lack of Updated Fixed Asset Register**

Audit review revealed that the School did not maintain a detailed fixed asset register capturing key details: asset description, serial numbers, acquisition cost, funding source, location, status, and custodian. Further, Management did not provide ownership documents for verification in respect of land valued at Kshs.100,000,000 and motor vehicles valued at Kshs.2,700,000. In addition, the school's assets were not tagged for identification and tracking purposes and their valuation was not disclosed in the financial statements.

In the circumstances, the existence, ownership, and the effectiveness of internal control over management of school assets could not be confirmed.

## **3. Weak Cash Management Controls**

The statement of receipts and payments and Note 7 to the financial statements reflect operations payments totaling Kshs.2,689,474. However, review of the bank statements for the period 9 October, 2023 to 22 June, 2024 revealed ten (10) cheque withdrawals amounting to Kshs.1,348,000. Out of these, Kshs.1,254,000 was indicated as office expenses. It was noted that these cash withdrawals were not supported by key documentation, including requisitions, approvals, and clear justifications for the expenditures incurred.

Further, the School lacked an approved cash management policy to guide the handling of cash withdrawals, issuance of standing imprests, and did not have defined threshold approved by the Board of Management.

In the circumstances, the effectiveness of internal controls over cash handling and management 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 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.

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP 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

03 June, 2025

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

Description Of Vote Head	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	597,530	756,807
Government grants for operations	2	2,098,397	2,302,415
Government Grants for infrastructure	3	2,954,100	1,088,000
School fund income- parents' contributions	4	10,938,318	11,423,570
Miscellaneous incomes	5	320,000	-
<b>Total Receipts</b>		<b>16,908,345</b>	<b>15,570,792</b>
<b>Payments</b>			
Tuition	6	967,893	943,484.00
Operations	7	2,689,474	2,571,953.00
Infrastructure	8	-	130,210.00
Boarding and school fund	9	11,122,732	9,858,913
<b>Total Payments</b>		<b>14,780,099</b>	<b>13,504,560</b>
<b>Surplus/Deficit</b>		<b>2,128,246</b>	<b>2,066,232</b>

The school financial statements were approved on 16/5/2025 2024 and signed by:

*[Signature]*  
 .....  
 Name: JAMES M. GILUMA  
 Chair BOM

*[Signature]*  
 .....  
 Name: 16/5/2025  
 School Principal/ Secretary to  
 BOM

*[Signature]*  
 .....  
 Name: FREDRICK C. MATSIN  
 Bursar/ Finance Officer

Date: 16/5/25



Date: 16/5/2025

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	2,207,691	291,589
Cash balances	11	2,877	78.00
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b><u>2,210,568</u></b>	<b><u>291,667</u></b>
Account's receivables	13	35,277,929	34,602,428.70
<b>Total financial assets</b>		<b>37,488,497</b>	<b>34,894,096</b>
<b>Financial liabilities</b>			
Accounts payables	14	11,572,594	11,106,439
<b>Net financial assets</b>		<b>25,915,903</b>	<b>23,787,658</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	23,787,657	21,721,425
Surplus/deficit for the year		2,128,246	2,066,232
<b>Net financial position</b>		<b>25,915,903</b>	<b>23,787,657</b>

The school's financial statements were approved on 16/5/2025 2024 and signed by:

*[Signature]*  
 Name: *James M. Givuma*

*[Signature]* JAMES M. GIVUMA  
 Name: *James M. Givuma*

*[Signature]*  
 Name: *Fredrick CRATUBU*

Name: *James M. Givuma*  
 Chair BOM *Mohamed B. Ali*

Name: *James M. Givuma*  
 School Principal/ Secretary to BOM

Name: *Fredrick CRATUBU*  
 Bursar/ Finance Officer

Date: *16/5/2025*

Date: *16/5/2025*

Date: *16/5/2025*



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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		597,530	756,807
Government grants for operations		2,098,397	2,302,415
Government grants for infrastructure		2,954,100	1,088,000.00
School fund income- parents contributions/ fees		10,099,892	7,576,372.00
Other income		320,000	-
<b>Total receipts</b>		<b>16,069,919</b>	<b>11,723,594</b>
<b>Payments</b>			
Cash outflows for tuition		605,748	798,520.00
Cash outflows for operations		2,929,074	2,584,353.00
Cash outflows Boarding/lunch and school fund payments		10,616,196	8,281,099
<b>Total payments</b>		<b>14,151,018</b>	<b>11,663,972</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>1,918,901</b>	<b>59,622</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		-	130,210.00
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>-</b>	<b>(70,588)</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>1,918,901</b>	<b>(70,588)</b>
Cash and cash equivalent at beginning of the FY		291,667	362,255
<b>Cash and cash equivalent at end of the FY</b>		<b>2,210,568</b>	<b>291,667</b>

The school's financial statements were approved on 16/5/2025 2024 and signed by:

*[Handwritten signatures]*  
.....

Name: *James M. Gijuma*  
Chair BOM  
Date: *16/5/2025*

Name: *JAMES M. GIJUMA*  
School Principal/ Secretary to  
BOM  
Date: *16/5/2025*

Name: \_\_\_\_\_  
Bursar/ Finance Officer  
Date: *16/5/2025*



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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) <i>Capitation Grant on Tuition</i>					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	1,243,200.00	-	1,243,200.00	597,230.00	48%
Exams And Assessment	-	-	-	-	-
Subtotal	1,243,200.00	-	1,243,200.00	597,230.00	48%
(2) <i>Capitation Grant on Operations</i>					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	1,500,000.00	-	1,500,000.00	954,100.00	64%
Local Transport/Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	57,500.00	-	57,500.00	214,275	372%
Administration Costs	-	-	-	-	-
Activity	450,000.00	-	450,000.00	197,798.00	44%
Gratuity	-	-	-	-	-
Other votes (EW&C,P/E,L,T&T,ADM.COST.)	2,820,000.00	-	2,820,000.00	1,686,324.00	60%

ISILO BOYS SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Subtotal	4,827,500.00	-	4,827,500.00	3,052,497	63%
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE	1,500,000.00	-	1,500,000.00	954,100	64%
M&I parents' contribution	320,000.00	-	320,000.00	280,000.00	88%
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
Subtotal	1,820,000.00	-	1,820,000.00	1,234,100.00	68%
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	320,000	-	320,000	280,000.00	88%
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Other votes( EW&C,P/E,L,T&T,ADM.COST.)	1,952,800.00	-	1,952,800.00	1,908,700.00	98%
Fee On Boarding Equipment and Stores	6,016,200.00	-	6,016,200.00	8,599,618.00	142%
Subtotal	8,289,000.00	-	8,289,000.00	10,788,318.00	130%
<b>5) Miscellaneous Income</b>					
Loans / Borrowing	-	-	-	-	-

ISILO BOYS SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Subtotal	-	-	-	-	-
<b>Grand Total Income</b>	16,179,700.00	-	16,179,700.00	15,672,145.00	97%
<b>(6) Expenditure For Tuition</b>					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	1,228,010.00		1,228,010.00	967,145.00	79%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-

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
Subtotal	1,228,010.00	-	1,228,010.00	967,145.00	62%
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance & Improvements	1,500,000.00	-	1,500,000.00	-	0%
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity Expenses	-	-	-	-	-
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
Other votes ( EW&C,P/E,LT&T,ADM.COST.)	2,820,000.00	-	2,820,000.00	2,489,374.00	88%
<b>Subtotal</b>	<b>4,320,000.00</b>	<b>-</b>	<b>4,320,000.00</b>	<b>2,489,374.00</b>	<b>58%</b>
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
Subtotal	-	-	-	-	-

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
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Other votes ( EW&C,P/E,LT&T,ADM.COST.)	5,428,208.00	-	5,428,208	5,354,030.00	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	6,082,772.00	-	6,082,772.00	5,369,078.00	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Subtotal	11,510,980.00		11,510,980.00	10,723,103.00	93%

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
<b>Grand Totals</b>	17,058,990.00	-	17,058,990.00	14,179,622.00	83%

- i. Prices of commodities went up some up to 100% higher than the budgeted prices.

## 10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### 1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *Isiolo Boys 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

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

### 3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

### 4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to 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 the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	597,530	756,807
Others (specify)*	-	-
<b>Total</b>	<b>597,530</b>	<b>756,807</b>

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical&Insurance	214,275	57,400
Administration Costs	-	-
Activity	197,798	151,525
Other Vote Heads (specify)*	1,686,324	2,093,490
<b>Total</b>	<b>2,098,397</b>	<b>2,302,415</b>

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	954,100	1,088,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	2,000,000	-
Other (specify)(NGCDF and County govt.	-	-
<b>Total</b>	<b>2,954,100</b>	<b>1,088,000</b>

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

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	-	-
Repairs and maintenance	280,000	199,800
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	150,000	136,510
Fee on Boarding Equipment and stores	8,599,618	8,922,339
PA Levies*	-	-
Others (specify)	1,908,700	2,164,921
<b>Total</b>	<b>10,938,318</b>	<b>11,423,570</b>

**5 Miscellaneous Incomes**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	320,000	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
<b>Total</b>	<b>320,000</b>	<b>-</b>

Notes to the Financial Statements (continued)

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	967,145	938,564
Exams / Assessment	-	-
Teachers Guides	-	-
Bank Charges	748	4,920
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>967,893</b>	<b>943,484</b>

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Administration Cost	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	-	-
Activity Expenses	200,100	90,000
Insurance Cost	-	-
Others Votes(P/Emo,LT&T,EW&C,Adm.Cost)	2,489,374	2,481,953
<b>Total</b>	<b>2,689,474</b>	<b>2,571,953</b>

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify) Repairs	-	130,210
<b>Total</b>	-	130,210

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	73,434.00	240,155.00
Local Transport / Travelling	-	-
Electricity And Water	-	-
Exam assessment	-	-
Administration Costs	-	-
Lunch Programme	-	-
Bank Charges S/A	-	48,101
Activity	326,190.00	218,205.00
Fee On Boarding Equipment and Stores	5,369,078.00	5,244,597.00
Rent Expenses	-	-
Insurance Cost ( <i>Life Property</i> )	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others Votes	5,354,030.00	4,107,855.00
<b>Total</b>	11,122,732.00	9,858,913.00

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account			2,671	10,888
Operations Account			2,020,934	257,413
School Fund Account/Boarding			173,082	22,283
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account			11,004	1,004
<b>Total</b>			<b>2,207,691</b>	<b>291,589</b>

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	2,877	78
<b>Total</b>	<b>2,877</b>	<b>78</b>

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	35,212,929	34,582,429
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	45,000	-
Imprest (list/schedule attached)	20,000	20,000
Rent arrears (list/schedule attached)	-	-
<b>Total</b>	<b>35,277,929</b>	<b>34,602,429</b>

13 b Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,718,925	89%	3,995,574	11%
Between 1- 2 years	4,120,055	12%	2,147,905	6%
Between 2-3 years	3,018,201	9%	3,018,201	8%
Over 3 years	25,420,748	71%	25,420,748	75%
<b>Total (should tie to note 13 a)</b>	<b>35,277,929</b>	<b>100%</b>	<b>34,602,429</b>	<b>100%</b>

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	11,359,314	10,566,917
Prepaid Fees	213,280	421,206
Retention Monies		
Unpaid salaries and statutory deductions (PAYE & NSSF)		88,316
Caution money		
Other payables ( <i>specify</i> )		
<b>Total</b>	<b>11,572,594</b>	<b>11,106,439</b>

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,044,481	22%	2,209,012	21%
Between 1- 2 years	2,287,578	8%	412,675	4%
Between 2-3 years	2,002,087	20%	2,154,382	20%
Over 3 years	5,025,168	50%	5,790,848	55%
<b>Total (should tie to note 14)</b>	<b>11,359,314</b>	<b>100%</b>	<b>10,566,917</b>	<b>100%</b>

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	2,207,691	291,589
Cash Balances	2,877	78
Short Term Investments	-	-
Receivables	35,277,929	34,602,429
Payables	(11,572,594)	11,106,439
<b>Total</b>	<b>25,915,903</b>	<b>23,787,657</b>

**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	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	-	-

**17 Biological assets**

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	9 x60,000	540,000	455,000
Goats	-	-	-
Trees	370@1000	370,000	320,000
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
<b>Total</b>	-	<b>910,000</b>	<b>775,000</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at the end of the year</b>	-	-

**Other important disclosure notes**

**19 Stock/ Inventory**

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	73,339	284,550
Lab consumables	194,000	220,000
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify) Stationeries	174,570	49,500
<b>Total</b>	<b>441,909</b>	<b>554,050</b>

**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)
1.2023Report	Inaccuracies in financial statement.	Issues brought by incorporations of payables and receivables in the statement of receipts and payments. Therefore could not tally with cash flow statement.	Not resolved .	By June 30 <sup>th</sup> 2025
2. report 2023	Long outstanding accounts receivable.	Management agreed to enhance fees collections and improvise new fees collections method.	Not resolved.	Improve in 2025/2026 report
3.report 2023	unsupported boarding and school fund payment.	Management agreed to check to the procurement guide lines and ensure all payment are properly supported.	Not resolved.	By June 30 <sup>th</sup> 2025
4.budgetary report 2023	Budget control and performance.	Management agreed to adhere to budget guidelines.	Not resolved .	By June 30 <sup>th</sup> 2025

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5. report 2023	Failure to prepare school improvement plan.	Management resolved to prepare immediately and to be ready by end of current financial year 2024/2025	Not resolved	By 30 <sup>th</sup> June 2025
6. report 2023	long outstanding staff dues	Management will conduct an Harambee in July 2025 to resolve this issue	Not resolved	By 30 <sup>th</sup> September 2025
7. report 2023	Lack of land ownership documents	The ministry is following it up and the land ministry to issue school in Isiolo with a title deed.	Not resolved	By 30 <sup>th</sup> June 2027

JAMES M. GITUMA  


Sign and Date  
Principal



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023-2024	Outstanding Balance 2022-2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4. EDMWEGI GENERAL SUPPLY	900,000		70,000	830,000	900,000	
5. SALESO KIAMBI	906,190		150,000	756,190	906,190	
6. HARRIET NGAUTANI	307,009		-	348,219	307,009	
7. MOHANSONS ENTERPRICES	111,550		-	111,550	115,550	
8. BARETU CO. LTD	72,500		49,635	22,865	72,500	
9. JOSEPH KIBORU	37,600		-	37,600	37,600	
10. SAID JENEBY	125,000		-	39,000	-	
11. JOSAMWA MILK	101,840		28,840	73,000	101,840	
12. BETTY K. MBURUGU				23,120	23,120	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023-2024	Outstanding Balance 2022-2023	Comments
13. REGIONAL BOOKSXSTATIONERS	229,924	1/7/2022		168,705	101,964	
14. WELINGTON ENTERPRISES	137,650	15/11/2020	-	137,600	137,650	
15. JENERUS KANAIRI	142,600	1/7/2022	132,600	10,000	142,600	
16. MINDS COMPUTER	243,977	1/2/2021	-	168,700	101,860	
17. IWASCO	289,894	1/7/2021	129,000	560,037	689,894	
18. MWALIMU ENGINEERING	174,060	1/7/2022	-	174,060	174,060	
19. NAOMI NJERI	80,000	1/7/2022	-	80,000	80,000	
20. DIVINE BUTCHERY	169,150	1/7/2022	31,150	138,000	169,150	
21. CAROLINE NKIROTE	87,000	1/7/2022	-	100,000	87,000	
22. ALI TOWBA (JAMISO)	124,900	11/10/2022	-	124,000	124,900	
23. SAVER WHOLESALERS	44,930	20/4/2023	-	44,930	44,930	
24. FIRE CHIEF	82,350	20/4/2023	-	82,350	82,350	
25. ROBICAN	43,000	1/7/2022	-	43,000	43,000	
26. COUNTY CEREALS	12,000	1/7/2022	-	12,000	12,000	
27. EXPAN ENTERPRISES	60,000	1/7/2022	-	60,000	60,000	
28. DAVID ENTERPRISES	7,000	6/6/2023	-	7,000	7,000	
29. POSTAL CO.OPERATION	15,450	1/7/2022	-	-	15,450	
30. WOMEN OF FAITH	12,000	20/8/2022	-	12,000	12,000	
31. MUGAINE(K) LTD	144,000	1/4/2023	-	144,000	144,000	
<b>Sub-Total</b>						

ISILOLO BOYS SECONDARY SCHOOL

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023-2024	Outstanding Balance 2022-2023	Comments
32. SAMUEL YATTANI	123,075	1/7/2023		123,075		
33.RAPHS MEDIA	166,600	1/7/2023		166,600		
34. UNION DUES	246,000	1/7/2023		246,000		
35. MUSLIM LEAGUE	47,360	1/7/2023		47,360		
36.NTS WELFARE	220,000	1/7/2023		220,000		
<b>Supply Of Services</b>						
37. STAFF SALARIES				3,508,704	3,314,315.00	
38. SERVICE GRATUITY				2,402,087	2,584,039.00	
39. PREPAID FEES.				213,280	451,206.00	
40. NSSF/NHIF				359,782	88,216.00	
<b>Sub-Total</b>						
<b>Grand Total</b>				<b>11,572,594</b>	<b>11,106,439</b>	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2024
Land	100,000,000.00			
Buildings And Structures	80,000,000.00			
Motor Vehicles	2,700,000.00			
Office Equipment, Furniture And Fittings	1,500,000.00			
Textbooks	2,500,000.00			

**ISILO BOYS SECONDARY SCHOOL**

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<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2023</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2024</b>
ICT Equipment	1,200,000.00			
Tools And Apparatus	3,000,000.00			
Other Machinery And Equipment	1,200,000.00			
Heritage And Cultural Assets	-			
Intangible Assets- Soft Ware	80,000.00			
<b>Total</b>	<b>192,180,000</b>			

