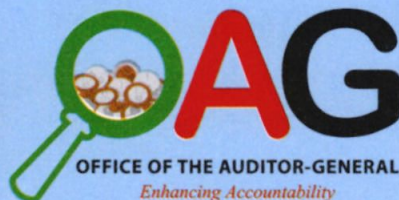


REPUBLIC OF KENYA



PARLIAMENT
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REPORT

OF THE AUDITOR-GENERAL

DATE: 29 JUL 2026		DAY: WEDNESDAY
TABLED BY:	HON. MARIANG KITANY	
CLERK-AT THE-TABLE:	ON BEHALF OF COM KATHER NG'ENDO	

KAIRI SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

KIAMBU COUNTY



KAIRI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

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1. Acronyms and Glossary of Terms

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
SIC	School Infrastructure Committee
EWG	Electricity, Water & Conservancy
BES	Boarding Equipment & Stores
RMI	Repair, Maintenance & Improvement
LTT	Local Transport & Travelling
SCDE	Sub-county Director of Education
BQs	Bill of Quantities

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 Kiambu County, Gatundu North Sub-County.

The school was registered in 02/2020 under registration number 22S00300611 and is currently categorized as a *County* public school established, owned or operated by the Government.

The school is a boarding school and had 965 number of students as at 30th June 2023. It has 4 streams and 35 teachers of which 07 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	Ignatius Waweru Gichia	Chairman	4th March 2022
2	Anthony Mwangi Mwaria	Secretary - Principal	4th March 2022
3	William Mugo Kagwaini	Member	4th March 2022
4	Joseph Kimaru Kariuki	Member	4th March 2022
5	Margaret Muthoni Karanja	Member	4th March 2022
6	Caroline Wanjiru Mburu	Member	4th March 2022
7	Irene Nyambura Mukuha	Member	4th March 2022
8	Mary Wanjiku Maina	Member – Rep CEB	4th March 2022
9	Michael Ngari Gikunju	Member Rep Teachers	4th March 2022
10	Joseph Kamau Maina	3 Members - Sponsor	4th March 2022
11	Racheal Watiri Gachanja		4th March 2022
12	Daniel Gachau		4th March 2022
13	Abram Ng'ang'a	Member - Community	4th March 2022
14	Henry Njenga Mbote	Member Special Needs	4th March 2022
15	George Chege Njenga	Rep Students	4th March 2022
16	Alice Njau	Co-opted member	4th March 2022
17	Joseph Kamau Kanyanja	Co-opted member	4th March 2022



KAIRI SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****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	Ignatius Waweru Gichia	Chairman	02	2 out of 2
		Anthony Mwangi Mwaria	Secretary		2 out of 2
		Racheal Watiri Gachanja	Member		0 out of 2
		William Mugo Kagwaini	PA Chairman		2 out of 2
2	Audit Committee	Joseph Kamau Maina	Chairman	02	2 out of 2
		Abram Ng'ang'a	Member		1 out of 2
		Joseph Kimaru Kariuki	Member		2 out of 2
		Mary Wanjiku Maina	Member		2 out of 2
3	Finance,procurement and general purposes Committee	Joseph Kamau Maina	Chairman	03	3 out of 3
		Abram Ng'ang'a	Member		2 out of 3
		Joseph Kimaru Kariuki	Member		3 out of 3
4	Academic Committee	Alice Njau	Chairman	01	1 out of 1
		Caroline Wanjiru	Member		1 out of 1
		Ignatius Waweru	Member		1 out of 1
		Michael Gikunju	Member		1 out of 1
5	Development Committee	William Mugo Kagwaini	Chairman	05	5 out of 5
		Joseph Kamau Kanyanja	Member		4 out of 5
		Racheal Watiri	Member		5 out of 5
		Joseph Kimaru Kariuki	Member		5 out of 5
		Henry Mbote	Member		5 out of 5
6	Discipline and welfare Committee	Margaret Muthoni	Chairman	01	1 out of 1
		Irene Mukuha	Member		1 out of 1
		Daniel Gachau	Member		1 out of 1
7	Adhoc Committee (if any during the year)	-	-	-	



(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Anthony Mwangi Mwaria	TSC No. 305378
2	Deputy Principal	Daniel Muriuki Gitari	TSC No. 406090
3	School Bursar	Julia Wambui Irungu	ID No. 25453821

(e) Schools contacts

Post Office Box: 83-01000 Thika
 Telephone: +254111897629
 E-mail: Kairihighschool@gmail.com
 Website: kairiboys.ac.ke
 Facebook: -
 Twitter: -

(f) School Bankers

- Name of Bank: Kenya Commercial Bank
 Branch: Thika
 Account Number: 1102161209 Operation Account
 Postal Address: 271-01000 Thika
- Name of Bank: Kenya Commercial Bank
 Branch: Thika
 Account Number: 1102154431 Tuition Account
 Postal Address: 271-01000 Thika
- Name of Bank: Kenya Commercial Bank
 Branch: Thika
 Account Number: 1102129488 School Fund Account
 Postal Address: 271-01000 Thika
- Name of Bank: Kenya Commercial Bank
 Branch: Thika
 Account Number: 1257800019 Infrastructure Account
 Postal Address: 271-01000 Thika

(g) Independent Auditors

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



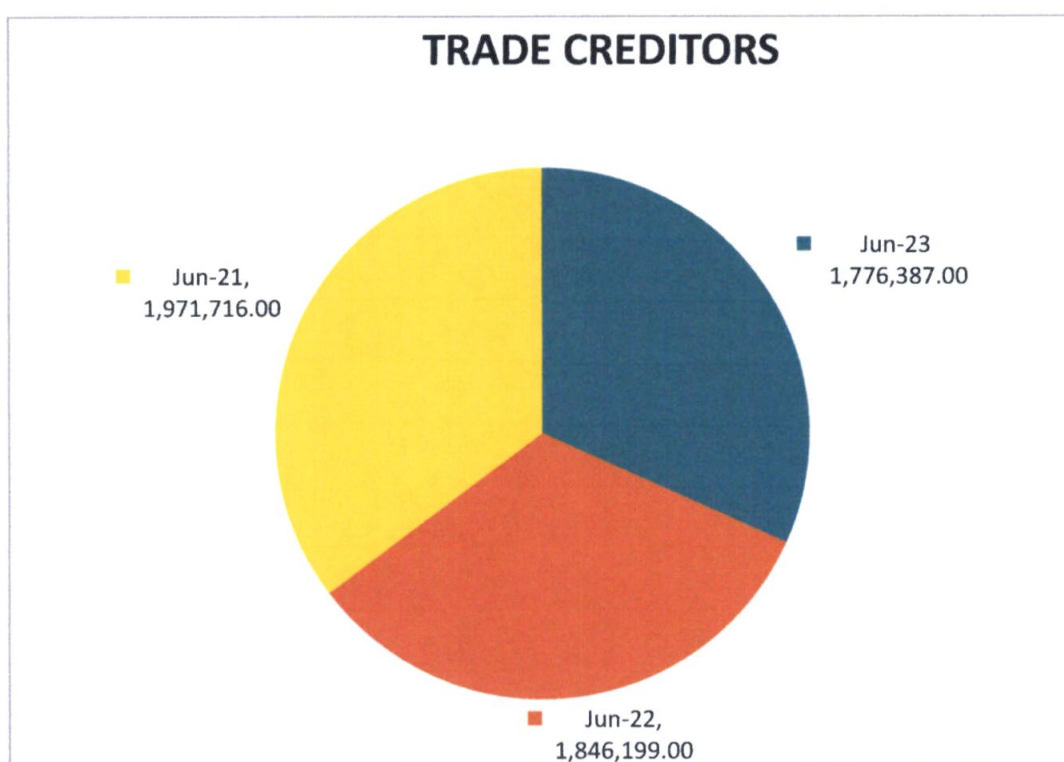
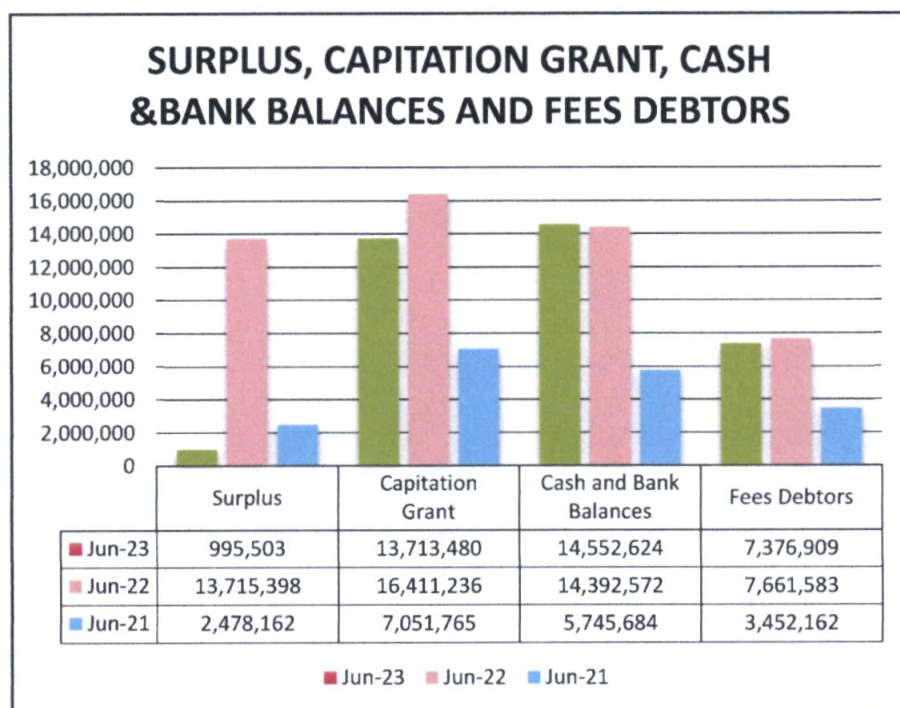
3. Summary Report of Performance of The School

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

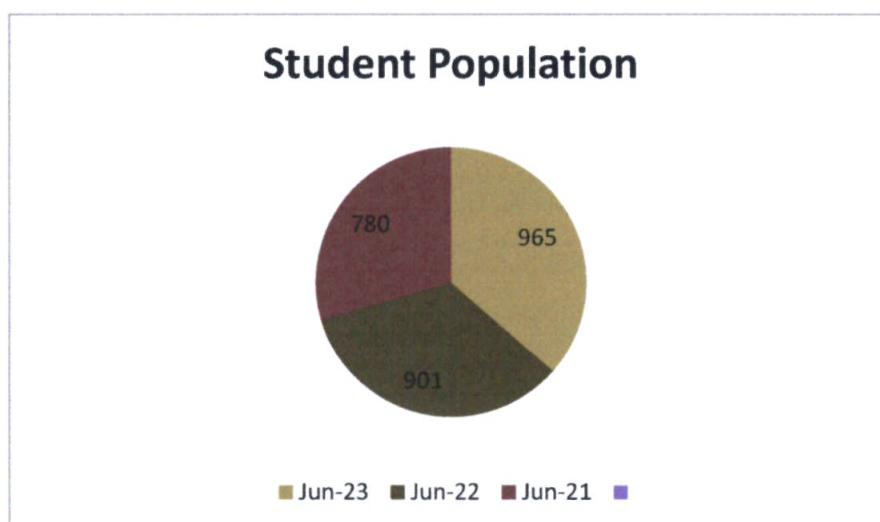
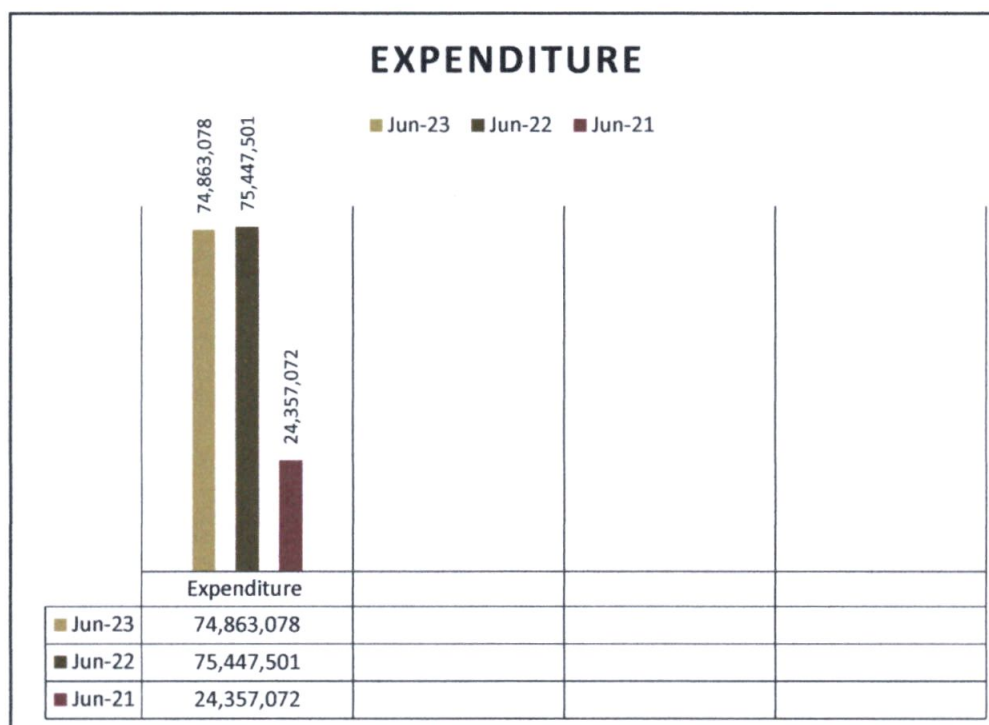
a) Financial performance:

Item No.	Description	July 2022 – June 2023	July 2021- June 2022	January-June 2021
1	Surplus/Deficit	+995,503.00	+13,715,398.00	+2,478,162.00
2	Capitation grant	13,713,480.00	16,411,236.00	7,051,765.00
3	Student population	965	901	780
4	Ration of capitation grant per student	1 student: Kshs.14,211.00	1student: Kshs.18,214.00	1student: Kshs.9,041.00
5	Other income	-	-	-
6	Expenditure	74,863,078.00	75,447,501.00	24,357,072.00
7	Debtors	7,376,909.00	7,661,583.00	3,452,162.00
8	Trade creditors	1,776,387.00	1,846,199.00	1,971,716.00
9	Cash and bank balances	14,552,624.00	14,392,572.00	5,745,684.00

○







b) Teacher Student ratio: 1teacher: 33 students

- (i) Number of teachers recruited and posted to the school within the year - 1
- (ii) Number of teachers transferred out of school – 1
- (iii) Number of teachers that retired during the year - 0
- (iv) Number of teachers employed by the TSC – 29
- (v) Number of teachers employed by the BOM – 08
- (vi) Number of teachers the school has for each subject



Subject Combination	Number of teachers	Shortage
English/Literature	03	3
Kiswahili	07	1
Mathematics	08	2
Chemistry	06	1
Physics	05	2
Biology	06	-
History & Government	05	1
Geography	02	2
C.R.E	04	1
Agriculture	03	1
Computer Studies	02	0
Business Studies	02	1

c) Mean score in the 2022 KCSE: 4.5337

Tabulation of the school performance for the last three years, including the number of students that have transitioned to institutions of higher learning and the mean score.

GRADE	YEAR 2022	YEAR 2021	YEAR 2020	TRANSITION TO UNIVERSITY
A	0	0	0	-
A-	0	0	0	-
B+	0	0	0	-
B	3	4	5	12
B-	2	5	7	14
C+	10	23	25	58
C	23	39	43	
C-	49	32	40	
D+	45	42	25	
D	39	35	12	
D-	7	7	4	
E	0	1	0	
Mean grade	4.5337	4.877	5.4224	
Remarks	Decline	Decline	Improvement	
Total Candidates	178	188	161	84

d) Number of Candidates in the 2022 KCSE: 178

Number of candidates sitting for KCSE over the last three years

YEAR 2022	YEAR 2021	YEAR 2020
178	188	161

e) Capacity of the school:

The school capacity is 640 as per the registration certificate but it is congested to hold 965 students.

Overstretched areas

		Current Capacity	Required Capacity
(i)	Dining hall	640	965
(ii)	Laboratories	120	250
(iii)	Dormitories	640	965
(iv)	Library	20	250

(f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
CBC class phase 2	FSE disbursement and parents' contribution	Complete	2,555,960.00	2,555,960.00	Completed 4.10.22
Dining Hall Phase I & II	FSE disbursement and parents' contribution	In Progress	14,930,784.00	14,930,784.00	21.9.2023

.....
School Principal

AM. MWAREA
THE SECRETARY
BOARD OF MANAGEMENT
KAIRI SECONDARY SCHOOL
P.O. Box 83-01000 THIKA
DATE: 4/3/23 SIGN:.....

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 Kairi 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, 2023, and of the school's financial position as at that date.

.....
Joseph Kamau

Name: *Joseph Kamau*

Designation: Chairman, School Board of Management

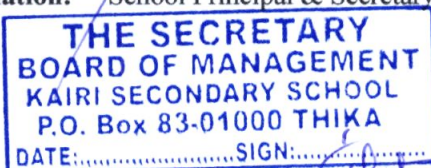
Date: *4/3/2026*

.....
A. M. MURICA

Name: *A. M. MURICA*

Designation: School Principal & Secretary to Board of Management

Date:



.....
Julius Inungu

Name: *Julius Inungu*

Designation: Bursar/ Finance Officer

Date: *4/3/2026*

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KAIRI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KIAMBU 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 financial statements of Kairi Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Kairi Secondary School for the year ended 30 June, 2023 – Kiambu County

30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kairi Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.24,889,038 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivables balance of Kshs.15,563,989 or 63% which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the recoverability of the accounts receivables balance of Kshs.15,563,989 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kairi 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.92,963,459 and Kshs.67,520,841 respectively, resulting in an underfunding of Kshs.25,442,618 or 27% of the budget. However, the School spent an amount of Kshs.72,652,396 against actual receipts amounting to Kshs.67,520,841, resulting in an overutilization of Kshs.5,131,555 or 8% of actual receipts.

The underfunding affected the planned activities and may have impacted negatively on delivery of services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the prior years' audit reports, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the School in 2022/2023 revealed that the following four (4) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2021/2022	Unsupported Payments for Operations
2	2021/2022	Unsupported Boarding and School Fund Payments
3	2021/2022	Unsupported Accounts Payables
4	2021/2022	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

Other Information

Management is responsible for the Other Information set out on page iii to xii which comprise of Key School Information and Management, The Summary Report of Performance of the School and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of 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 and 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.61,296,003 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.708,300 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools

In the circumstances, value for money transferred to KESSHA amounting to Kshs.708,300 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.7,453,907 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.992,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.992,000 was transferred on 15 July, 2023 or thirty-five (35) days of receipt. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Unconfirmed Student Enrolment Data

The statement of receipts and payments reflects government grants for tuition , government grants for operations and infrastructure grants totaling Kshs.13,713,480 .. Comparison of data from National Education Management Information System (NEMIS) with records from the School revealed that during the financial year 2022/2023, Nemis reflected an average total number of nine hundred and fifteen (915) students while the

enrolment records provided by the School indicated an average total number of nine hundred and seventeen (917) resulting in unexplained variance of two students.

This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 7th February, 2022 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the students' records variance may have affected resources distribution among schools and may have affected service delivery to the public.

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 Internal Audit Review

During the year under review, there was no evidence indicating that the internal audit conducted review of the School's operations. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which requires every national government entity to ensure it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

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

2. Reliance on Manual Accounting System

Review of the accounting system revealed that other than the receipting of school fund income, all other key financial and accounting processes including invoicing, posting of incomes and expenses, preparation of ledgers, bank reconciliations, and financial reporting were carried out manually.

In the circumstances, efficiency and integrity of the financial records could not be confirmed.

3. Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed asset register balance of Kshs.198,308,522 which includes land with a balance of Kshs.36,700,000. The School occupies approximately 10.5 acres of land registered under the proprietorship of the Native Land Trust Board (Thika County Council), as confirmed by an official land search conducted on 28 June, 2006. Although the tenure is recorded as absolute and the School is the current occupier and user of the property, no formal vesting order or transfer of ownership has been effected in favour of the School and the School does not have a title deed or any ownership document.

In the circumstances, the effectiveness of internal controls surrounding the management of the School's assets could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 May, 2026

KAIRI SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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

Description Of Vote Head	Note	June 2023	June 2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,521,573.00	2,782,927.00
Government grants for operations	2	7,453,907.00	7,985,309.00
Government grants for infrastructure	3	3,738,000.00	5,643,000.00
School fund income- parents' contributions	4	62,145,101.00	72,751,663.00
Miscellaneous incomes	5	-	-
Total Receipts		75,858,581.00	89,162,899.00
Payments			
Tuition	6	2,531,532.00	2,752,605.00
Operations	7	7,176,147.00	7,875,218.00
Infrastructure	8	3,859,396.00	4,805,856.00
Boarding and school fund	9	61,296,003.00	60,013,822.00
Total Payments		74,863,078.00	75,447,501.00
Surplus/Deficit		995,503.00	13,715,398.00

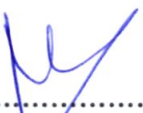
The school financial statements were approved on 4th March 2026 and signed by:


.....

Name: Joseph Kwayu

Chair BOM

Date: 4/03/2026


.....

Name: AM Nwarika

School Principal/ Secretary to BOM

Date: 4/03/2026


.....

Name: Julia Inungi

Bursar/ Finance Officer

Date: 4/03/2026

THE SECRETARY
BOARD OF MANAGEMENT
KAIRI SECONDARY SCHOOL
P.O. Box 83-01000 THIKA
DATE: 4/3/26 SIGN:

KAIRI SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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

Description	Note	June 2023	June 2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	14,552,344.00	14,386,796.00
Cash balances	11	280.00	5,776.00
Short term investments	12	-	-
Total cash and cash equivalent		14,552,624.00	14,392,572.00
Account's receivables	13	24,889,038.00	23,225,572.00
Total financial assets		39,441,662.00	37,618,144.00
Financial liabilities			
Accounts payables	14	(2,920,345.00)	(2,092,330.00)
Net financial assets		36,521,317.00	35,525,814.00
Represented by			
Accumulated fund b/fwd	15	35,525,814.00	21,810,416.00
Surplus/deficit for the year		995,503.00	13,715,398.00
Net financial position		36,521,317.00	35,525,814.00
			-

The school's financial statements were approved on 4th March 2026 and signed by:

.....

Name:

Chair BOM

Date: 4/3/2026

.....

Name:

School Principal/ Secretary to BOM

Date: 4/3/2026

.....

Name:

Bursar/ Finance Officer

Date: 4/3/2026

THE SECRETARY
BOARD OF MANAGEMENT
KAIRI SECONDARY SCHOOL
P.O. Box 83-01000 THIKA
DATE: 4/3/2026 SIGN:

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

Description	Note	June 2023	June 2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,521,573.00	2,782,927.00
Government grants for operations		8,217,920.00	9,546,086.00
Government grants for infrastructure		3,738,000.00	5,643,000.00
School fund income- parents contributions/ fees		64,126,818.00	74,824,162.00
Other income		-	-
Total receipts		78,604,311.00	92,796,175.00
Payments			
Cash outflows for tuition		2,531,532.00	2,752,605.00
Cash outflows for operations		11,799,556.00	9,630,495.00
Cash outflows Boarding/ school fund payments		56,700,133.00	61,541,808.00
Total payments		71,031,221.00	73,924,908.00
Net cash inflow/outflow from operating activities		7,573,090.00	18,871,267.00
Cash flow from investing activities			
Acquisition of assets – Dining Hall construction, CBC Class Phase II		(7,413,038.00)	(10,224,379.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(7,413,038.00)	(10,224,379.00)
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		160,052.00	8,646,888.00
Cash and cash equivalent at beginning of the FY		14,392,572.00	5,745,684.00
Cash and cash equivalent at end of the FY		<u>14,552,624.00</u>	<u>14,392,572.00</u>

KAIRI SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

The school's financial statements were approved on 4th March 2026 and signed by:

.....


Name:

Chair BOM

Date: 4/3/2026

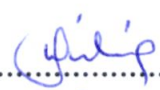
.....

A. M. MURITHI

Name:

**School Principal/ Secretary to
BOM**

Date: 4/3/2026

.....


Name:

Bursar/ Finance Officer

Date: 4/3/2026



THE SECRETARY
IN CHARGE OF THE
RECORDS SECTION
AND HIS STAFF
OFFICE

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Receipts						
(1) Capitation Grant on Tuition						
Tuition (Teaching & Learning Materials)	5,283,600.00	-	5,283,600.00	2,521,573.00	2,762,027.00	48%
	5,283,600.00	-	5,283,600.00	2,521,573.00	2,762,027.00	
(2) Capitation Grant on Operations						
Other Voteheads (LTT, Adm.C, EWC, P.E)	7,990,000.00	-	7,990,000.00	6,739,207.00	1,250,793.00	84%
	7,990,000.00	-	7,990,000.00	6,739,207.00	1,250,793.00	
3) FDSE for infrastructure						
Maintenance & Improvement	4,250,000.00	-	4,250,000.00	3,738,000.00	512,000.00	88%
	4,250,000.00	-	4,250,000.00	3,738,000.00	512,000.00	
(4) Fees Charged on Parents						
Personnel Emoluments	8,670,174.00	-	8,670,174.00	4,474,040.00	4,196,134.00	52%
Repairs And Maintenance	3,017,700.00	-	3,017,700.00	2,040,418.00	977,282.00	68%
Local Transport / Travelling	3,181,500.00	-	3,181,500.00	2,334,798.00	846,702.00	73%
Electricity, Water & Conservancy	2,601,775.00	-	2,601,775.00	2,170,071.00	431,704.00	83%
Administration Costs	3,524,050.00	-	3,524,050.00	2,780,071.00	743,979.00	79%
Activity	1,330,360.00	-	1,330,360.00	1,000,464.00	329,896.00	75%
Insurance (Medical & Property)	722,500.00	-	722,500.00	743,888.00	-21,388.00	103%
Boarding Equipment & Stores	33,638,800.00	-	33,638,800.00	27,671,231.00	5,967,569.00	82%
Development	4,573,000.00	7,380,000.00	11,953,000.00	7,015,281.00	4,937,719.00	59%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
PTA Fund	6,800,000.00	-	6,800,000.00	4,291,799.00	2,508,201.00	63%
	68,059,859.00	7,380,000.00	75,439,859.00	54,522,061.00	20,917,798.00	
<i>(5) Miscellaneous Income</i>	-	-	-	-	-	-
Total Income	85,583,459.00	7,380,000.00	92,963,459.00	67,520,841.00	25,442,618.00	73%
<i>(6) Expenditure For Tuition</i>						
Tuition (Teaching M& Learning Materials)	5,283,600.00	-	5,283,600.00	2,528,922.00	2,754,678.00	48%
	5,283,600.00	-	5,283,600.00	2,528,922.00	2,754,678.00	
<i>(7) Expenditure For Operations</i>						
Other Voteheads (LTT, Admin. C, EWC, PE)	7,990,000.00	-	7,990,000.00	6,747,197.00	1,242,803.00	84%
	7,990,000.00	-	7,990,000.00	6,747,197.00	1,242,803.00	
<i>(8) Expenditure for Infrastructure</i>						
Maintenance & Improvements	4,250,000.00	-	4,250,000.00	3,856,661.00	393,339.00	91%
	4,250,000.00	-	4,250,000.00	3,856,661.00	393,339.00	
<i>(9) Expenditure For school fund/boarding</i>						
Personnel Emoluments	8,670,174.00	-	8,670,174.00	4,311,324.00	4,358,850.00	50%
Repairs, Maintenance and Improvements	3,017,700.00	-	3,017,700.00	2,833,886.00	183,814.00	94%
Local Transport / Travelling	3,181,500.00	-	3,181,500.00	2,757,649.00	423,851.00	87%
Electricity, Water & Conservancy	2,601,775.00	-	2,601,775.00	1,914,387.00	687,388.00	74%
Administration Costs	3,524,050.00	-	3,524,050.00	3,432,526.00	91,524.00	97%
Activity	1,330,360.00	-	1,330,360.00	1,335,737.00	-5,377.00	100%
Insurance (Medical & Property)	722,500.00	-	722,500.00	848,788.00	-126,288.00	117%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Boarding Equipment & Stores	33,638,800.00	-	33,638,800.00	31,671,146.00	1,967,654.00	94%
Development	4,573,000.00	7,380,000.00	11,953,000.00	7,413,038.00	4,539,962.00	62%
PTA Fund	6,800,000.00	-	6,800,000.00	3,001,135.00	3,798,865.00	44%
	68,059,859.00	7,380,000.00	75,439,859.00	59,519,616.00	15,920,243.00	
Totals	85,583,459.00	7,380,000.00	92,963,459.00	72,652,396.00	20,311,063.00	78%

Important disclosures

- i. Government Disbursement was lower than the budgeted amount thus affecting the receipt and expenditure.
- ii. Estimated income in school fund account was not met due to unremitted school fees.

Development Votehead

Due to the change on the school dining hall design that was made on 5th August 2022 by the Board of Management in a full board meeting and in consultation with public works office, additional cost was to be incurred. This required construction of a slab whose quantity surveyor (QS) estimate was Kshs.7,331,510.00 (Seven Million three hundred and thirty-one thousand five hundred and ten shillings only). The Board opted to request parents to raise the said amount in two equal instalments of Kshs,4,100.00 each starting from January 2023. This was done through a supplementary budget.



10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school*, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* 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 30th June 2023.

KAIRI SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****11. Notes To The Financial Statements****1. Government Grants for Tuition**

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Tuition (Teaching & Learning materials)	2,521,573.00	2,782,927.00
Total	2,521,573.00	2,782,927.00

2. Government Grants For Operations

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Other voteheads (L.T.T, Adm.C, E.W.C, PE)	6,739,207.00	7,817,709.00
Edu Afya (Medical)	184,500.00	167,600.00
Co-Curricular activities	530,200.00	-
Total	7,453,907.00	7,985,309.00

3. Government Grants For Infrastructure

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Maintenance & Improvement	3,738,000.00	5,643,000.00
Total	3,738,000.00	5,643,000.00

4. School Fund Income- Parents Contribution/Fees

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Personnel emoluments	4,944,015.00	7,829,907.00
Boarding equipment and stores	32,305,099.00	34,520,727.00
Repairs and maintenance	2,258,995.00	4,283,414.00
Local transport / travelling	2,638,547.00	3,009,051.00
Electricity and water	2,407,756.00	2,847,209.00
Administration costs	3,524,071.00	4,408,200.00
Damages	-	2,317,434.00
Student ID	-	74,105.00
Insurance (Medical Property)	848,888.00	688,154.00
Activity	1,098,657.00	821,030.00
Medical	-	532,094.00
Development	7,661,918.00	6,019,093.00
P.T.A Fund	4,457,155.00	5,401,245.00
Total	62,145,101.00	72,751,663.00

*KAIRI SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2023****5. Miscellaneous Incomes**

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Rent income	-	-
Income from farming activities	-	-
Sales of borehole water	-	-
Income from Posho mill	-	-
Income from Bus and ground Hire	-	-
Interest income	-	-
donations	-	-
Total	-	-

6. Tuition

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Tuition (Teaching & Learning Materials)	2,528,922.00	2,750,675.00
Bank Charges	2,610.00	1,930.00
Total	2,531,532.00	2,752,605.00

7. Operations

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Other votheads(LTT,Adm.C,EWC,P.E.)	6,747,197.00	7,869,368.00
Activity/Co-curricular Activities	210,440.00	5,850.00
Edu Afya (Medical)	218,510.00	-
Total	7,176,147.00	7,875,218.00

8. Infrastructure

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Maintenance & Improvement	3,856,661.00	4,805,856.00
Bank Charges	2,735.00	-
Total	3,859,396.00	4,805,856.00

○

*KAIRI SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2023****9. Boarding And School Fund**

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Personnel emoluments	4,311,324.00	2,085,848.00
Bording equipment and stores	32,105,656.00	28,688,266.00
Repairs and maintenance	2,866,986.00	3,486,456.00
Local transport / travelling	2,757,649.00	3,434,005.00
Electricity and water	2,035,447.00	2,779,289.00
Administration costs	4,620,243.00	6,282,024.00
Activity	1,335,737.00	1,010,930.00
Student ID	-	62,600.00
Insurance (Medical Property)	848,788.00	803,731.00
Medical	-	402,010.00
Damages	-	2,256,940.00
Development	7,413,038.00	5,418,523.00
P.T.A Fund	3,001,135.00	3,303,200.00
Total	61,296,003.00	60,013,822.00

10. Bank Accounts

Account Name & Currency	Status	Bank Account Number	30/6/2023	30/6/2022
	Active /Dormant		Kshs	Kshs
Tuition Account	Active	1102154431	34,383.00	44,342.00
Operations Account	Active	1102161209	1,163,391.00	885,610.00
School Fund Account/Boarding	Active	1102129488	10,765,381.00	10,746,259.00
Savings Account		-	-	-
Infrastructural Account	Active	1257800019	2,589,189.00	2,710,585.00
Total			14,552,344.00	14,386,796.00

*KAIRI SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2023****11. Cash In Hand**

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Notes and Coins	280.00	5,776.00
Total	280.00	5,776.00

12. Short Term Investments

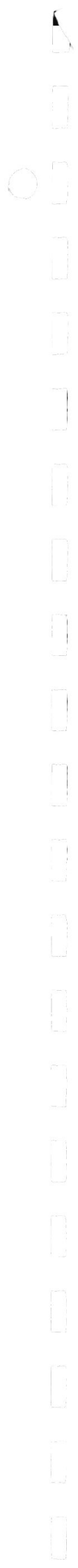
Description	30/6/2023	30/6/2022
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

13. Accounts Receivable

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Fees arrears	24,889,038.00	23,225,572.00
Other Non-fees Receivables	-	-
Imprest	-	-
Salary Advances	-	-
Imprest	-	-
Total	24,889,038.00	23,225,572.00

13 b Ageing Analysis of Accounts Receivable

Description	30/6/2023	%of the total	30/6/2022	%of the total
	Kshs		Kshs	
Fees arrears for current year	7,376,909.00	29.6%	7,661,583.00	33%
Fees arrears for the previous year	1,948,140.00	7.8%	-	0%
Fees arrears for prior periods (over two years)	15,563,989.00	62.6%	15,563,989.00	67%
Total	24,889,038.00		23,225,572.00	



KAIRI SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****14. Accounts Payable**

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,776,387.00	1,846,199.00
Prepaid fees	1,143,958.00	246,131.00
Total	2,920,345.00	2,092,330.00

14 a. Ageing Analysis of Accounts Payable

Description	30/6/2023	% of the total	30/6/2022	% of the total
	Kshs		Kshs	
Trade creditors for current year	1,776,387.00	100%	1,846,199.00	100%
Trade creditors for the previous year	-	-	-	-
Trade creditors for prior periods (over two years)	-	-	-	-
Total	1,776,387.00		1,846,199.00	

15. Fund Balance Brought Forward

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Bank balances	14,552,344.00	14,386,796.00
Cash balances	280.00	5,776.00
Short Term Investments	-	-
Receivables	24,889,038.00	23,225,572.00
Payables	(2,920,345.00)	(2,092,330.00)
Total	36,521,317.00	35,525,814.00



KAIRI SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

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

Description	30/6/2023	30/6/2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

17. Biological assets

Description	Numbers	30/6/2023	Numbers	30/6/2022
		Kshs		Kshs
Cattle		-		-
Goats		-		-
Trees	3,100	920,000.00	790	560,000.00
Total	3,100	920,000.00	790	560,000.00

18. Borrowings

Description	30/6/2023	30/6/2022
	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	30/6/2023	30/6/2022
	KShs	KShs
Food stuffs	814,910.00	342,401.00
Lab Consumables	1,539,107.00	2,113,832.00
Teaching and Learning Materials	606,519.00	531,242.00
Total	2,960,536.00	2,987,475.00

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)	Time frame: (Put a date when you expect the issue to be resolved)
1.0	Unsupported payments for Operations The statement of receipts and payments reflects payment for operations expenditure of Kshs. 12,681,074 which, as disclosed in Note 6 to the financial statements, includes ksh.4, 341,630.00 incurred on infrastructure development projects. However, local purchase orders, procurements documents, invoices, inspection and acceptance certificate, contract and certificates of works certified were not provided for audit. In the circumstances, the accuracy and completeness of the payments for operations amounting to Kshs. 4,341,630 could not be confirmed.	The management put the following attachments to support payment of Kshs.4,341,630.00: i. Payment vouchers queried(6). ii. Payment vouchers from Ministry of Public works – Kiambu County signed by county architect iii. Invoices iv. Local Purchase Order v. Request for payment letters by Gajesh General Stores Limited. vi. Acknowledgment letters of payments from Gajesh General Stores Limited. vii. Minutes of School Infrastructure Committee (S.I.C) meeting held on 28/4/2021 with an Agenda on progress of extension of existing tuition block to phase III. - Viii .Invitation for quotation- advertisement of phase III works through quotations ix. Bill Quantities from the winning contractor x. Drawings and designs from the Ministry of Public Works - x List of bidders for the works - xi Minutes of SIC and tender opening	Resolved	

		committee meetings held on 11/5/2021 xii) Minutes of SIC and tender evaluation committee meetings held on 11/5/2021. xii) Signed Form of agreement between Gajesh General Stores and School management. xii. Notification of award from the school to Gajesh General Stores xiii. Acceptance letter from Gajesh General Stores. xiv. Schedule of payment to the contractor xv) Certificate of making good defects xvi) Photograph of the project completed xiv) S.I.C and Tender committee appointment letters		
2.0	<i>Unsupported Boarding and School Fund Payments</i> The statements of receipts and payments reflects boarding and school fund payments of Kshs. 60,013,822 as disclosed in Note 7 to the financial statements. However, review of records revealed that payments amounting to Kshs. 3,397,930 were not supported by Local Purchase/service orders, invoices, delivery notes and inspection and acceptance certificates.	The figure of Kshs. 3,397,930 being queried under boarding and school fund payment is now fully supported by the following attachments: i. Payment vouchers queried(8) ii. Invoices iii delivery notes iv Requisition forms v. Local Purchase and Service Orders vi. Request for payment letters from the suppliers vii. Payment acknowledgment note from the suppliers. viii. Minutes of tender committee meeting held on 19/10/2020 with an aim of identifying year 2021 supplies and services to be tendered, method of tendering and eligibility ix) Tender notice x) Minutes of tender opening committee meeting	Resolved	

	Further, the management did have an approved list of suppliers and therefore it was unclear what method the management applied in identifying and procuring from the suppliers. In the circumstances, the accuracy and completeness of boarding and school fund payments amounting to Kshs. 3,397,930 could not be confirmed.	held on 17/11/2020. xi) List of bidders for 2021 supplies and services xii) Minutes of tender evaluation committee meeting held on 17/11/2020 xiii) Acceptance letters to winning bidders xiv) Tender committee members' appointment letters. xv) Stores records		
3.0	<i>Unsupported Accounts Payables</i> The statement of financial position, reflects accounts payables balance of Kshs. 2,092,330 which, as disclosed in Note 12 to the financial statements includes trade creditors totalling to Kshs. 1,846,199 and prepaid fees amounts of Kshs.246, 131. However, the detailed movement schedule indicating the particulars of creditors/students, opening balances, purchases and payments during the year to arrive at the closing balance	a) Trade creditors – 1,846,199 The management has now generated a detailed movement schedule indicating the particulars of the trade creditors, opening balances, purchases during the year, payments during the year and the closing balance as at the end of financial year 30/6/2022. b) Prepaid fees - 246,131 The management has now generated fees statements of students with prepaid fees as at 30/6/2022 indicating the opening balances, the required fee for the year as reflected in the approved budget, fees paid during the year and the prepaid fee as at the end of financial year.	Resolved	

	were not provided for audit. In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs. 2,092,330 could not be confirmed.			
4.0	<i>Irregular Transfer of Funds to Kenya Secondary Schools Heads Association</i> The statement of receipts and payments reflects payments for operations amounts of Kshs. 12,681,074 which, as disclosed in Note 6 to the financial statements includes Kshs. 696,850 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organisation that draws its membership from school principals only. This organisation is not defined in Government Funding and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal controls systems to manage the funds transferred by schools. Further, the transfers were not based on any specific legislation	The management has attached invitation letters for workshops and seminars attended indicating the facilitation charges, accommodation and per diem per day and receipts issued after payment. The school also remitted money to KESSHA as directed to cater for the co-curricular activities including Music, Drama, Sports and Science & Engineering fair in a given period and as per the school enrolment. The funds facilitate Regional, County and Sub-county school's activities. The MOE (Ministry of Education) directs that students must participate in co-curricular activities. The funding of these activities from zonal to the regional level is funded by KESSHA. Incase of failure to pay the agreed amount as per directives, the students are not allowed to participate and the school is summoned to remit the amount hence, the management is bound to pay. The school abides as the co-curricular activities benefits the students develop their talents through these activities. The money	Resolved	

	or policy guidelines and expenditure returns were not provided for audit. In the circumstances, the value for money from the transfer of Kshs. 696,850 could not be confirmed.	remitted is normally obtained from the co-curricular activity funds vote head which is reflected in the approved budget. However, the management stands to be guided on the way forward on remittance of KESSHA funds so that it is not termed as breach of the law. Attachments put include: i)The queried payment vouchers (7), ii)Receipts, and invitation letters to support Kshs. 696,850 where applicable.		
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Sign and Date
Principal



12. Annexes**Annex I - Analysis of Pending Accounts Payable****List of unpaid creditors as at 30/6/2023**

S. No.	Name	Cellphone	Details	Votehead	Kshs.
1	Jakidec Electricals	0722-460-235	Electrical items & repair works	EWC	41,060.00
2	Teresia Mukami	0713-136-194	Supply of Fruits to school	BES	32,410.00
3	Marts Chem Supplies	0723-506-456	Supply of Detergents & cleaning materials	BES	15,300.00
4	Samson Waweru Wamburu	0702-959-206	Metal works repairs	RMI	33,100.00
5	Cliewalite Ventures	0727-626-646	Revision Materials	Admn.Cost	9,000.00
6	School Equipment Centre	0722-688-643	Laboratory Chemicals & Apparatus	Admn.Cost	34,858.00
7	Lewnta Services	0720-101-639	Floodlights reflectors	EWC	80,000.00
8	Bemwa Stationers	0708-881-857	Stationery & Learning materials	Admn.Cost	891,859.00
9	Peruce Agencies	0721-960-945	Supply of printing papers	Admin.Cost	252,000.00
10	Lucy Njeri Gitau	0722-489-865	Supply of Eggs to school	BES	17,200.00
11	James Ndung'u Ng'ethe	0724-412-349	Supply of Meat to school	BES	369,600.00
	TOTAL				1,776,387.00

Annex 2- Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	36,700,000.00			36,700,000.00
Buildings And Structures	153,565,000.00			153,565,000.00
Motor Vehicles	2,000,000.00			2,000,000.00
Office Equipment, Furniture and Fittings	657,000.00			657,000.00
Textbooks	2,720,000.00			2,720,000.00
ICT Equipment	1,113,000.00			1,113,000.00
Tools And Apparatus	707,622.00			707,622.00
Other Machinery and Equipment	525,900.00			525,900.00
Heritage And Cultural Assets	20,000.00			20,000.00
Intangible Assets- Soft Ware	300,000.00			300,000.00
Total	198,308,522.00			198,308,522.00



Annex 3- Fees Debtors as at 30th June 2023

Class	Kshs.
1Blue	219,165.00
1Green	176,911.00
1Red	156,886.00
1Yellow	217,260.00
2Blue	351,167.00
2Green	320,293.00
2Red	312,740.00
2Yellow	327,103.00
3Blue	806,526.00
3Green	497,547.00
3Red	743,571.00
3Yellow	696,700.00
4Blue	254,155.00
4Green	331,893.00
4Red	1,511,801.00
4Yellow	453,191.00
Total	<u>7,376,909.00</u>

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Annex 4- Prepaid fees as at 30th June 2023

Class	Kshs.
1Blue	90,460.00
1Green	98,019.00
1Red	73,576.00
1Yellow	94,364.00
2Blue	78,274.00
2Green	56,125.00
2Red	82,925.00
2Yellow	55,488.00
3Blue	87,205.00
3Green	108,204.00
3Red	96,104.00
3Yellow	94,219.00
4Blue	32,401.00
4Green	50,522.00
4Red	22,634.00
4Yellow	23,438.00
Total	1,143,958.00

