REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NGAITA GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

THARAKA NITHI COUNTY

NGAITA GIRLS SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

Table of Contents Page

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 located in Tharaka Nithi County, Maara Sub-County

The school was registered in **2/12/2016** under registration number **19S00300221** and is currently categorized as a *Extra County,* public school established, owned or operated by the Government.

The school is a boarding school and had 509 number of students as at *30th June 2023*. It has Three streams and 27 teachers of which 7 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	Rev. Njeru L. Rukenya	Chairman Rep Sponsor	1/7/2022
2	Gladys N. Kirugi	Secretary / Principal	1/7/2022
3	Kinyua Royford Irai	Member Rep parents / community	1/7/2022
4	John Kaume	Member Rep parents / community	1/7/2022
5	Roline Njiru	Member Rep parents / community	1/7/2022
6	Teresia Wanjiru	Member Rep parents / community	1/7/2022
7	Mwiti Albert.	Member Rep P.A	1/7/2022
8	Humprey Munene	Member Rep special interest	1/7/2022
9	Prof. Dickson Nkonge	Member – Rep CEB	1/7/2022
10	Mbae Mark Muchiri	Member Rep Teachers	1/7/2022
11	Dorothy Kathomi	Members Rep Sponsor	1/7/2022
12	Christine Kendi	Members Rep Sponsor	1/7/2022
13	Mbae James George	Member Rep parents / community	1/7/2022
14	Rose Njeri Mugo	Member rep Special Needs	1/7/2022
15	Florah Kaari	Member Rep parents / community	1/7/2022
16	Weddy kendi	Rep Students	1/7/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Rev. Njeru L. Rukenya	Chairman	7
		Kinyua Royford Irai	Vice Chairman	
		Gladys N. Kirugi	Secretary/ Principal	
		Mwiti Albert	P.A Chair	
		Dorothy Kathomi	1 B.O.M	
2	Audit Committee	Christine Kendi	Chairperson	0
		Dorothy Kathomi	Member	
		James Mbae George	Member	
3	Finance,procurement and general purposes Committee	Roline Njiru	Chairperson	0
		Christine Kendi	Member	
		Albert Mwiti	Member	
4	Academic Committee	Kinyua Royford Irai	Chairperson	0
		John Kaume	Member	
		Mbae Mark Muchiri	Member	
5	Development Committee	Kinyua Royford Irai	Chairperson	6
		Rita M. Magara	Secretary/ D. Principal	
		Rev. Njeru L. Rukenya	Member	
		Gladys N. Kirugi	Member	
		Dorothy Kathomi	Member	
		Albert Mwiti	Member	
6	Discipline and welfare Committee	James Mbae Geaoge	Chairperson	0
		Kinyua Royford Irai	Member	
7	Adhoc Committee (if any during the year)			0

(d) School operation Management

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

S/NO	DESIGNATION	NAME	T.S.C NO
1.	Principal	Gladys N. Kirugi	243468
2.	Deputy Principal	Rita Mwendia Magara	348876
3.	Accounts' Clerk	Idah Kainyu	I.D NO.27852360

(e) Schools contacts

Post Office Box: 425 chogoria
Telephone: 0700,889,630
E-mail: ngaitagirlssecschool@yahoo.com
Website:
Facebook: ngaitagirlssecschool@yahoo.com

(f) School Bankers

The following school operated 8 number of bank accounts in the following banks:

1. Name of bank: Kenya commercial bank
   Branch : chogoria
   Account number : 1103774034

2. Name of bank: Kenya commercial bank
   Branch : chogoria
   Account number : 1103524143
3. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01139057785400

4. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01139057785401

5. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01139057785402

6. Name of bank: cooperative bank of kenya
   Branch : chogoria
   Account number : 01134057785400

7. Name of bank: southern star
   Branch : chogoria
   Account number : 502002338500

(g) Independent Auditors

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

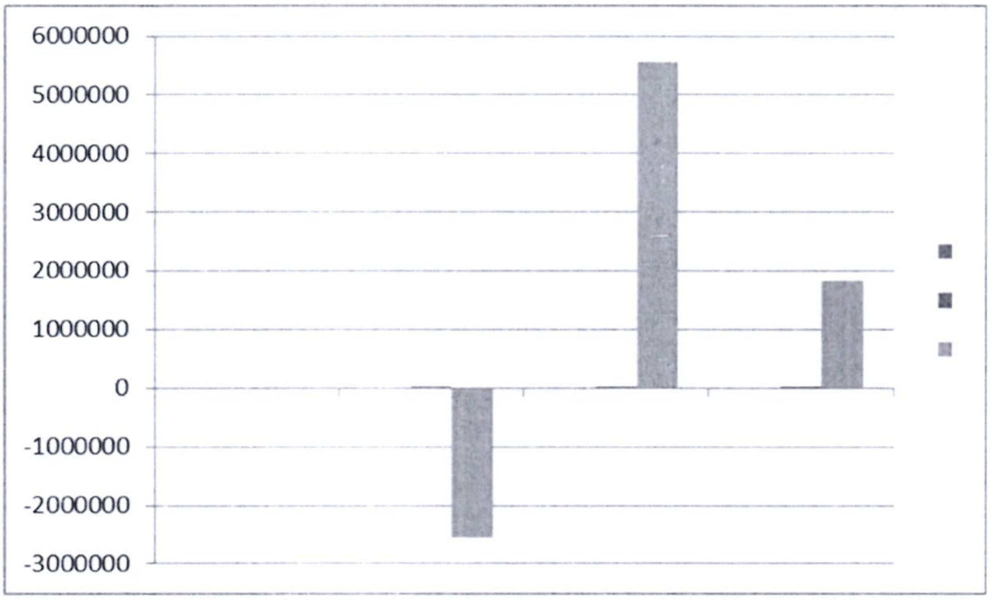
3.Summary Report of Performance of The School

:

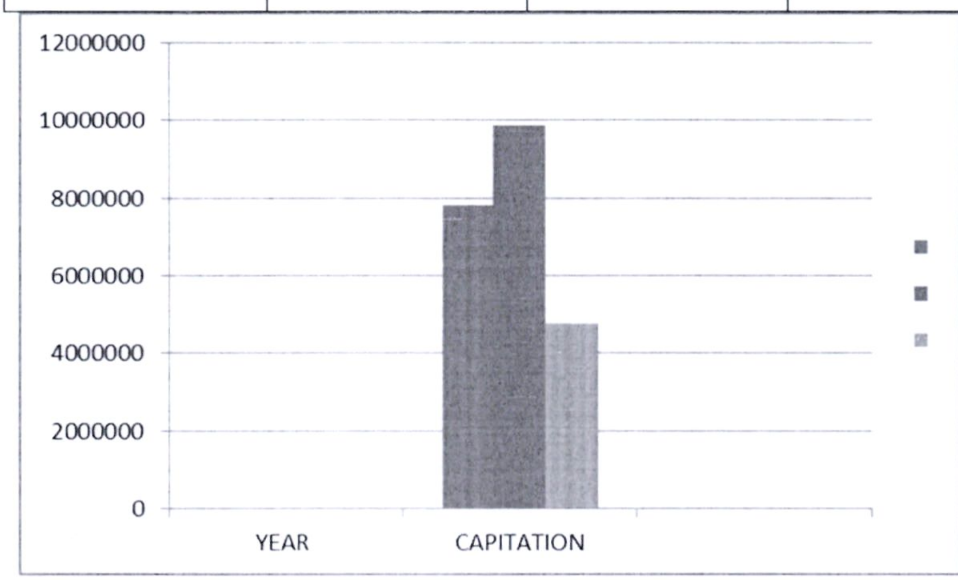
a) Financial performance:

SURPLUS / DEFICIT

YEAR	2022-2023	2021-2022	2021
SURPLUS /DEFICIT	-2,254,133	5,563,559	1,836,461

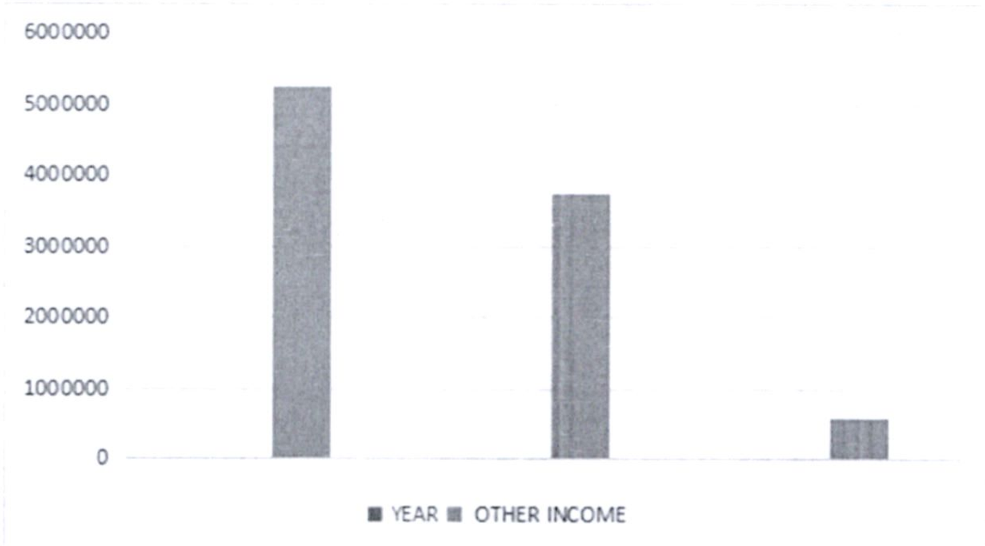


YEAR	2022-2023	2021-2022	2021
CAPITATION	7,815,845	9,852,633	4,778,443

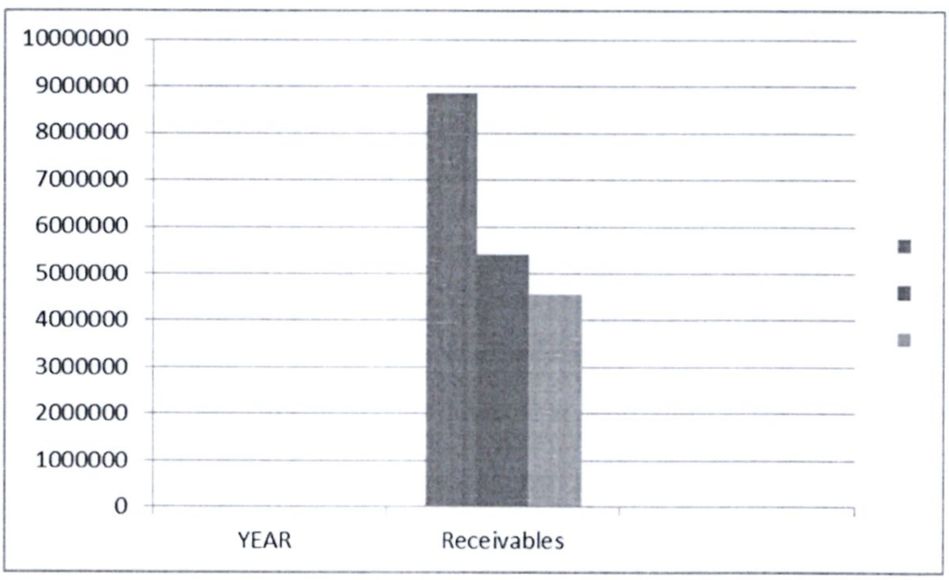


Other income

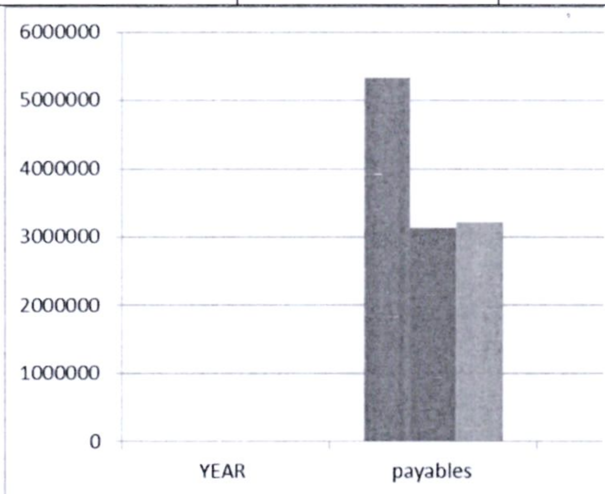
YEAR	2021-2023	2021-2022	2021
OTHER INCOME	5,264,155	3,750,838	593,120



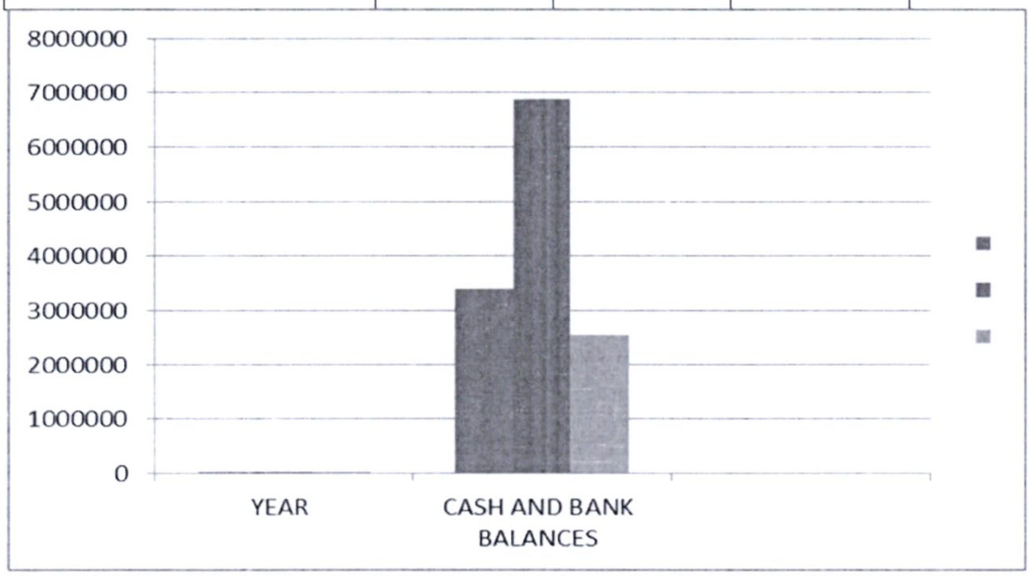
YEAR	2022-2023	2021-2022	2021
Receivables	8,855,535	5,418,835	4,568,315



YEAR	2023	2022	2021
payables	5,323,260	3,136,039	3,208,825



YEAR	2023	2022	2021
CASH AND BANK BALANCES	3,387,646	6,891,258	2,551,005



Teacher Student ratio:

S/NO	Teacher to student ratio	Number of teachers recruited and posted to the school within the year	Number of teachers transferred during the period	Number of teachers retired during the period	Number of teachers employed by t.s.c	Number of teachers employed by b.o.m
1	1:21	2	4	0	20	7
S/NO	**SUBJECTS TAUGHT**		**NO. OF TEACHERS PER SUBJECT**		**SHORTAGE/ ALLOCATION RESOURCES**	

1.	English / Literature	4	Biology / Chemistry
2.	Kiswahili /C.R.E	1	Computer / Mathematics
3.	Kiswahili / History	2	Chemistry /Mathematics
4.	Maths / Physics	4	B/ studies/ Geography
5.	Maths / Chemistry	2	
6.	Biology / Chemistry	1	
7.	Biology / Agriculture	1	
8.	Geography / business studies	2	
9.	History / C.R.E	3	
10	Home science	1	

c) Mean score in the year 2021 – 2023 K.C.S.E.

YEAR	MEAN SCORE	MEAN GRADE	INDEX	NO. OF STUDENTS SCORED C+ AND ABOVE	COMMENT
2023	5.164	C-	+0.386	17	Average performance targeting for a mean of 6.5
2022	4.778	C-	-1.133	15	
2021	4.9083	C-	+0.1303	12	

d) Number of Candidates in the K.C.S.E 2024:

YEAR	NO. OF CANDIDATES
2023	128
2022	147
2021	110

***e)*Capacity of the school**

s/no	*Facility*	*number*	*Enrolment*	*Capacity*	*Remarks*
1	*classrooms*	*12*	*509,*	*509*	
2	*dormitories*	*5 x110*	*509*	*509*	
3	*Laboratories*	*2*	*509*	*509*	
4	*Dinning hall*	*1 x 509*	*509*	*509*	

b) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)
Construction of a modern dormitory	Ministry of education and	Ongoing project	12,000,000	3,136,198
	Parents	On going project		2,601,347
				5,737,545

....

School Principal

4. Statement of School Management Responsibility

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

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

The Board of Management of *NGAITA GIRLS 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.

....

Name: NIMROD P. MIRITI
Designation: Chairman, School Board of Management
Date: 17/4/26.

....

Name: GLADYS N. KIRUGI
Designation: School Principal & Secretary to Board of Management
Date: 17/4/26

....

Name: IDAH KAINYO
Designation: Bursar/ Finance Officer
Date: 17/4/2026

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NGAITA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - THARAKA NITHI 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.

An Unmodified Opinion is issued when the Auditor-General concludes that, 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

Opinion

I have audited the accompanying financial statements of Ngaita Girls Secondary School set out on pages 1 to 19, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, the statement of cash flows and statement of budgeted versus actual amounts, for the year 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, the financial statements present fairly, in all material respects, the financial position of Ngaita Girls 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 Opinion

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

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, I have determined that there are no other key audit matters to report in the year under review.

Other Information

Management is responsible for the other information set out on page iii to xii which comprise of the School's Key Information and Management, Summary Report of School Performance, and Statement of School's 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 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 and based on the audit procedures performed, except for 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. Irregularities in Construction of Dormitory

The statement of receipts and payments reflects boarding and school fund payments of Kshs.33,349,548 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.5,737,545 paid to a Contractor for dormitory construction (Tender No.NGHS/02/2022 phase I). The dormitory was complete and in use at the time of audit. However, the school did not retain 10% of the payments as retention contrary to the requirements of the contract.

In the circumstances, the school was at risk of financial loss in the event that the contractor breached the agreement and Management was in breach of the contract.

2. IrregularTransfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)

The statement of receipts and payments reflects boarding and school fund payments of Kshs.33,349,548 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.869,400 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, the value for money transferred to KESSHA amounting to Kshs.869,400 could not be confirmed.

3. Failure to Maintain Separate Cashbooks for Bank Accounts

Review of the provided cashbooks revealed that the school maintained one cash book for all three school fund bank accounts contrary to Regulation 100 of the Public Finance Management (National Government) Regulations,2015 which states that accounting officers shall keep in all offices receiving cash or making payments a cash book showing receipts and payments and shall also maintain other books and registers as may be necessary.

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 Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with school land measuring five (5) acres valued at Kshs.9,000,000. However, land ownership documents were not availed for audit verification and management said the land was registered under Ngaita primary school.

In the circumstances, the effectiveness of the management of the assets and the accuracy, completeness and ownership of land balance of Kshs.9,000,000 could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.8,855,535 as disclosed in Note 13 to the financial statements. The balance includes fee arrears for prior years of Kshs.3,480,427 which had been outstanding for more than two (2) years. However, there was no age analysis and policy on impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

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

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

20 May, 2026

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

Description Of Vote Head	Note	2022-2023	2021-2022
		Ksh	kshs
Receipts			
Government grants for tuition	1	1,460,472	1,834,335
Government grants for operations	2	4,159,373	5,917,298
Government Grants for infrastructure	3	2,196,000	2,101,000
School fund income- parents' contributions	4	26,595,579	27,127,030
Miscellaneous incomes	5	5,264,155	3,750,838
Total Receipts		**39,675,579**	**40,730,501**
Payments			
Tuition	6	1,513,959	1,799,192
Operations	7	3,929,527	5,928,680
Infrastructure	8	3,136,678	0
Boarding and school fund	9	33,349,548	27,439,070
Total Payments		**41,929,712**	**35,166,942**
Surplus/Deficit		**(2,254,133)**	**5,563,559**

The school financial statements were approved on 17/4/2026 and signed by:

………………………………
Name: NIMROD P. MIRITI
Chair BOM
Date: 17/4/2026

………………………………
Name: GLADYS M. KIRUGI
School Principal/ Secretary to BOM
Date: 17/4/2026

………………………………
Name: IDAH KAINYU
Bursar/ Finance Officer
Date: 17/4/2026

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

Description	Note	2022-2023	2021-2022
		Ksh	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	3,369,981	6,868,258
Cash balances	11	17,665	23,000
Short term investments	12		0
Total cash and cash equivalent		**3,387,646**	**6,891,258**
Account's receivables	13	8,855,535	5,418,835
Total financial assets (a)		**12,243,181**	**12,310,093**
Financial liabilities			
Accounts payables	14	(5,323,260)	(3,136,039)
Total Financial Labilities (b)		**5,323,260**	**3,136,039**
Net financial assets (a-b)		**6,919,921**	**9,174,054**
Represented by			
Accumulated fund b/fwd	15	9,174,054	3,610,495
Surplus/deficit for the year		(2,254,133)	5,563,559
Net Assets		**6,919,921**	**9,174,054**

The school's financial statements were approved on 17/4/2026 and signed by:

....	....	....
Name: NIMROD P. MURITI	**Name:** GLADYS N. KIRUGI	**Name:** IDAH KAINTU
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 17/4/2026	**Date:** 17/4/26.	**Date:** 17/4/2026

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

Description	Note	*2022-2023*	*2021-2022*
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,460,472	1,834,335
Government grants for operations		4,159,373	5,917,298
Government grants for infrastructure		2,196,000	2,101,000
School fund income- parents contributions/ fees		28,647,804	29,411,827
Other income		5,264,155	3,750,838
Total receipts		**41,727,804**	**43,015,298**
Payments			
Cash outflows for tuition		1,513,959	1,798,472
Cash outflows for operations		3,929,527	5,928,680
Cash outflows Boarding/lunch and school fund payments		34,050,385	30,647,893
Total payments		**39,493,871**	**38,375,045**
Net cash inflow/outflow from operating activities		**2,233,933**	**4,640,253**
Cash flow from investing activities			
Acquisition of assets dormitory		(5,737,545)	0
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	**18**	0	0
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		**(3,503,612)**	**4,640,253**
Cash and cash equivalent at beginning of the 2023		6,891,258	2,251,005
Cash and cash equivalent at end of the 2023		**3,387,646**	**6,891,258**

The school's financial statements were approved on 17/4/2026 and signed by:

....	....	....
Name: NIMROD P. MIRITI	**Name:** GLADYS N. KIRUGI **School Principal/ Secretary to BOM**	**Name:** IDAH KAMYU
Chair BOM		**Bursar/ Finance Officer**
Date: 17/4/2026	**Date:** 17/4/2026	**Date:** 17/4/2026

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	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials					
Exercise Books	450,000	0	450,000	360,472	80%
Laboratory Equipment	700,000	0	700,000	600,000	88%
Teaching / Learning Materials	600,000	0	600,000	500,000	83%
(2) Capitation Grant on Operations					
Personnel Emoluments	2,800,000	0	2,800,000	2,453,373	88%
Repairs And Maintenance					
Local Transport / Travelling	300,000	0	300,000	200,000	66%
Electricity And Water	700,000	0	700,000	600,000	86%
Medical	150,000	0	150,000	108,900	72%
Administration Costs	600,000	0	600,000	500,000	83%
Activity	400,000	0	400,000	297,100	49%
3) FDSE for infrastructure					
Maintenance &Improvement MoE	2,900,000	0	2,900,000	2,196,000	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					
Personnel Emoluments	2,900,000	0	2,900,000	2,634,963	91%
Repairs And Maintenance	1,800,000	0	1,800,000	1,300,796	72%
Local Transport / Travelling	1,800,000	0	1,800,000	1,500,000	83%
Electricity And Water	2,000,000	0	2,000,000	1,800,000	90%
Medical					
Administration Costs	2,400,000	0	2,400,000	2,200,000	92%
Activity	319,900	0	319,900	136,000	34%
SMASSE					
Fee On Boarding Equipment and Stores	17,124,160	0	17,124,160	17,023,820	99%
5) Miscellaneous Income					
Loans / Borrowing					
Rent income	24,000	0	24,000	15,000	62%
Income From Farming Activities	50,000	0	50,000	42,900	86%
Insurance Compensation					
Income for pTA funds	5,000,000	0	5,000,000	4,923,255	98%
Income From Bus Hire	300,000	0	300,000	220,000	73%
Fee For Hire of Ground and Equipment					
Income from tenders	100,000	0	100,000	63,000	63%
Total Income	**43,418,060**	**0**	**43,418,060**	**39,675,579**	**91%**
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Exercise Books	450,000	0	450,000	411,799	91%
Laboratory Equipment	700,000	0	700,000	600,000	86%
Internal Exams					
Teaching / Learning Materials	600,000	0	600,000	501,680	83%
Bank Charges				480	
(7) Expenditure For Operations					
Personnel Emoluments	2800,000	0	2,800,000	2,223,167	79%
Local Transport / Travelling	300,000	0	300,000	200,000	67%
Electricity, Water and Conservancy	700,000	0	700,000	600,000	87%
Medical	150,000	0	150,000	108,900	73%
Administration Costs	600,000	0	600,000	500,360	83%
Activity Expenses	400,000	0	400,000	297,100	74%
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of dormitory	2,900,000	0	2,900,000	3,136,678	108%
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	2,900,000	0	2,900,000	2,834,961	98%

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
Repairs, Maintenance and Improvements	1,800,000	0	1800,000	1,800,000	100%
Local Transport / Travelling	1,800,000	0	1,800,000	1,800,000	100%
Electricity, Water and Conservancy	2,000,000	0	2,000,000	2,000,000	100%
Medical Expenses					
Administration Costs	2,400,000	0	2,400,000	2,400,000	100%
Activity	319,900	0	319,900	236,000	73%
Boarding Equipment and Stores	17,124,160	0	17,124,160	17,101,962	99%
Expenditure For Income Generating Activity farm	50,000	0	50,000	42,000	84%
PTA funds	5,000,000	0	5,000,000	4,910,255	98%
Other Expenses On Investments					
Bus hire expences	300,000	0	300,000	161,370	54%
Expences from tenders	100,000	0	100,000	63,000	63%
Rent expences	24,000	0	24,000	0	0%
Loan Principal Repayment					
Acquisition Of Assets					
Totals	**43,418,060**	**0**	**43,418,060**	**41,929,712**	**97%**

i. *Operation account and tuition account is below 90% because funds budgeted was not released by ministry of education*

ii. *School fund acount is below 90% because funds budgeted from parents was not fully paid*

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 various sources when the event occurs, and the related cash has been received by the *school.* In addition, the *school* recognises all expenses when the event occurs, and the related cash has 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 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 2023.

11.Notes To the Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Ksh	kshs
Reference Materials		
Exercise Books	360,472	934,335
Laboratory Equipment	600,000	400,000
Internal Exams		
Teaching / Learning Materials	500,000	500,000
Others *(specify)**		
Total	**1,460,472**	**1,834,335**

2 Government Grants for Operations

Description	2022-2023	2021-2022
		kshs
Personnel Emoluments	2,453,373	2,715,298
Local Transport / Travelling	200,000	702,000
Electricity And Water	600,000	1,400,000
Medical	108,900	
Administration Costs	500,000	600,000
Activity	297,100	500,000
Other Vote Heads (specify)*		
Total	**4,159,373**	**5,917,298**

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
		Ksh
Maintenance & Improvement	2,196,000	2,101,000
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other *(specify)(NGCDF and County govt.*		
Total	**2,196,000**	**2,101,000**

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	2,634,963	2,990,000
Repairs and maintenance	1,300,796	1,643,959
Local transport / travelling	1,500,000	1,693,959
Electricity and water	1,800,000	2,160,000
Medical		
Administration costs	2,200,000	2,406,525
Activity	136,000	371,180
Fee on Boarding Equipment and stores	17,023,820	15,861,407
PA Levies*		
Others (specify)		
Total	**26,595,579**	**27,127,030**

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	KSHS	Kshs
Rent Income	15,000	20,000
Income From Farming Activities	42,900	96,407
Insurance Compensation		4,431
Income From Bus Hire	220,000	328,000
Fee For Hire of Ground and Equipment		
Income PTA funds	4,923,255	3,200,000
Income from tenders	63,000	102,000
Dividends Income		
Loans/Borrowings*		
Other Income *(specify)**		
Total	**5,264,155**	**3,750,838**

6 Tuition

Description	2022-2023	2021-2022
	kshs	Kshs
Exercise Books	411,799	901,472
Textbooks		
Reference materials		
Laboratory Equipment	600,000	399,000
Teaching / Learning Materials	501,680	498,000
Exams And Assessment		
Teachers Guides		
Bank Charges	480	720
Others *(specify)*		
Total	**1,513,959**	**1,799,192**

7 Operations

Description	2022-2023	2021-2022
	kshs	Kshs
Personnel Emoluments	2,223,167	2,798,208
Administration Cost	500,000	500,472
Local Transport / Travelling	200,000	700,000
Electricity And Water	600,000	1,400,000
Medical	108,900	
Activity Expenses	297,100	530,000
Bank charges	360	
Others (specify)		
Total	**3,929,527**	**5,928,680**

8 **Infrastructure**

Description	2022-2023	2021-2022
	kshs	kshs
Construction of classrooms		0
Construction of laboratory		0
Construction of dormitory	3,136,678	0
Purchase of furniture		0
Purchase of equipment		0
Purchase of apparatus		0
Drilling of boreholes		0
Others (specify)		0
Total	**3,136,678**	**0**

9 **Boarding And School Fund**

Description	2022-2023	2021-2022
	kshs	
Personnel Emoluments	2,834,961	2,978,310
Repairs And Maintenance & Improvements	1,800,000	1,213,986
Local Transport / Travelling	1,800,000	1,688,000
Electricity And Water	2,000,000	2,060,000
Administration Costs	2,400,000	2,318,521
Lunch Programme		
Activity	236,000	159,200
Expenses bus hire	161,370	228,000
Fee On Boarding Equipment and Stores	17,101,962	16,641,053
farm Expenses	42,000	50,000
Pta funds	4,910,255	
Tenders expences	63,000	102,000
Total	**33,349,548**	**27,439,070**

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	*2022-2023*	*2021-2022*
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01139057785400	4,295	56,101
Operations Account	Active	01139057785402	230,742	896
School Fund Account/Boarding	Active	1103774034	291,790	132,361
Bus Account	Active	1103524143	2,013	2,823,373
Income Generating Activities Account	Active	502002338500	28,119	101,826
Infrastructural Account	Active	01139057785401	2,813,022	3,753,701
Total			**3,369,981**	**6,868,258**

11 Cash In Hand

Description	*2022-2023*	*2021-2022*
	Ksh	Ksh
Notes and Coins	17,665	23,000
Total	**17,665**	**23,000**

12 Short Term Investments

Description	*2022-2023*	*2021-2022*
	ksh	Kshs
Cooperative Shares	0	
Treasury Bills	0	
Fixed Deposit accounts	0	
Other Investments	0	
Total	**0**	**0**

13 Accounts Receivable

Description	2022-2023	2021-2022
	ksh	Kshs
Fees Arrears	8,855,535	5,418,835
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	**8,855,535**	**5,418,835**

13 b) Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
		% of the total	**Current**	**% of the total**
Less than 1 year	5,375,108	61%	4,842,780	
Between 1- 2 years	3,480,427	39%	576,055	
Between 2-3 years				
Over 3 years				
Total (should tie to note 13)	**8,855,535**		**5,418,835**	

14 Accounts Payable

Description	2022-2023	2021-2022
	kshs	kshs
Trade Creditors (See Ageing Below and Appendix 1)	5,323,260	3,136,039
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables *(specify)*		
Total	**5,323,260**	**3,136,039**

14a. Ageing Analysis of Accounts Payable

Description	*2022-2023*	*2021-2022*
	Kshs	*Kshs*
Less than 1 year	5,323,260	3,136,039
Between 1- 2 years		
Between 2-3 years		
Over 3 years		
Total (should tie to note 14)	**5,323,260**	**3,136,039**

15 Fund Balance Brought Forward

Description	*2022-2023*	*2021-2022*
		Ksh
Bank Balances	6,868,258	2,162,534
Cash Balances	23,000	88,471
Short Term Investments		
Receivables	5,418,835	4,568,315
Payables	(3,136,039)	(3,208,825)
Total	**9,174,054**	**3,610,495**

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	2022-2023	2021-2022
	kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	**0**	**0**

17 Biological assets

Description	Number	2022-2023	Numbers	2021-2022
Cattle	6	330,000	6	325,000
Pigs	3	48,000	3	46,000
Trees	10	52,000	10	50,000
Coffee Or Tea Plantation				
sheep	8	29,000	8	25,000
Total		**459,000**		**446,000**

18 Borrowings

Description	Kshs 2022-2023	Kshs 2021- 2022
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	**0**	**0**

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	kshs	
Food stuffs	347,369	235,257
Lab consumables	657,101	621,425
Stationary	1,801,772	969,660
Medication		
Construction Materials		
Others (specify)		

20.Progress On Follow Up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.	Purchases from Non-registered Suppliers	Supporting documents availed	Resolved	
2.	Under Funding of Capitation Grants	The management to ensure compliance with NEMIS registration. Birth certificates to be collected on reporting date.	Resolved	
3.	Failure to Transfer Infrastructure Funds from Operations Bank Account	Signatories were unavailable.Henceforth transfers will be effected as per the MOE directives.	Resolved	
4	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)	The money is pulled together to support co-curricular activities.	Not resolved	In progress
5	Lack of adequate BOM meetings	BOM meetings directive will be complied with	Resolved	
6	Lack of land ownership documents	Land allotment letter available. The tittle deed is still with Ngaita primary school .The school is pursuing official sub- division of the land and issuance of ngaita girls tittle deed .	Not resolved	In progrss

-------------------------------- 17/4/2026

Sign and Date
Principal

12.Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023	Outstanding Balance Comparative 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Victor Muema Kiilu	20,250	6/6/2023	0	20,250	0	To be paid in the next financial year
5. Tam Kam supplies	89,000	January 2023	0	89,000	0	To be paid in the next financial year
6. Jim Mugo	46,600	23/2/2023	0	46600	0	To be paid in the next financial year
7. Lawrence Gitonga	42,000	15/5/2023	0	42000	0	To be paid in the next financial year
8. Cathrene Kaari	51,100	May/June2023	0	51,100	0	To be paid in the next financial year
9. Asenath Gacheri	45,000	may /June 2023	0	45000	0	To be paid in the next financial year
10. Esther Mwali	45,000	May 2023	0	45,000	0	To be paid in the next financial year
11. Kenson Karani	11,400	2022/2023	0	11400	0	To be paid in the next financial year
12. Mafuko Industries	348,750	January to june 2023	0	348750	0	To be paid in the next financial year
13. Book Flyier	358800	8/2/2023	0	358800	0	To be paid in the next financial year

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023	Outstanding Balance Comparative 2022	Comments
14. Orient Publishers	22,500	8/2/2023	0	22,500	0	To be paid in the next financial year
15. Sarah Karimi	51,200	May 2023	0	51,200	0	To be paid in the next financial year
16. Lawrence Gitonga	157,500	MAY /JUNE 2023	0	157,500	0	To be paid in the next financial year
17. Kimka Supermart	244,970	May 2023	0	244970	0	To be paid in the next financial year
18. Readers quest	501290	November 2022	0	501290	0	To be paid in the next financial year
19. Classic food store	1,371,100	January - june 2023	0	1,371,100	0	To be paid in the next financial year
20.Gichimbo enterprises	1,631,800	January 2023	0	1,631,800	0	To be paid in the next financial year
sub-total	**5,038,260**			**5,038,260**	**0**	To be paid in the next financial year
supply of services					0	To be paid in the next financial year
21.Wamo tech services	285,000	January 2023	0	285,000	0	To be paid in the next financial year
Sub-Total	**285,000**		0	**285,000**	**0**	To be paid in the next financial year
Grand Total	**5,323,260**			**5,323,260**	**00**	To be paid in the next financial year

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year 2022-2023 (Kshs)	Disposals during the year2022-2023 (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	9,000,000	0	0	9,000,000
Buildings And Structures	52,400,000	5,737,545	0	58,137,545
Motor Vehicles	2,500,000	0	0	2,500,000
Office Equipment, Furniture And Fittings	1,000,000	0	0	1,000,000
Textbooks	9,457,556	796,240	0	10,253,796
ICT Equipment	1,982,000	0	0	1,982,000
Tools And Apparatus	4,184,763	0	0	4,184,763
Other Machinery And Equipment	11,096,975	0	0	11,096,975
Heritage And Cultural Assets	0	0	0	0
Intangible Assets- Soft Ware	100,000	0	0	100,000
Total	**91,721,294**	**6,533,785**	**0**	**98,255,079**