

REPUBLIC OF KENYA

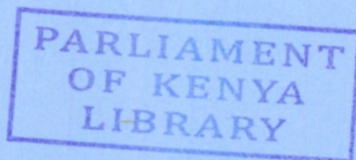


REPORT

OF

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2026	
DAY: Tuesday	
TABLED BY:	Hon. Naomi Wago, CBS, MP Deputy Majority Party Whip
CLERK-AT THE-TABLE:	Lomale

THE AUDITOR-GENERAL



ON

KATHAANA DEB SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

MACHAKOS COUNTY

OFFICE OF THE AUDITOR GENERAL
P.O. Box 30034 - 00100, NAIROBI
RECORDS OFFICE

14 APR 2026

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**KATHAANA DEB SECONDARY SCHOOL
PUBLIC SECONDARY 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)

KATHAANA DEB SECONDARY SCHOOL

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

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

The school was registered in 2014 under registration number PU/S/2/10165/14 and is currently categorized as a Sub-County public school.

The school is a day school and had 215 number of students as at 30th June 2025. It has 2 streams and 14 teachers of which 1 teacher is employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Dr. Anncent Kituku	Chairman	8/03/2022
2	Ms. Virginia Muli	Secretary - Principal	8/03/2022
3	Mr. Gideon Nzuki	Member	8/03/2022
4	Ms. Agnes Mbatha	Member	8/03/2022
5	Ms. Sarah Kieti	Member	8/03/2022
6	Ms. Mary Mutindi	Member	8/03/2022
7	Mr. Lawrence Nzioka	Member	8/03/2022
8	Mr. Dancan Wambua	Member – Rep CEB	8/03/2022
9	Ms. Catherine Mutiso	Member Rep Teachers	8/03/2022
10	Mr. Dennis Makau	3 Members – Sponsor	8/03/2022
11	Mr. Kyengo Maweu		8/03/2022
12	Mr. Thomas Mukola		8/03/2022
13	Ms. Ann Mueni	Member - Community	8/03/2022
14	Mr. Zakayo Makau	Member Special Needs	8/03/2022
15	Simon N. Mutisya	Rep Students	8/03/2022

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr. Anncent Kituku Mr. Gideon Nzuki Ms. Virginia Muli Mr. Lawrence Nzioka Ms. Agnes Mbatha	Chairperson Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
2	Audit Committee	Mr. Lawrence Nzioka Mr. Dancan Wambua Ms. Agnes Mbatha Ms. Virginia Muli	Chairperson member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
3	Finance,procurement and general purposes Committee	Mr. Lawrence Nzioka Mr. Dancan Wambua Ms. Agnes Mbatha Ms. Virginia Muli	Chairperson Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Mr. Zakayo Makau Mr. Gideon Nzuki Ms. Catherine Mutiso	Chairperson Member Member	1 out of 1 1 out of 1 1 out of 1
5	Development Committee	Mr. Lawrence Nzioka Ms. Ann Mueni Mr. Thomas Mukola Ms. Virgina Muli	Chairperson Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
6	Discipline and welfare Committee	Ms. Mary Mutindi Mr. Dancan Wambua Ms. Sarah Kieti	Chairperson Member Member	1 out of 1 1 out of 1 1 out of 1

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

(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	Identification
1	Principal	Ms. Virginia Muli	TSC No. 362651
2	Deputy Principal	Ms. Pauline Mwinzi	TSC No. 371869
3	School Bursar	Ms. Elizabeth Nzioka	ID No.26466595

(e) Schools contacts

Post Office Box: 1190-90115
Telephone: 0795358285
E-mail: kaathaanas@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

Provide details of the school bankers.

1. Name of Bank: Kathaana DEB Secondary School
Branch: Equity Bank - Tala
Postal Address: 343-00641 Tala
Account Number: 0900XXXXXXXXXX (Operational A/C)
2. Name of Bank: Kathaana DEB Secondary School
Branch: Equity Bank - Tala
Postal Address: 343-00641 Tala
Account Number: 0900XXXXXXXXXX (Lunch programme / School Fund A/C)
3. Name of Bank: Kathaana DEB Secondary School
Branch: Equity Bank - Tala
Postal Address: 343-00641 Tala
Account Number: 0900XXXXXXXXXX (Infrastructure A/C)
4. Name of Bank: Kathaana DEB Secondary School
Branch: Equity Bank - Tala
Postal Address: 343-00641 Tala
Account Number: 0900XXXXXXXXXX (Tuition A/C)
5. MPESA paybill No.247 247 attached to A/C No. 0900XXXXXXXXXX (Lunch programme / School Fund A/C)

(g) Independent Auditors

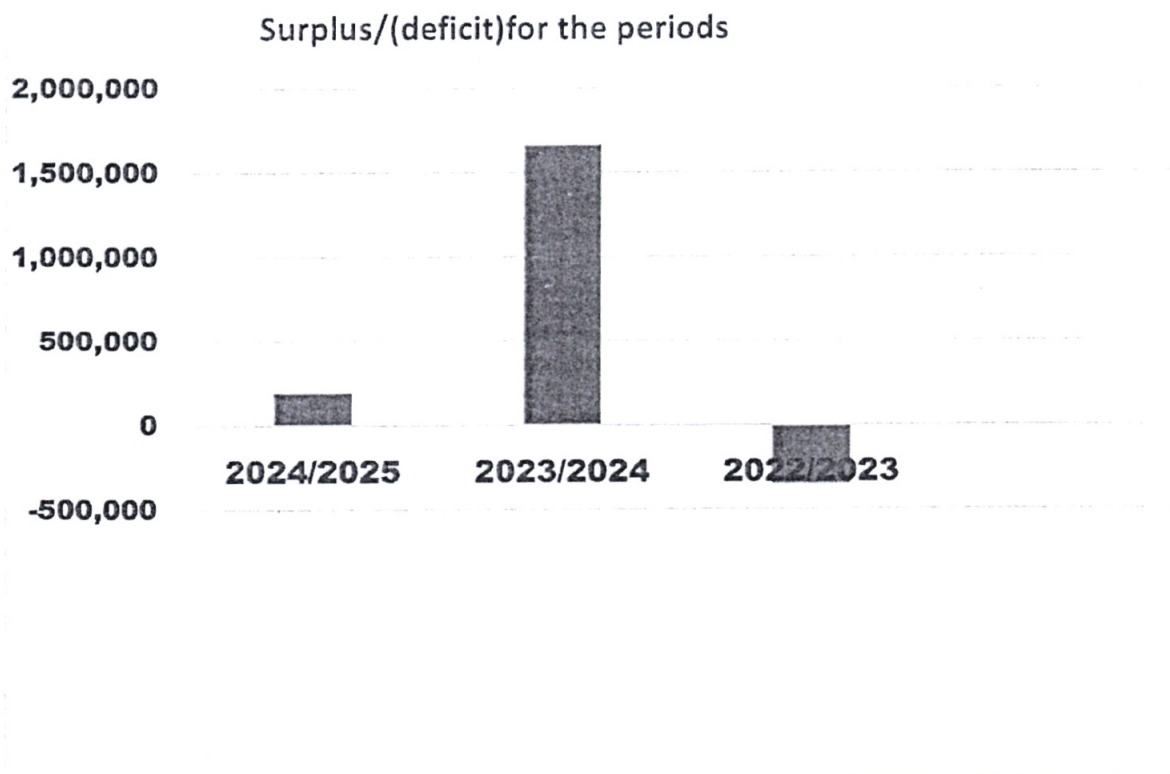
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

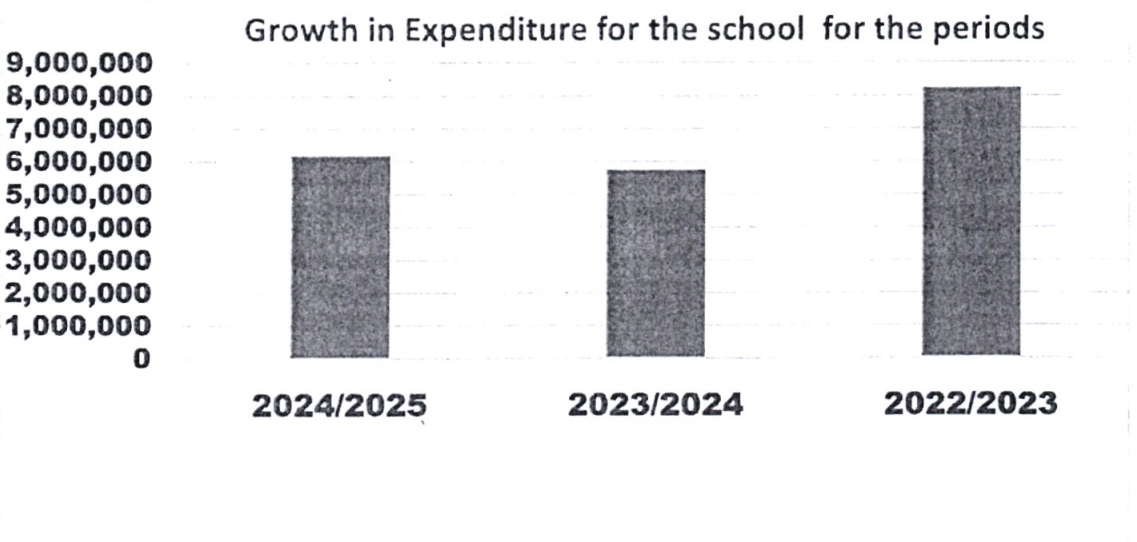
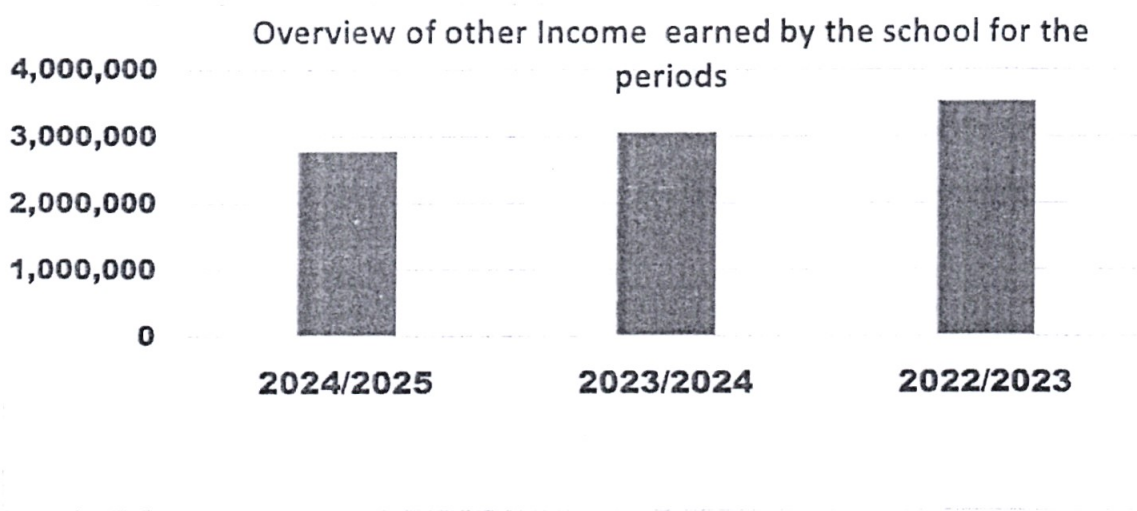
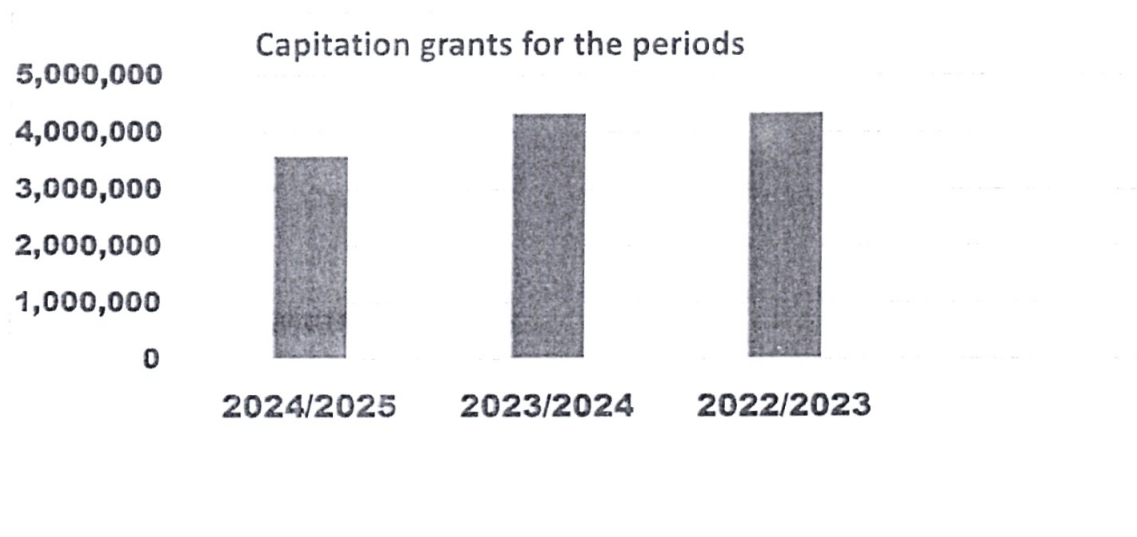
3. Summary Report of Performance of The School

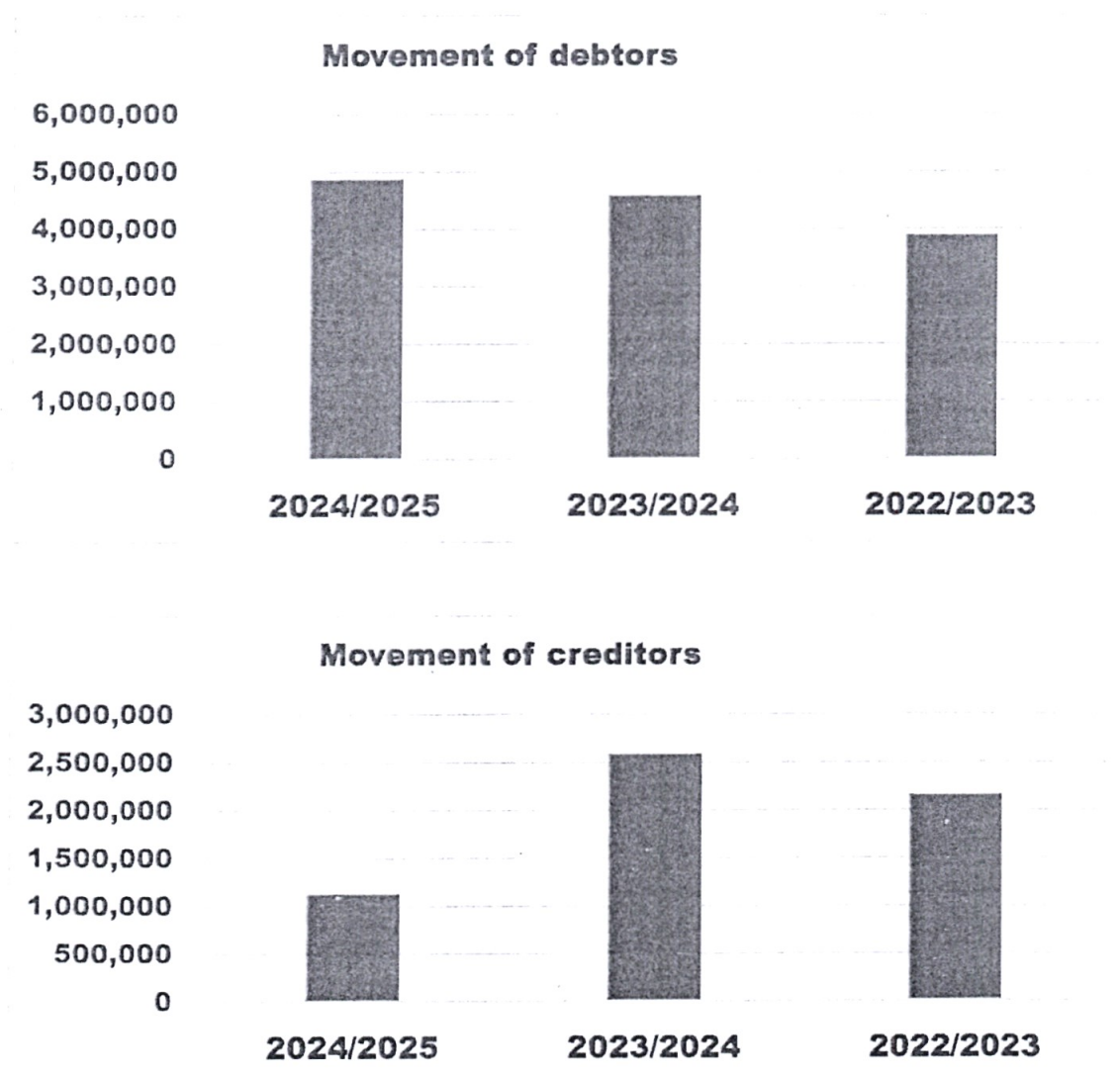
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

DATAILS	2023/2024	2022/2023	2021/2022
Surplus/Deficit for the year	189,482	1,659,857	(352,399)
Capitation grants	3,581,852	4,335,728	4,338,905
Ratio of capitation grant per student	1:15,087	1:15,766	1:14,367
Overview of growth of other income earned by the school	2,782,585	3,062,786	3,520,802
Overview of growth in expenditure of the school	6,174,956	5,738,657	8,212,106
Movement of debtors of the school	4,877,503	4,591,705	3,886,499.00
Movement of creditors of the school	1,133,414	2,589,196	2,156,925

Graphical Presentation of Financial Performance



**b) Teacher Student ratio:**

- The teacher to student ratio as at 30th June 2025 was **1:15**
- No teacher was transferred within this period. No teacher retired within this period.
- One teacher was employed by TSC within this period.
- The teachers in Each subject were as follows:

SUBJECT	NO OF TEACHERS
Mathematics	3
English	2
Kiswahili	3
Biology	3
Chemistry	2
Physics	2

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

Geography	1
History & Government	2
CRE	4
Business Studies	1
Agriculture	1
Physical Education	N/A

c) The mean score in the 2025 KCSE:

	2025	2024	2023	2022
Mean Score	2.30	3.00	2.75	2.54
Comments	There was a negative deviation of 0.7	There was a positive deviation of 0.8	Slight improvement	Slight improvement
Students Admitted to Universities	1	2	1	1
Students Admitted to Colleges	12	9	9	3
Students Admitted to Vocational/Technical Institution	15	16	20	50

d) Number of Candidates in the 2025 KCSE:

YEAR	NO OF CANDIDATES
2025	64
2024	40
2023	45

e) The capacity of the school:

NO OF STUDENTS	FACILITY	NO OF FACILITIES	STUDENTS TO FACILITY RATIO
215	Classroom	9	24:1
	Laboratory	2	108:2
	Dining Hall	0	0
	Kitchen	1	215:1
	Toilets	26	8:1
	Washing points	9	215:1
	Water source	Quarry	215:1

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****f) Development projects carried out by the school:**

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Movable Lab Tables	Ministry of Education	Complete	250,000	250,000	Complete
Repair of floor & tiling of one Classroom	Ministry of Education	Complete	60,000	57,700	Complete
Solar Security Lights	Ministry of Education	Complete	32,000	28,500	Complete
Lab Fittings	Ministry of Education	Complete	750,000	745,395	Complete
General Repairs	Ministry of Education	Complete	100,000	80,378	Complete
Creditors paid for Lab construction	Ministry of Education	Complete	800,000	749,630	Complete
Total			1,992,000	1,911,603	

.....
Name: **KYENGO KATITHA MAWEN**

Designation: School Principal & Secretary to Board of Management

Date: 13/4/2026

.....
Name: **VIRGINIA M. Muli**

Designation: Chairman, School Board of Management

Date: 13/4/2026

.....
Name: **ELIZABETH M. HAIKA**

Designation: Bursar/ Finance Officer

Date: 13/4/2026

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 Kathaana DEB. 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 30th June, 2025, and of the school's financial position as at that date.

.....
Name: *KTENGO KATATHA MAWEU*

Designation: School Principal & Secretary to Board of Management

Date: *13/4/2026*

hll
.....
Name: *VIRGINIA M. MULI*

Designation: Chairman, School Board of Management

Date: *13/4/2026*

eto
.....
Name: *ELIZABETH M. NZIUKA*

Designation: Bursar/ Finance Officer

Date: *13/4/2026*



**5. Report of the Independent Auditors on the Annual Report and Financial Statements of
Kathaana D.E.B Secondary School for the year ended 30th June 2025**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KATHAANA DEB SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025-MACHAKOS 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 Kathaana DEB Secondary set out on pages 1 to 21, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of

Report of the Auditor-General on Kathaana DEB Secondary School for the year ended 30 June, 2025-Machakos County

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 Kathaana Secondary School as 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 Public Finance Management Act, 2012, the Basic Education Act, 2013, and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Scholarships and Bursaries

The statement of receipts and payments reflects Kshs.2,774,585 for School fund income-parents' contribution, which includes bursaries of unspecified amounts received from various institutions and donors. However, the School did not maintain a register or a control account for bursaries and scholarships received. As a result, there was no record detailing the amounts allocated and credited to each beneficiary student, outstanding fees, or any excess balances carried forward.

In the circumstances, the accuracy and completeness of the parents' contributions of Kshs.2,774,585 could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of financial position reflects accounts receivables balance of Kshs.4,877,503 which includes a balance of Kshs.1,663,802 in respect of fees arrears. As disclosed in Note 13 to the financial statements, the balance includes debtors totalling Kshs.4,090,883, which have been outstanding for more than two (2) years. However, the School had no policy in place for the impairment of long-outstanding fee arrears, casting doubt on the fair presentation of the accounts receivable balance.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.4,090,883 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kathaana DEB 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 receipts budget and actual on a comparable basis of Kshs.9,093,094 and Kshs.6,141,475, respectively, resulting to under-funding of Kshs.2,951,619 or 32% of the budget. However, the School spent an amount of Kshs.7,693,574 out of the actual receipts of Kshs.Kshs.6,141,475, resulting in over-utilization of Kshs.1,552,099 or 25% of the 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 judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the financial year 2024/2025 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 is responsible for the Other Information set out on pages III to XI which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of the 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

The statement of financial performance reflects expenditure on payments for operations of Kshs.2,653,362 as disclosed in Note 7 to the financial statements. Included in this expenditure is Kshs.134,680 in respect of transfers to the Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in the Government funding system, and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, the regularity and value for money transferred to KESSHA amounting to Kshs.134,680 could not be confirmed.

2. Late Submission of Financial Statements for Audit

The financial statements for the year under review were submitted for audit on 3 November, 2025, after the statutory deadline of 31 August, 2025. This was contrary to The National Treasury Circular No.AG.3/88Vol.VII (41) of 04 December,2024, in compliance with Section 81 of the Public Finance Management Act, 2012, on the preparation of the financial statements.

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

3. Non-Compliance with Law on Staff Composition

Review of staff bio data revealed that all eight (8) non-teaching staff engaged by the School Board of Management are drawn from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that

no public establishment shall have more than one-third of its staff from the same ethnic community.

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

4. Irregularities in Procurement Process

4.1 Irregular Use of Low-Value Procurement Method

During the year under review, the School incurred a total expenditure of Kshs.6,174,955. Included in this expenditure is an amount of Kshs.2,686,749 for goods and services that were procured using the low-value procurement method. However, the amount exceeds the allowable threshold matrix of Kshs.50,000 per item in a financial year as stipulated in the Second Schedule threshold matrix of the Public Procurement and Asset Disposal Regulations, 2020.

4.2 Failure to Prepare an Annual Procurement Plan

During the year under review, the School did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 (1) of the Public Procurement and Asset Disposal Regulations, 2020, which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

4.3 Failure to Maintain a List of Registered Suppliers

During the year under review, the School Management did not maintain a list of registered suppliers. This was contrary to Section 57(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which provides that the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

In the circumstances, Management was in breach of the law

5. Failure to Pay Outstanding Accounts Payables as a First Charge

The statement of financial position reflects the accounts payables balance of Kshs.1,133,414, as disclosed in Note 14 to the financial statements, the balance includes trade payables and statutory deductions of Kshs.1,113,944, which were not settled during the year but were instead carried forward to the financial year 2025/2026. Further, included in this balance is Kshs.14,975, which had been outstanding for more than two (2) years. No reason was provided for the delay in paying the creditors as a first charge to the budget, contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 and The National Treasury Circular No. 10-2020 of 16 June, 2020 on prioritization of pending bills.

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. Lack of an Audit Review

During the year under review, the School had not constituted an Audit Committee as required by Regulation 166(2) of the Public Finance Management (National Government) Regulations, 2015, which states that each year the Audit Committee shall carry out annual review of the independence, performance and competency of the Internal Audit unit and comment on their effectiveness in the annual report. Further, Section 61(2)(d) of the Basic Education Act 14 of 2013, requires the Board of Management to establish an Audit Committee among other Board committees.

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

2. Lack of Approved Human Resource Instruments

During the year under review, the School had ten (10) staff members hired by the Board of Management. However, the School did not have key human resource instruments including employment contracts, approved Human Resource Policies and Procedures Manual, a Scheme of Service and an established Salary Structure in place. As a result, there was no clear framework outlining how vacancies were identified, recruitment processes were conducted and how staff were remunerated. Further, no evidence was provided to confirm that statutory deductions for pension funds and gratuity payments were remitted.

In the circumstances, the existence of structured Human Resource management practices could not be confirmed.

3. Ineffective Accounting System

Review of the accounting system revealed that the School uses the an accounting software to manage School fee payments and student receivables. However, key documents, including the purchase contract, service level agreement and certificate of

approval, were not provided for review. Further, the system could not generate essential financial and management reports, including students' master data, aging analysis of student debtors and prepayments, and summaries of amounts invoiced, paid and balance at the end of the financial year.

In the circumstances, Management did not realize the intended operational effectiveness and operational benefits of the system.

4. Deficiencies in Management of Textbooks

During the financial year, the School received books from the Kenya Institute of Curriculum Development and other suppliers. However, stores records indicating issuance, returned books list, list of lost and replaced books, and closing balances of books in the Library were not maintained.

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

5. Weaknesses in Assets Management

The School occupies land of undetermined acreage and value, which was allocated through the School Management Committee minutes dated 4 March, 2011 and hived of Kathaana Primary School. However, the School has not engaged a surveyor to carry out a formal subdivision and had not completed the process of transferring the title deed into the School's name.

In the circumstances, the effectiveness of measures put in place to safeguard the School's assets could not be confirmed.

6. Lack of a Dining Hall Facility

Physical verification carried out on 4 March, 2026 revealed that the School did not have a dining hall or any designated eating area instead the students take their meals in their classrooms, a practice that makes it difficult to maintain acceptable hygiene and sanitation standards.

In the circumstances, the effectiveness of mechanisms for hygiene and quality standards could not be confirmed.

7. Failure to Review Salary for Board of Management Staff

Review of payroll records revealed that the salaries of Board of Management (BOM) staff have not been reviewed or adjusted for a long time, despite continuous service and increases in the cost of living. Further, the salaries are not guided by the Civil Service job groups and salary structures, but are instead determined at the discretion of the Accounting Officer and the Board of Management, which may lead to labour disputes, reduced morale and low productivity.

In the circumstances, the effectiveness of structures for human resource management could not be confirmed.

8. Inadequate Safety Measures Along Quarry Dams

Physical inspection conducted in March, 2026 revealed the presence of more than fifteen (15) abandoned and active quarry dams adjacent to the School, extending approximately one kilometer from a nearby Kathaana centre to the School gate. The quarry dams, many of which contain hazardous water, are not adequately secured with fences, posing a significant risk to students. In addition, the areas surrounding the dams are littered with heaps of waste rocks and overgrown bushes, which also poses risks to the students, staff and the public.

In the circumstances, the existence of safety measures to protect students and the public from the dangers of drowning, waterborne illnesses and security threats 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 Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 its 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 overall

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

30 April, 2026

KATHAANA DEB SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 2025**6. Statement Of Financial Performance for the Year Ended 30th June 2025**

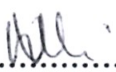
Description Of Vote Head	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	686,792	738,009
Government grants for operations	2	2,053,060	2,407,319
Government Grants for infrastructure	3	842,000	1,190,400
School fund income- parents' contributions	4	2,774,585	3,056,786
Miscellaneous incomes	5	8,000	6,000
Total Revenue		6,364,437	7,398,514
Expenditure			
Tuition	6	708,571	585,745
Operations	7	2,653,362	2,812,379
Infrastructure	8	1,161,973	119,685
Boarding and school fund	9	1,651,049	2,220,848
Total Expenditure		6,174,955	5,738,657
Surplus/Deficit		189,482	1,659,857

The school financial statements were approved on 13/04/2026 and signed by:


.....
Name: **KENGO R. MANDEU**

Chair BOM

Date: 13/4/2026


.....
Name: **VIRGINIA M. MULI**
School Principal/ Secretary to
BOM

Date: 13/4/2026


.....
Name: **ELIZABETH M. HADICA**
Bursar/ Finance Officer

Date: 13/4/2026

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****7. Statement of Financial Position As At 30th June 2025**

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	49,625	1,622,214
Cash balances	11	22,837	2,346
Short term investments	12	-	-
Total cash and cash equivalent		72,462	<u>1,624,560</u>
Account's receivables	13	4,877,503	4,591,705
Total financial assets (a)		4,949,965	6,216,265
Financial liabilities			
Accounts payables	14	1,133,414	2,589,196
Total Financial Labilities (b)		1,133,414	2,589,196
Net financial assets (a-b)		<u>3,816,551</u>	<u>3,627,069</u>
Represented by			
Accumulated fund b/fwd	15	3,627,069	1,967,212
Surplus/deficit for the year		189,482	1,659,857
Net Assets		<u>3,816,551</u>	<u>3,627,069</u>

The school's financial statements were approved on 13/04/2026 and signed by:

.....
Name: KYENGO K. MAWU

Chair BOM

Date: 13/4/2026

.....
Name: VIRGINIA M. MUKI
School Principal/ Secretary to BOM

Date: 13/4/2026

.....
Name: ELIZABETH M. NDIKHA

Bursar/ Finance Officer

Date: 13/4/2026

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	686,792	738,009
Government grants for operations	2	2,053,060	2,407,319
Government grants for infrastructure	3	842,000	1,190,400
School fund income- parents contributions/ fees	4	2,534,407	2,328,705
Other income	5	25,216	50,548
Total receipts		6,141,475	6,714,981
Payments			
Cash outflows for tuition	6	892,698	532,425
Cash outflows for operations	7	2,782,593	2,796,327
Cash outflows Boarding/lunch and school fund payments	9	2,106,679	1,879,622
Total payments		5,781,970	(5,208,374)
Net cash inflow/outflow from operating activities		359,505	1,506,607
Cash flow from investing activities			
Acquisition of assets	8	(1,911,603)	(119,685)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(1,911,603)	(119,685)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(1,552,098)	1,386,922
Cash and cash equivalent at beginning of the FY		1,624,560	237,638
Cash and cash equivalent at end of the FY		72,462	1,624,560

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(The above presentation of the cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS and recommended by PSASB).

KATHAANA DEB SECONDARY SCHOOL

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

The school's financial statements were approved on 13/04/2026 and signed by:

.....
Name: KYENGO K. MAWEN

Chair BOM

Date: 13/04/2026

.....
Name: VIRGINIA M. MUKI
School Principal/ Secretary to
BOM

Date: 13/4/2026

.....
Name: ELIZABETH M. NZUKA

Bursar/ Finance Officer

Date: 13/4/2026



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					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	1,131,312	-	1,131,312	686,792	61%
(2) Capitation Grant on Operations					
Personnel Emoluments	1,374,637	-	1,374,637	850,420	62%
Local Transport / Travelling	272,382	-	272,382	380,000	140%
Electricity And Water	119,984	-	119,984	150,000	125%
Medical/Insurance	546,000	-	546,000	250,160	46%
Administration Costs	1,071,279	-	1,071,279	259,000	24%
Activity	409,500	-	409,500	163,480	40%
Gratuity	-	-	-	-	-
3) FDSE for infrastructure					
Maintenance & Improvement MoE	1,092,000	-	1,092,000	842,000	77%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-

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
(4) Fees Charged on Parents	-	-	-	-	-
Lunch program	3,076,000	-	3,076,000	1,940,040	63%
Fees arrears recovered	-	-	-	500,822	-
Prepayments for the year	-	-	-	93,545	-
5) Miscellaneous Income					
Tender	-	-	-	8,000	-
Salary advance recovered	-	-	-	5,500	-
Statutory recoveries not submitted	-	-	-	11,716	-
Total Income	9,093,094		9,093,094	6,141,475	68%
(6) Expenditure For Tuition					
Laboratory Equipment	209,430		209,430	74,970	36%
Teaching / Learning Materials	921,882		921,882	306,134	33%
Bank Charges	-	-	-	1,668	-
Sundry creditors	-	-	-	509,927	-
(7) Expenditure For Operations					
Personnel Emoluments	1,374,637	-	1,374,637	1,101,949	80%
Local Transport / Travelling	272,382	-	272,382	666,750	245%
Electricity, Water and Conservancy	119,984	-	119,984	56,860	47%

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
Medical	546,000	-	546,000	1,800	0%
Administration Costs	1,071,279	-	1,071,279	386,306	36%%
Activity Expenses	409,500	-	409,500	279,190	68%
Repairs	-	-	-	18,600	-
Bank charges	-	-	-	10,900	-
Payment for creditors	-	-	-	260,238	
(8) Expenditure For infrastructure					
Purchase of movable lab tables	250,000	-	250,000	250,000	100%
Repair/Tiling of one classroom	60,000	-	60,000	57,700	96%
Lab fittings	750,000	-	750,000	745,395	99%
General repair	-	-	-	79,398	-
Purchase of solar security lights	32,000	-	32,000	28,500	89%
Bank Charges	-	-	-	980	-
Sundry creditor	-	-	-	749,630	-
(9) Expenditure For school fund/lunch/boarding					
Lunch Program	3,076,000		3,076,000	1,084,400	35%
Personnel Emoluments	-	-	-	215,758	-
Local Transport / Travelling	-	-	-	177,000	-
Electricity, Water and Conservancy	-	-	-	7,200	-
Administration Costs	-	-	-	9,000	-
Activity	-	-	-	16,000	-

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
Bank Charges	-	-	-	7,975	-
Sundry creditor	-	-	-	488,321	-
Prepaid	-	-	-	74,075	-
Fees Refund	-	-	-	9,500	-
Examination fees	-	-	-	3,950	-
Tender fees	-	-	-	8,000	-
Advance Salary	-	-	-	5,500	-
Total Expenditure	9,093,094		9,093,094	7,693,574	72%
Total expenditure less Infrastructure projects (1,911,603)	-	-			-
As in the statement of cash flows			-	5,781,971	
Surplus/(Deficit)	-	-	-	359,505	123%

Comments on significant underutilization (below 90% of utilization) and any overutilization above 100%

- On the capitation grant on tuition under teaching and learning materials we have a 61% of utilization. This is because the government did not disburse the capitation for tuition account as was expected.
- On the Capitation grant on Operational account under P.E we have a 62% of utilization. This was caused receipt of capitation which was not the expected full amount.
- On the Capitation grant on Operational account under LT&T we have a 140% of utilization. More funds were allocated to the votehead to cater for increased travelling of staff and students due to increased activities.
- On the Capitation grant on Operational account under EWC we have a 125% of utilization. More funds were allocated to the votehead to cater for increased power and water costs.
- On the Capitation grant on Operational account under medical we have 46% of utilization. This was caused receipt of capitation which was not the expected full amount.

- vi. On the Capitation grant on Operational account under administration cost we have 46 % of utilization due to less capitation disbursement from the government for the votehead.
- vii. On the Capitation grant on Operational account under activity we have 40 % of utilization due to less capitation disbursement from the government for the votehead.
- viii. On the receipt on infrastructure funds from the government, we have a 77 % of utilization since we received less money from the government for Infrastructure.
- ix. On the fees charged on parent under lunch program we have 63% of utilization. This is because some parents did not clear their fees balances.
- x. On the Payments on tuition under Laboratory chemicals and equipment we have a 36% of utilization. This is because some of the items ordered and supplied had not been paid for before the year ended.
- xi. On the Payments on tuition under teaching and learning materials we have a 33% of utilization. This is because we did not fully pay for some goods, we had ordered due to lack of funds. Also, we stopped ordering some stationeries due to inadequate funds.
- xii. On the payments on Operational account under P.E we have 80% of utilization. This was caused by inadequate funds leading to delayed payments of salaries and statutory deductions. We had also set aside a portion for salary increment which was not implemented due to inadequate funds.
- xiii. On the payments on Operational account under LT&T we have 245% of utilization caused by increased school activities which required facilitation of transport.
- xiv. On the payments on Operational account under EWC we have 47% of utilization. There was a reduction on wastage of water which reduced water bills. We also devised some ways of saving power by switching off lights when not needed in some offices.
- xv. On the payments on Operational account under medical we have 0% of utilization since there were no many cases which required medical attention.
- xvi. On the payments on Operational account under administration costs we have 36% of utilization. Due to receipt of inadequate capitation we had to cut our budget for the administration drastically to avoid more debts.
- xvii. On the payments on Operational account under activity we have 68% of utilization since we had to reduce the number of games played to match our available funds for activity.
- xviii. On the payments on infrastructure account under installation of solar lights we have 89% of utilization since the cost was slightly less than what we had anticipated.
- xix. On the expenditure for school fund under Lunch Programme, we have a 35% of utilization. The parents did not clear fees balances and therefore we could not pay our suppliers on time.
- xx. Other items with no utilization difference meant that there we no budget provisions for the items. Especially those on the school fund account such as LT&T, electricity & water, Personnel emoluments, Administration costs and Activity fees.

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, these first/second/third/year 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 is 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
Teaching / Learning Materials	686,792	738,009
Others	-	-
Total	686,792	738,009

2 Government Grants for Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	850,420	668,846
Local Transport / Travelling	380,000	501,176
Electricity And Water	150,000	150,000
Medical	250,160	255,000
Administration Costs	259,000	590,500
Activity	163,480	241,797
Other Vote Heads	-	-
Total	2,053,060	2,407,319

3 Government Grants for infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Maintenance & Improvement	842,000	1,190,400
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	842,000	1,190,400

4 School Fund Income - Parents Contribution/Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Lunch program	2,774,585	3,056,786
PA Levies	-	-
Total as per receipts and payments	2,774,585	3,056,786
Add fees arrears recovered during the year	500,822	222,714
Add prepaid fees for the year	93,545	47,925
Less fees arrears for the current year	(786,620)	(957,620)
Less prepaid fees for previous year	(47,925)	(41,100)
Total as per the cash flow statement	2,534,407	2,328,705

5 Miscellaneous Incomes

Description	2024/2025	2023/2024
	Kshs	Kshs
Tender fees	8,000	6,000
Total as per receipts and payments	8,000	6,000
Add Salary advance receipt	5,500	31,700
Add Statutory recoveries	11,716	12,848
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total as per the cash flow statement	25,216	50,548

6 Tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching / Learning Materials	631,934	582,980
Laboratory Equipment	74,970	-
Bank Charges	1,667	2,765
Total as per receipts and payments	708,571	585,745
Less creditors for the year	(325,800)	(356,820)
Add creditors paid during the year	509,927	303,500
Total as per the cash flow statement	892,698	532,425

7 Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	1,158,956	1,317,375
Administration Cost	386,306	527,342
Local Transport / Travelling	666,750	704,530
Electricity And Water	56,860	56,382
Medical/Insurance	1,800	-
Activity Expenses	353,190	206,750
Repairs	18,600	-
Bank Charges	10,900	-
Total as per receipts and payments	2,653,362	2,812,379
Add creditors paid	260,238	231,338
Less creditors for the year	(142,723)	(260,238)
Statutory unpaid	11,716	12,848
Total as per the cash flow statement	2,782,593	2,796,327

8 Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Construction of stone wall	-	116,700
Purchase of movable tables	250,000	-
Repair/tilling 1No. classroom	57,700	-
Purchase of solar security lights	28,500	-
Lab fittings	745,395	-
General repairs	79,398	-
Bank charges	980	2,985
Total as per receipts and payments	1,161,973	119,685
Add creditors paid	749,630	-
Total as per the cash flow statement	1,911,603	119,685

9 Boarding And School Fund

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	243,424	-
Lunch Programme	1,169,000	1,780,153
Local Transport & Travelling (LT&T)	177,000	194,500
Administration Costs	9,000	-
Activity	16,000	223,990
Fees Refund	9,500	13,200
Examination	3,950	-
Electricity & Water (EWC)	7,200	-
Tenders	8,000	-
Bank Charges	7,975	9,005
Total as per receipts and payments	1,651,049	2,220,848
Less creditors for the year	(112,266)	(856,501)
Add creditor paid during the year	488,321	513,275
Add salary advance given to employees	5,500	2,000
Add prepaid debit 2024/2025	74,075	-
Total as per the cash flow statement	2,106,679	1,879,622

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2024/2025	2023/2024
	Active/ Dormant		Kshs	Kshs
Tuition Account	Active	0900xxxxxxxxxx	382	206,288
Operations Account	Active	0900xxxxxxxxxx	1,396	561,872
School Fund Account/ Boarding	Active	0900xxxxxxxxxx	45,279	78,981
Infrastructural Account	Active	0900xxxxxxxxxx	2,568	775,073
Savings account	-	-	-	-
Total			49,625	1,622,214

11 Cash In Hand

Description	2024/2025	2023/2024
	Kshs	Kshs
Notes and Coins	22,837	2,346
Total	22,837	2,346

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	2023/2024
	Kshs	Kshs
Fees Arrears	4,877,503	4,591,705
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	4,877,503	4,591,705

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	786,620	16%	957,620	21%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	456,798	9%	1,209,980	26 %
Over 3 years	3,634,085	75%	2,424,105	53 %
Total (should tie to note 13 a)	4,877,503	100%	4,591,705	100 %

14 Accounts Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,017,555	2,411,893
Prepaid Fees	19,470	47,925
Retention Monies	-	-
Unpaid salaries and statutory deductions	96,389	129,378
Caution money	-	-
Other payables (specify)	-	-
Total	1,133,414	2,589,196

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	484,400	47.6%	1,343,581	56 %
Between 1- 2 years	518,180	50.9%	1,068,312	44 %
Between 2-3 years	14,975	1.5%	-	0 %
Over 3 years	-	0%	-	0 %
Total (should tie to note 14)	1,017,555	100%	2,411,893	100 %

15 Fund Balance Brought Forward

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank Balances	49,625	1,622,214
Cash Balances	22,837	2,346
Short Term Investments	-	-
Receivables	4,877,503	4,591,705
Payables	(1,133,414)	(2,589,196)
Total	3,816,551	3,627,069

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	-	-	-
Goats	-	-	-
Trees	200	26,500	19,000
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	200	26,500	19,000

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
Opening balance	17,000	22,000
Food stuffs	9,850	3,000
Lab consumables	10,530	-
Farm produce	-	-
Medication	-	-
Construction Materials	9,250	14,000
Others (specify)	-	-
Less opening balance consumed	(15,000)	(22,000)
Total	31,630	17,000

(Stock measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

20 Progress On Follow Up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)



Sign and Date
Principal



KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****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	Outstanding Balance 2022/2023	Comments
	A	b	C	d=a-c	d=a-c	d=a-c	
	Kshs	Kshs	Kshs		Kshs	Kshs	
Supply Of Goods							
1. Jawpitam Suppliers	87,707	July 2022	87,707	-	-	-	cleared
2. Speed links Technologies	729,020	Aug 2022	403,220	325,800	-	-	Old debts cleared. Current creditor to be cleared by Feb 2026
3. Loidel Supplies	20,000	Aug 2022	20,000	-	-	-	cleared
4. Stewin Ndavi Merchants	490,130	July 2022	490,130	-	-	-	cleared
5. James Muinde Suma	169,500	July 2022	169,500	-	-	-	cleared
6. Evolution Concept Limited	90,000	July 2022	90,000	-	-	-	cleared
7. Sohcahtoa	522,100	July 2022	150,000	-	364,300	7,800	Paid 150,00 kshs balance to be cleared by Dec 2025
8. Bekarren Enterprises	203,781	Aug 2023	119,181	84,600	-	-	Old debts cleared. Current creditor to be cleared by Dec 2025
9. Mwikali Mutiso	353,880	Aug 2023	200,000	-	153,880	-	Paid 200,000Ksh balance to be cleared by Jan 2026.
10. Mama Sam stores	7,175	June 2022	-		-	7,175	To be cleared in Sept 2025.

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024/2025	Outstanding Balance 2023/2024	Outstanding Balance 2022/2023	Comments
11. Salcom Investments	150,000	July 2022	150,000	-	-	-	Cleared
12. Virginia Muli	74,000	May 2025	-	74,000	-	-	To be cleared by December 2025
Sub-Total	2,897,293		1,879,738	484,400	518,180	14,975	
Supply Of Services							
13. Salaries for supports staff & teachers	175,203	June 2025	103,530	71,673	-	-	To be cleared in July 2025
14. Africa security services	26,000	June 2025	13,000	13,000	-	-	To be cleared in July 2025
15. NSSF	19,382	June 2025	9,948	9,434	-	-	To be cleared in July 2025
16. SHA	5,182	June 2025	2,900	2,282	-	-	To be cleared in July 2025
Sub-Total	225,767		129,378	96,389	-	-	
Grand Total	3,123,060		2,009,116	580,789	518,180	14,975	

KATHAANA DEB SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****Annex 2 – Summary of Fixed Assets Register**

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2025
Land	-	-	-	-
Buildings And Structures	17,003,122	749,630	-	17,752,752
Motor Vehicles	-	-	-	-
Office Equipment, Furniture And Fittings	518,381	1,161,973	-	1,680,354
Textbooks	200,000	-	-	200,000
ICT Equipment	100,000	-	-	100,000
Tools And Apparatus	30,000	-	-	30,000
Other Machinery And Equipment	120,000	-	-	120,000
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	150,000	-	-	150,000
Total	18,121,503	1,911,603	-	20,033,106

