REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

SIPALA FRIENDS BOYS HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2024

BUNGOMA COUNTY

Revised 30th June 2024.

SFBHS
HARD WORK PAYS

SIPALA FRIENDS BOYS

HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2024

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

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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 Bungoma County, Webuye East Sub-County

The school was registered in 11/3/09 under registration number GP/A/5809/09 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a Boarding school and had 284 number of students as at *30th June 2024.*It has 2 streams and 21 teachers of which 5 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	Amb Simon Nabukwesi	Chairman	2019
2	Mr.Henrey Ogombe	Secretary- Principal	2019
3	Mr.Nyongesa Watulo	Member	2019
4	Mr. Elijah Muga	Member	2019
5	Mr.Johnstone Nakitari	Member	2019
6	Mrs.Rhoda Lusaka	Member	2019
7	Mr.Antony Chebulobi	Member	2019
8	Mr. Humphrey Silungi	Member	2019
9	Mrs Melda Nakhurenya	Member	2019
10	Mrs. Nasimiyu Mulari	Member	2019
11	Dr.David Wamamili	Member	2019
12	Mr. Alfred Walubengo	Member Rep Teachers	2019
13	Mr.Collins Namaswa		2019
14	Mrs.Florence Mwenya		2019
15	Mrs.Selah Liko	3 Members - Sponsor	2019

The function of the School Board of Management includes:

- 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 theyear
1	Executive Committee	1.Dr,David Wamamili 2.Mr.Henrey Ogombe 3.Mr.Elijah Moga 4.Mrs.Nasimiyu Mulari 5.Mr.Nyongesa Watulo	chair Principal Member Member Member	1
2	Audit Committee	1.Mr.Watulo Nyongesa 2.Mr.Elijah Moga 3.Mr.Henrey Ogombe	Chair Member Member	1
3	Finance,procurement and general purposes Committee	1.Mr,Antony Chebulobi 2.Mrs.Selah Liko 3.Mr.Henrey Ogombe	Chair Member Member	
4	Academic Committee	1.Mr.Elijah Moga 2.Mrs.Nasimiyu Mulari 3.Mr.Henrey Ogombe	Chair Member Member	3
5	Development Committee	Mrs,Nasimiyu Mulari Dr.David Wamamili Mr.Nyongesa Watulo Mrs.Florence Mwenya Mr.Henrey Ogombe	Chair Member Member Member principal	
6	Discipline and welfare Committee	Mrs.Selah Liko Mr.Johnstone Nakitari Mrs.Rhoda Lusaka Mr.Henrey Ogombe	Chair Member Member principal	2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr.Henrey Ogombe	361357
2	Deputy Principal	Mr.Henrey Onyango	372871
3	School Bursar	Mrs Elizabeth Mupalia	

(e) Schools contacts

Post Office Box: PRIVATE BAG
Telephone: 0722978907
E-mail: sipalafriendsboyswebuye@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The school operated 7 bank accounts in the following banks:

1. Name of Bank: KCB
   Branch: WEBUYE
   Account Number: 1107167248

2. Name of Bank: KCB
   Branch: WEBUYE
   Account Number: 1124357645

3. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1108082734

4. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1212065026

5. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1109632479

6. Name of Bank: K.C. B
   Branch: WEBUYE
   Account 1130095630

7. MPESA Pay Bill No.522123,account No.50045k attached to account no.1107167248

(g) Independent Auditors

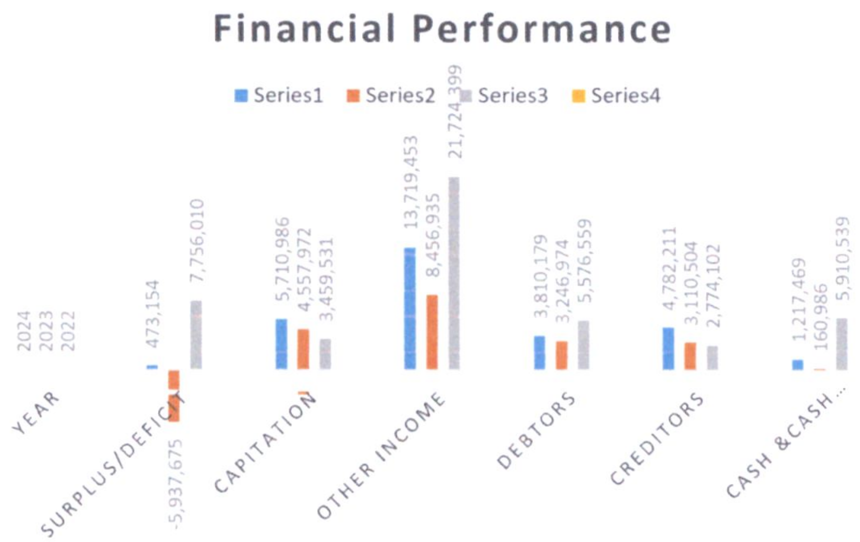
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3. Summary Report f 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:

YEAR	SURPLUS/DEFICIT	CAPITATION	OTHER INCOME	DEBTORS	CREDITORS	CASH &CASH EQUIVALENT
2024	473,154	5,710,986	13,719,453	3,810,179	4,782,211	1,217,469
2023	(5,937,675)	4,557,972	8,456,935	3,246,974	3,110,504	160,986
2022	7,756,010	3,459,531	21,724,399	5,576,559	2,774,102	5,910,539



b). Teacher Student ratio:

Year	Teacher: Student Ratio	Total Teachers	TSC Teacher	Bom Teachers	Recruited Teachers	Transferred	Retired Teachers
2024	22: 310	22	17	5	0	4	0
2023	22:310	22	17	5	0	0	0
2022	23: 310	23	16	6	1		0

c). Mean score in the 2024 KCSE/Number of Candidates in the 2024 KCSE:

YEAR	NO. OF STUDENT	MEAN SCORE	TRANSITION
2024	80	4.02	14
2023	74	3.767	8
2022	81	4.272	10

d). Capacity of the school:

NO.	FACILITY	NO	STD CAPACITY	NO.OF STUDENT	REMARKS
1.	DINING HALL	1	1000	310	Enough
2.	DORMITORIES	3	300	310	Not enough
3.	LABORATORIES	2	50	310	not enough
4.	TOILETS	20	300	310	Not Enough
5.	CLASSROOMS	8	320	310	Enough
6.	LIBRARY	1	20	310	Not Enough

e). Development projects carried out by the school:

NO.	*PROJECT*	*STATUS*	*PROJECT FUND*
1.	*DORMITORY*	*COMPLETED*	*CDF*
2.			

....

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 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 Sipala Friends boys' High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: Amb Simon Nabukwesi
Designation: Chairman, School Board of Management

Sign: ....

Date: ....07-04-2026.

Name: Mr.Henrey Ogombe
Designation: School Principal& Secretary to Board of Management

Sign: ....

Date: ......07-04-2026........

Name: Mrs.Elizabeth Mupalia
Designation: Bursar/ Finance Officer

Sign: ....

Date: ....7/4/2026...........

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON SIPALA FRIENDS BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – BUNGOMA 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 Sipala Friends Boys High School set out on pages 1 to 17, which comprise the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Sipala Friends Boys High School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects receipts amounting to Kshs.18,928,479 in respect of capitation grants for tuition, operations and infrastructure and school fund income. However, the ledgers reported the amount as Kshs.7,273,455 resulting in an unexplained variance of Kshs.11,655,024.

Further, the statement reflects total payments of Kshs.19,929,285 while the ledgers indicated the balance as Kshs.9,191,843 resulting in an unexplained variance of Kshs.10,737,442.

In addition, the statement of receipts and payments reflects comparative amount for infrastructure as Nil amount whereas the prior year financial statements reported the amount as Kshs.1,198,000.

The statement also reported comparative amount of miscellaneous income as Kshs.1,233,000 whereas the prior year financial statements reported the amount as Kshs.35,000 resulting in an unexplained variance of Kshs.1,198,000.

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

2. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects Government grants for tuition, operations and infrastructure amounts of Kshs.1,061,497, Kshs.3,028,489 and Kshs.2,593,000 respectively as disclosed in Notes 1, 2 and 3 to the financial statements. However, comparison of amounts receipted by the school and the financial statements revealed amounts of Kshs.5,372,265 and Kshs.6,682,986 respectively resulting in an unexplained variance of Kshs.1,310,721.

In the circumstances, the accuracy and completeness of Government grants for tuition, operations and infrastructure amounts of Kshs.1,061,497, Kshs.3,028,489 and Kshs.2,593,000 respectively could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflect tuition, operations, boarding and school fund payments of Kshs.1,256,057, Kshs.3,093,438 and Kshs.12,902,889 respectively as disclosed in Notes 6, 7 and 9 to the financial statements. However, examination of sampled payment vouchers amounting to Kshs.1,193,934 revealed that Management made payments without proper support documents as such as invoices, local purchase orders and goods received notes.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations and school fund payments of Kshs.1,256,057, Kshs.3,093,438 and Kshs.12,902,889 respectively could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects a balance of Kshs.1,217,469 in respect of cash and cash equivalents. However, the bank and cash balances were not supported by bank reconciliation statements and board of survey report.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.1,217,469 could not be confirmed.

5. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.26,231,841 as disclosed in Note 13 to the financial statements. However, the schedules provided for audit amounted to Kshs.3,810,179 resulting in unsupported balance of Kshs.22,421,662.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.26,231,841 could not be confirmed.

6. Variance in Accounts Payable

The statement of assets and liabilities reflect accounts payable of Kshs.14,510,636 as disclosed in Note 14 to the financial statements. However, the balance differs with the amount of Kshs.4,782,211 reflected in the ledger resulting in an unexplained variance of Kshs.9,728,425.

In the circumstances, the accuracy, existence and completeness of accounts payable balance of Kshs.14,510,636 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Sipala Friends Boys High School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.26,342,350 and Kshs.20,402,439 respectively resulting to an under-funding of Kshs.5,939,911 or 23% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Payable

The statement of assets and liabilities reflect accounts payable of Kshs.14,510,636 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables of Kshs.7,932,700 which had been outstanding for more than two (2) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The School received operations capitation grant of Kshs.4,000,489 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,305,330 in respect of infrastructure grants which was supposed to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.1,275,000 was transferred to infrastructure account, leaving a balance of Kshs.30,330 as at 30 June, 2024. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3/3 dated 16 June, 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 Government Guidelines.

3. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

i. Management did not provide commentary on significant under/overutilization in the statement of budgeted versus actual amounts.
ii. Annex 1 and Annex 2 on analysis of pending accounts payable and summary of fixed assets register respectively were incomplete.

Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management did not comply with the PSASB guidelines.

4. Late Submission of Financial Statements for Audit

During the year under review, the School Management submitted the financial statements to the Auditor-General on 09 April, 2025 instead of the statutory deadline of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflected accounts receivable balance of Kshs.26,231,841 as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.20,023,889 which had been outstanding more than two (2) years. However, there was no policy on the impairment of long outstanding fees casting doubt on full recoverability of the accounts receivable balance.

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

2. Weaknesses in Management of Assets

Although the School is situated in a specific parcel of land, the land title deed was not provided for audit and therefore no proof of legal ownership. In addition, the log book for the school bus which has been in a garage for over five (5) years was not provided for audit. The School Management explained that the bus was co-owned by a Commercial Bank and Sipala Secondary School.

Further, the School Management did not maintain an updated fixed asset register.

In the circumstances, the existence of effective measures in the management of 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 Board of Management

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

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

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

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

The Board of Management is 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

13 May, 2026

6. Statement of Receipts and Payments for the Year Ended 30th June 2024

Description Of Vote Head	Note	2023- 2024 Kshs	2022 - 2023 Kshs
Receipts			
Government grants for tuition	1	1,061,497	852,235
Government grants for operations	2	3,028,489	2,507,737
Government Grants for infrastructure	3	2,593,000	-
School fund income- parents' contributions	4	12,245,493	8,421,935
Miscellaneous incomes	5	1,473,960	1,233,000
Total Receipts		**20,402,439**	**13,014,906**
Payments			
Tuition	6	1,256,057	1,570,788
Operations	7	3,093,438	1,983,758
Infrastructure	8	2,676,901	7,010,154
Boarding and school fund	9	12,902,889	8,387,881
Total Payments		**19,929,285**	**18,952,581**
Surplus/Deficit		**473,154**	**(5,937,675)**

The school financial statements were approved on 7-4-2026 and signed by:

....	....	....
Name: MARTIN KIVZU	**Name:** FRANCIS JUMA	**Name:** ELIZABETH MUPALI
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 07-04-2026	**Date:** 07-04-2026	**Date:** 7/4/2026

7. Statement of Assets and Liabilities as At 30th June 2024

Description	Note	2023 - 2024 Kshs	2022 - 2023 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,211,455	154,782
Cash balances	11	6,014	6,204
Short term investments	12	-	-
Total cash and cash equivalent		**1,217,469**	**160,986**
Account's receivables	13	26,231,841	23,512,697
Total financial assets (a)		**27,449,310**	**23,673,683**
Financial liabilities			
Accounts payables	14	14,510,636	11,208,163
Total Financial Labilities (b)			
Net financial assets (a-b)		**12,938,674**	**12,465,520**
Represented by			
Accumulated fund b/fwd	15	12,465,520	18,403,196
Surplus/deficit for the year		473,154	(5,937,675)
Net Assets		**12,938,674**	**12,465,520**

The school's financial statements were approved on 7-4- 2026 and signed by:

…………………………	…………………………	…………………………
Name: MARTIN KIVEU	**Name:** FRANCIS JUMA	**Name:** ELIZABETH MUPAHA
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 07/04/2026	**Date:** 07/04/2026	**Date:** 7/4/2026

8. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023- 2024	2022- 2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,061,497	852,235
Government grants for operations		3,028,489	2,507,737
Government grants for infrastructure		2,593,000	-
School fund income- parents contributions/ fees		11,368,414	8,421,935
Other income		1,473,960	1,233,000
Total receipts		**19,525,360**	**13,014,906**
Payments			
Cash outflows for tuition		1,050,330	1,570,788
Cash outflows for operations		3,250,136	1,983,758
Cash outflows Boarding/lunch and school fund payments		11,491,509	8,199,758
Total payments		**15,791,975**	**11,754,304**
Net cash inflow/outflow from operating activities		**3,733,384**	**1,260,602**
Cash flow from investing activities			
Acquisition of assets		(2,676,901)	(7,010,154)
Proceeds from sale of Assets		-	-
Net cash inflow/outflows from investing activities		**(2,676,901)**	**(7,010,154)**
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		**1,056,483**	**(5,749,552)**
Cash and cash equivalent at beginning of the FY		160,986	5,910,539
Cash and cash equivalent at end of the FY		**1,217,469**	**160,986**

The school's financial statements were approved on 7-4- 2026 and signed by:

....	....	....
Name: MARTIN KIVEU	**Name:** FRANCIS JUMA **School Principal/ Secretary to BOM**	**Name:** ELIZABETH MUPELIK
Chair BOM		**Bursar/ Finance Officer**
Date: 07/04/2026	**Date:** 07/04/2026.	**Date:** 7/4/2026

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
RECEIPTS					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	2,764,800	-	2,764,800	1,061,497	38%
Sub-totals	**2,764,800**	**-**	**2,764,800**	**1,061,497**	**38%**
(2) Capitation Grant on Operations					
Medical and Insurance	899,550	-	899,550	-	0%
Repair,Maintenance and Improvement	250,000	-	250,000	259,500	104%
Activity	675,000	-	675,000	208,400	31%
Personnel Emoluments	2,475,000		2,475,000	1,265,500	51%
Electricity And Water	225,000		225,000	541,089	240%
Local Transport / Travelling	450,000		450,000	190,200	42%
Administration Cost	1,080,000	-	1,080,000	563,800	52%
Sub-totals	**6,054,550**	**-**	**6,054,550**	**3,028,489**	**50%**
3) FDSE for infrastructure					
Maintenance &Improvement MoE	2,000,000	-	2,000,000	2,593,000	130%
Sub-totals	**2,000,000**	**-**	**2,000,000**	**2,593,000**	**130%**
(4) Fees Charged on Parents			-		
Activity	75,000		75,000	49,417	66%
Personnel Emoluments	930,000		930,000	336,385	36%
Electricity And Water	1,170,000		1,170,000	614,324	53%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
Local Transport / Travelling	915,000		915,000	621,365	68%
Administration Cost	855,000		855,000	561,565	66%
Medical	500		500	375	75%
Exams	60,000		60,000	58,100	97%
Boarding Equipment & Stores	9,415,500		9,415,500	9,926,337	105%
Maintenance &Improvement	600,000		600,000	77,625	13%
Sub-totals	**14,021,000**	**-**	**14,021,000**	**12,245,493**	**87%**
5) Miscellenous Income			-		
Income From farming activities	9,000	-	9,000	8,140	90%
Hire of ground and equipment	90,000		90,000	87,000	97%
Bursary	1,400,000		1,400,000	1,375,860	98%
Textbook replacement	3,000	-	3,000	2,960	99%
Sub-totals	**1,502,000**	**-**	**1,502,000**	**1,473,960**	**98%**
TOTAL INCOME	**26,342,350**	**-**	**26,342,350**	**20,402,439**	**77%**
PAYMENTS					
(6) Expenditure For Tuition					
Exercise Books	579,000	-	579,000	-	0%
Laboratory Equipment	650,000	-	650,000	230,000	35%
Teaching / Learning Materials	450,000	-	450,000	372,756	83%
Exams And Assessment	320,000	-	320,000	264,190	83%
Internal exams	450,550		450,550	387,000	86%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
Chalks	65,250		65,250	-	0%
Teahers' Guides	250,000		250,000		0%
Bank Charges	2,500	-	2,500	2,111	84%
Sub-totals	**2,767,300**	**-**	**2,767,300**	**1,256,057**	**45%**
(7) Expenditure For Operations					
Personnel Emoluments	2,475,000	-	2,475,000	1,910,237	77%
Administration Cost	1,080,000	-	1,080,000	563,787	52%
Local Transport / Travelling	450,000	-	450,000	170,200	38%
Electricity And Water	225,000	-	225,000	288,240	128%
Medical	899,550	-	899,550	3,200	0%
Activity Expenses	675,000	-	675,000	157,774	23%
Sub-totals	**5,804,550**	**-**	**5,804,550**	**3,093,438**	**53%**
(8) Expenditure For infrastructure					
Renovations of Classrooms	500,000		500,000	972,000	194%
Construction of a Dormitory	1,500,000	-	1,500,000	1,704,901	114%
Sub-totals	**2,000,000**	**-**	**2,000,000**	**2,676,901**	**134%**
(9)Expenditure for Boarding/school fund					
Activity	75,000		75,000	186,685	249%
Local Transport / Travelling	915,000		915,000	273,910	30%
Electricity And Water	1,170,000		1,170,000	317,383	27%
Administration Cost	855,000		855,000	448,327	52%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
Boarding Equipment & Stores	9,415,500		9,415,500	8,861,981	94%
Personnel Emoluments	930,000		930,000	1,096,257	118%
Bank Charges	500		500	351	70%
Medical expenses	30,000		30,000	27,850	93%
Repair,Maintenance and Improvement	300,000		300,000	272,745	91%
Bursary	1,400,000		1,400,000	1,375,860	98%
Income From farming activities expenses	50,000	-	50,000	41,540	83%
Sub-totals	**15,141,000**	**-**	**15,141,000**	**12,902,889**	**85%**
TOTAL EXPENDITURE	**25,712,850**	**-**	**25,712,850**	**19,929,285**	**78%**

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 2024.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	210,299	-
Laboratory Equipment	212,299	-
Internal Exams	194,000	-
Teaching / Learning Materials	424,600	852,235
Chalks	20,299	-
Total	**1,061,497**	**852,235**

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,265,500	1,300,000
Repairs And Maintenance	259,500	-
Local Transport / Travelling	190,200	250,000
Medical	-	31,100
Electricity, Water and Conservancy	541,089	310,650
Administration Costs	563,800	500,000
Activity	208,400	115,987
Total	**3,028,489**	**2,507,737**

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance &Improvement MoE	972,000	-
M&I parents' contribution	1,621,000	-
Economic Stimulus Programs	-	-
Transition Infrastructure Grants	-	-
Total	**2,593,000**	-

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	336,385	162,755
Repairs maintenance & improvement	77,625	102,147
Local transport / travelling	621,365	345,252
Electricity and water	614,324	689,929
Medical	375	35,240
Administration costs	561,565	691,168
Activity	49,417	18,256
Fee on Boarding Equipment and stores/Lunch	9,926,337	6,329,268
Exams	58,100	47,920
Total	**12,245,493**	**8,421,935**

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Income From Farming Activities	8,140	-
Fee For Hire of Ground and Equipment	87,000	-
Income From Grants and Donations- CDF	-	1,198,000
Bursary	1,375,860	-
Tender fee	-	35,000
Textbook replacement	2,960	
Total	**1,473,960**	**1,233,000**

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	-	499,358
Laboratory Equipment	230,000	675,235
Teaching / Learning Materials	372,756	273,254
Exams And Assessment	264,190	-
Internal exams	387,000	109,000
Bank Charges	2,111	372
Chalks	-	13,569
Total	**1,256,057**	**1,570,788**

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,910,237	1,087,169
Administration Cost	563,787	220,110
Repairs And Maintenance & Improvements	-	8,000
Local Transport / Travelling	170,200	154,600
Electricity And Water	288,240	221,770
Medical	3,200	-
Activity Expenses	157,774	140,250
Welfare	-	52,653
Sacco	-	98,162
Bank charges	-	1,044
Total	**3,093,438**	**1,983,758**

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Renovations of classrooms	972,000	1,197,628
Construction of laboratory	-	-
Construction/Renovation of dormitory	1,704,901	5,812,154
Drilling of boreholes	-	-
Bank charges	-	372
Total	**2,676,901**	**7,010,154**

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,096,257	270,809
Repairs And Maintenance & Improvements	272,745	110,680
Local Transport / Travelling	273,910	234,064
Electricity, Water & conservancy	317,383	152,683
Medical Expenses	27,850	20,470
Administration Costs	448,327	499,068
Bank Charges	351	2,736
Expenses On Income Generating Activities	41,540	7,800
Fee On Boarding Equipment and Stores	8,861,981	6,681,881
Tender expenses	-	8,700
Bursary	1,375,860	-
Activity	186,685	398,990
Total	**12,902,889**	**8,387,881**

10 Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/ Dormant		Kshs	Kshs
Tuition Account		1108082734	236,580	116,269
Operations Account		1124357645	606,089	13,376
School Fund Account/Boarding		1107167248	26,087	10,113
Savings Account			-	-
P.A. Development Account			-	-
C.D.F. Account			-	-
Infrastructural Account		1212065026	342,699	15,024
Total			**1,211,455**	**154,782**

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Operation account	-	3,475
School fund account	6,014	2,729
Total	**6,014**	**6,204**

12 Short Term Investments

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

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	26,202,841	23,270,763
Other -Unrecovered NHIF deductions	29,000	241,934
Unrecovered Salary Advances (list/schedule attached)	-	-
Unaccounted Imprest (list/schedule attached)	-	-
Uncollected KCSE charges	-	-
Total	**26,231,841**	**23,512,697**

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	**% of the total**	**2022-2023**	**% of the total**
Less than 1 year	3,810,179	15%	3,246,874	14%
Between 1- 2 years	2,368,773	9%	4,902,596	21%
Between 2-3 years	4,902,596	19%	9,394,955	40%
Over 3 years	15,121,293	58%	5,726,338	25%
Total (should tie to note 13 a)	**26,202,841**	**100%**	**23,270,763**	**100%**

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	14,426,079	11,043,204
Prepaid Fees	84,557	164,959
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution Money	-	-
Total	**14,510,636**	**11,208,163**

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	4,782,211	33%	3,110,504	28%
Between 1- 2 years	1,711,168	12%	2,379,417	22%
Between 2-3 years	2,379,417	16%	5,553,283	50%
Over 3 years	5,553,283	38%	-	0%
Total (should tie to note 14)	**14,426,079**	**100%**	**11,043,204**	**100%**

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank balances	154,782	5,873,671
Cash balances	6,204	36,868
Short Term Investments	-	-
Receivables	23,512,697	20,953,856
Payables	(11,208,163)	(8,461,199)
Total	**12,465,520**	**18,403,196**

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	2	-	-
Goats		-	-
Trees	79	-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)pigs	11	-	-
Total	**92**	-	-

18 Borrowings

Description	2023-2024	2022-2023
Borrowings at beginning of the year	Kshs	Kshs
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

19 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
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)*

07/04/2026

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 FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20XX
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

(The school should ensure that a detailed fixed assets register is maintained).