REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NDATHI SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2024

NYERI COUNTY

NDATHI SECONDARY 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)

Table of Contents

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 Nyeri County, Kieni Sub-County

The school was registered in January 1972 under registration number H/A/423/83 and is currently categorized as a County public school established, owned and operated by the Government.

The school is a boarding school and had 176 students as at 30th June 2024. It has two (2) streams and 15 teachers of which 2 teachers are employed by the School's Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 and 56 (1) of the Basic Education Act, 2013 is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Paul Kamati Mwai	Chairman	26 March 2022
2	Julius Wanjohi Nduyu	Secretary – Principal	2024
3	Joseph Gathgea Ngunjiri	Member	26 March 2022
4	Peter Mugo Gikonyo	Member	26 March 2022
5	Geofrey Kariuki Gichohi	Member	26 March 2022
6	Shelmith Muthoni Mwangi	Member	26 March 2022
7	Ann Wanjuhi Njoroge	Member	26 March 2022
8	Ivy Kibera	Member – Rep CEB	26 March 2022
9	A. Chokera Githinji	Member Rep Teachers	26 March 2022
10	Daina Wanja Muchoki	Members - Sponsor	26 March 2022
11	Simon Ngunjiri Gathoni	Member - Community	26 March 2022
12	Stephen Githaiga Kinyua	Member Special Needs	26 March 2022
13	James Munyiri	Member	26 March 2022
14	Mwai Kabura	Rep Students	26 March 2022

The function of the School Board of Management include:

- 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; and
- 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 par. 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Number of meetings attended during the year
1	Executive Committee	• Paul Kamati Mwai • Diana Wanja • Geofrey Karuki • Julius Wanjohi Nduyu • Geofrey Gichohi	None
2	Audit Committee	• Peter Mugo Gikonyo • Simon Ngunjiri Gathoni • Diana Wanja	None
3	Finance,procurement and general purposes Committee	• Paul Kamati Mwai • Diana Wanja • Geofrey Karuki	None
4	Academic Committee	• James Munyiri • Alfaxard K. Chokera • Stephemn Mwangi Karinga • Diana Wanja Muchoki	None
5	Development Committee	• Simon Ngunjiri Gathoni • Mr . Nyingi J.M • Paul Kamati Mwai • Julius Wanjohi Nduyu • Peter Mugo Gikonyo	None
6	Discipline and welfare Committee	• Peter Mugo Gikonyo • Simon Ngunjiri Gathoni • James Munyiri • Shelmith Muthoni Mwangi	None

(d) School operation Management

For the financial year ended 30th June 2024 the School's day today management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Julius Wanjohi Nduyu	TSC No.333787
2	Deputy Principal	Samuel Muturi Wambugu	TSC No.
3	School Bursar	Francis Wachira Githu	ICPAK No. NAC 57655

(e) Schools contacts

Post Office Box: 122- Kiganjo-10102
Telephone: 0799344810
E-mail: Ndathisec@gmail.com

(f) School Bankers

Kenya Commercial Bank
Branch: Nyeri
P.O. Box: 215- 10100, Nyeri, Kenya

TAIFA SACCO
Branch: Kimahuri
P.O. Box: 1649-00100, Nyeri, Kenya

(g) Independent Auditors

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

3. Summary Report of Performance of the School

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

a) Financial performance:

The following is a summary report of the performance of the school for the last three (3) years.

S/NO	ACCOUNT	2024 Kshs	2023 Kshs	2022 Kshs	2021 Kshs
1	School Fund	(341,720)	(2,961,164)	(730,550)	354,292
2	Operations	528,927	(559,428)	(455,201)	519,714
3	Tuition	146,151	9,681	37,842	(9,507)
4	Infrastructure	(121)	299,880	(455,146)	(294,930)
5	Savings	0	-	(1,065)	(59,250)
6	Gratuity	19,695	13,401	1,378	-
7	Taifa Sacco	40,623	60,724	42,187	13,428
	Surplus/(Deficit)	**393,555**	**(3,136,906)**	**(1,560,554)**	**523,747**

- The school's financial performance improved during the year considering that the school recorded a surplus of Kshs. 393,555 in 2024, compared to a deficit of Kshs. 3,136,906 reported in 2023.

Capitation grants from the Ministry of Education for the last three (3) years

ACCOUNTS	2024	2023 Kshs	2022 Kshs	2021 Kshs
Tuition	341,225	359,666	808,653	383,354
Operations	1,656,526	1,575,263	3,554,177	2,404,069
Total	**1,999,775**	**1,934,929**	**4,362,830**	**2,787,423**

- Based on the capitation received and the student enrolment of 176 and 215 students in 2024 and 2023 respectively, the capitation per student increased to Kshs.11,363 per student compared to Kshs. 9,000 in 2023.

b) Teacher Student ratio:

The school had an enrolment of 176 students and 15 teachers, resulting in a teacher–student ratio of 1:12. The teachers comprised thirteen (13) employed by the TSC and two (2) engaged by the BOM.

c) Mean score in the 2023 KCSE:

The school mean score over the last three (3) years were as follows:

Year	Students Sitting KCSE	Mean Score	Mean Grade
2023	42	3.905	D
2022	63	4.291	D+
2021	63	4.450	D+

The school's mean score declined from 4.29 in 2022 to 3.91 in 2023.

d) Number of Candidates in the 2023 KCSE:

The school had 42 students sitting for KCSE in 2023 compared to 63 students in 2022.

e) Capacity of the school:

The summary of the school facilities vis a vis the student population is as summarized below:

Facility	Dormitories	Dining hall	Laboratories	Toilets
No of Facilities	2	1	2	22
No. of Students	176	176	176	176
Ratio	**1:88**	**1:176**	**1:88**	**1:8**

f) Development projects carried out by the school:

Development projects carried out in the year, and ongoing projects are as follows:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
None	Not applicable	Not started	0	0	Not applicable

PRINCIPAL
NDATHI HIGH SCHOOL
P.O. Box 122-10102, KIGANJO
SIGN..................

....

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 Basic Education Act, 2013 requires the Board of Management of a public institution of basic education to keep proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Ndathi 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 the 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: PAUL KAMATI MWAI
Designation: Chairman, School Board of Management
Date: 23/3/2026

....
Name: PETER M. MURAGE
Designation: School Principal & Secretary to Board of Management
Date: 23/3/2026

....
Name: FRANCIS W. GITHU
Designation: School Bursar
Date: 23/3/2026

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NDATHI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – NYERI 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 Ndathi Secondary School set out on pages 1 to 18, which comprise of 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 Ndathi Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,038,139 as disclosed in Notes 10 and 11 to the financial statements. Included in the balance are four (4) bank accounts with account balances Kshs.13,416, Kshs.29,151, Kshs.3,962 and Kshs.114,136 respectively. However, the bank balances were not supported by cash books and bank reconciliation statements.

Further, review of financial records revealed that the School is operating an account with Taifa SACCO, which is not a recognized bank account for holding public funds and there was no evidence of authorization from the Ministry of Education. In addition, Note 11 to the financial statements reflects cash in hand balance of Kshs.22,195 which was not supported by board of survey reports.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.1,038,139 could not be confirmed.

2. Variances in Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.13,101,915 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices reflects a balance of Kshs.615,091 resulting in an unexplained variance of Kshs.12,486,824.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.13,101,915 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.14,785,850 and Kshs.11,920,553 respectively, resulting in an under-funding of Kshs.2,865,297 or 19% 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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iii to viii 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations and boarding and school fund payments amount of Kshs.1,127,599 and Kshs.10,204,205 as disclosed in Note 7 and Note 9 to the financial statements respectively. Included in the expenditure is an amount of Kshs.734,750 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools

In the circumstances, value for money transferred to KESSHA amounting to Kshs.734,750 could not be confirmed.

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations of Kshs.341,225 and Kshs.1,656,526, respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one hundred and thirty-nine (139) students while the enrolment records provided by the School indicated a total number of one hundred and seventy-six (176) students, resulting in an unexplained variance of 37 students. As a result of the variances, the school was under funded by an amount of Kshs. 533,651 (37 *Kshs. 14,423).

In the circumstances, the under-funding of the School may have affected service delivery to the public.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.1,997,751. Comparison of data from the National Education Management Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2023/2024, NEMIS reflected one hundred and thirty-nine (139) students while records from the County Director of Education had One hundred and seventy-six (176) students, resulting in an under-funding of the school by an amount of Kshs.533,651. This was contrary to the Ministry of Education Circular MOE.HQs/3/10/18/ Vol.II/ (33) dated 7 March, 2024 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the school may have affected service delivery to the students.

4. Excess Supply of Books

During the year under review (FY 2023/2024), the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed one thousand eight hundred and seventy (1,870) text books to the school while only one thousand six hundred and seventy-three (1,673) books were issued to the students, resulting in an unexplained excess text books of one hundred and ninety-seven (197) in the school store. Further, some books issued in the financial years 2021/2022 and 2022/2023 were still lying in the store as they were no longer in use.

In the circumstances, value for money on the excess one hundred and ninety-seven (197) text books could not be confirmed.

5. School Operating Contrary to Approved Registration Status

Review of Ndathi Secondary School's Registration Certificate (No. H/A/423/83) and the Ministry of Education Register of Public Secondary Schools revealed that the School is registered as a Boys Boarding Secondary School. However, physical verification established that the School had fifty-four (54) day students and had also enrolled twenty-six (26) girls despite the school having been registered as a Boys Boarding School. This was contrary to Regulation 3 of the Basic Education Regulations, 2015 which requires that no person, body or organization shall establish or admit learners to a private or public institution without first obtaining written authority from the Cabinet Secretary.

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

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 3 October, 2024 instead of the statutory deadline of 30 September, 2024. This was contrary to Section 81 (4) of the Public Finance Management Act, 2012 on preparation of the financial statements which required the financial statements to have been submitted to the Auditor General by 30 September.

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

7. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of the Ministry guidelines.

8. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.1,656,526 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.538,900 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, the funds had not been transferred from the operations account to the designated infrastructure bank account as at 30 June, 2024.

In the circumstances, Management was in breach of the Ministry guidelines.

9. Unapproved School Fees

The statement of receipts and payments reflects school fund income – parents' contributions of Kshs.9,862,485 as disclosed in Note 4 to the financial statements. However, review of the 2023/2024 fee structure revealed that the School charged Kshs.57,185 per student, exceeding the Ministry of Education approved parental contribution for boarding schools under Category B of Kshs.40,535 by Kshs.16,650. The excess fee of Kshs.16,050 was not approved by the Ministry of Education and this was contrary to Paragraph 3.3.3 of the Ministry of Education Circular Ref. MOE.HQS/3/10/18 Vol. II/ (33) dated 7 March, 2024 which specifies the approved fee structure for Category B boarding schools at Kshs.40,535. The excess charge was also in contravention of Regulation 44 of the Basic Education Regulations, 2015 which requires that no public school or institution shall issue alternative fees structures other than those approved by the Cabinet Secretary. Further, the School had enrolled fifty-four (54) day students at an annual fee of Kshs.22,500 per academic year, but the fee structure for day students had not been approved by the Cabinet Secretary for Education.

In the circumstances, Management was in breach of the Government Guidelines.

10. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

10.1 Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.11,920,553 and Kshs.11,526,998 in respect of total receipts and payments respectively. However, during the year Management did not prepare an Annual Procurement Plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

10.2 Unstructured Procurement Processes

During the year under review, the School did not adhere to established procurement procedures, as evidenced by the absence of a procurement plan, failure to advertise tenders, use of inappropriate procurement methods including reliance on direct procurement which circumvented competitive bidding, lack of key committees and supporting reports, including evaluation, inspection, and acceptance reports. Further, no market surveys were conducted. This was contrary to Section 44 (2) (d) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act.

10.3 Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(1) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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 effects 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 Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an Audit Committee and an Internal Audit Unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Weaknesses in the Board of Management

The School Board of Management (BOM) is constituted by thirteen (13) Members. However, letters of appointment for eleven (11) Board Members were not provided. Further, notice of meetings and attendance registers were not provided while the minutes of meetings attended had not been signed by BOM Secretary and the BOM Chairman.

In the circumstances, the effectiveness of the governance mechanism at the School could not be confirmed.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects a summary of the fixed assets register with a valuation of Kshs. 4,794,851, which includes land of an unknown value. However, land ownership documents were not provided. Further, Management did not provide an updated fixed assets register to support the reported assets. Also, several assets including class desks, laboratory worktops, dormitory beds, and school computers were not tagged for identification and control purposes.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

4. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.13,101,915 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs. 11,422,147 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 April, 2026

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

Description of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	341,225	359,666
Government grants for operations	2	1,656,526	1,575,263
Government Grants for infrastructure	3	-	300,000
School fund income parents' contributions	4	9,862,485	9,921,022
Miscellaneous incomes	5	60,318	74,125
Total Receipts		**11,920,553**	**12,230,076**
Payments			
Tuition	6	(195,074)	(349,984)
Operations	7	(1,127,599)	(2,134,691)
Infrastructure	8	(121)	(120)
Boarding and school fund	9	(10,204,205)	(12,882,186)
Total Payments		**(11,526,998)**	**(15,366,982)**
Surplus/Deficit		**393,555**	**(3,136,906)**

The school financial statements were approved on 30/9/ 2024 and signed by:

Paul Kamati Mwai
Chairman, BoM

Date: 23/3/26

Peter Murage
School Principal/Secretary to BoM

Date: 23/3/26

Francis Wachiara
School Bursar

Date: 23/3/2026

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,015,944	507,809
Cash balances	11	22,195	136,776
Short term investments	12	-	
Total cash and cash equivalent		**1,038,139**	**644,585**
Account's receivables	13	13,101,915	12,860,510
Total financial assets (a)		**14,140,054**	**13,505,095**
Financial liabilities			
Accounts payables	14	3,044,122	2,802,717
Total Financial Labilities (b)		**3,044,122**	**2,802,717**
Net financial assets (ab)		**11,095,932**	**10,702,378**
Represented by			
Accumulated fund b/fwd.	15	10,702,378	13,839,284
Surplus/deficit for the year		393,555	(3,136,906)
Net Assets		**11,095,932**	**10,702,378**

The school's financial statements were approved on 30/9/ 2024 and signed by:

Paul Kamati Mwai
Chairman, BoM

Date: 23/3/26

Peter Murage
School Principal/Secretary to BoM

Date: 23/3/26

Francis Wachiara
School Bursar

Date: 23-3-2026

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flow from Operating Activities			
Receipts			
Government grants for tuition		341,225	359,666
Government grants for operations		1,656,526	1,575,263
Government grants for infrastructure		-	300,000
School fund income parents' contributions/ fees		9,862,485	10,970,256
Other income		60,318	74,125
Total receipts		**11,920,553**	**13,279,310**
Payments			
Cash outflows for tuition		(195,074)	(349,984)
Cash outflows for operations		(1,127,599)	(2,134,692)
Cash outflows for Infrastructure		(121)	(120)
Cash outflows Boarding/lunch and school fund payments		(10,204,205)	(11,743,182)
Total payments		**(11,526,998)**	**(14,227,979)**
Net cash inflow/outflow from operating activities		**393,555**	**(948,669)**
Cash flow from investing activities			
Acquisition of assets		-	-
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**	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		393,555	(948,669)
Cash and cash equivalent at beginning of the Year		644,585	1,593,254
Cash and cash equivalent at end of the Year		**1,038,140**	**644,585**

Notes

- The presentation of cash flow statement uses the direct method which is encouraged under IPSAS and recommended by the Public Sector Accounting Standards Board (PSASB).

The school's financial statements were approved on 30/9/2024 and signed by:

Paul Kamati Mwai ***Chairman, BoM***	**Peter Murage** **School Principal**	**Francis Wachiar** **School Bursar**
Date: 23/3/26	**Date:** 23/3/26	**Date:** 23/3/2026

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Textbooks and reference materials	-	-	-	-	-
Exercise books	-	-	-	-	-
Laboratory equipment	-	-	-	-	-
Teaching / learning materials	828,800	-	828,800	341,225	41%
Chalks	-	-	-	-	-
Exams and assessment	-	-	-	-	-
Teachers guides	-	-	-	-	-
Sub-Total	**828,800**	-	**828,800**	**341,225**	**41%**
(2) Capitation Grant on Operations					
Personnel emoluments	1,156,000		1,156,000	431,000	37%
Repairs and maintenance	1,000,000		1,000,000	538,900	54%
Local transport / travelling	162,000		162,000	-	0%
Electricity and water	400,000		400,000	225,625	56%
Medical	400,000		400,000	112,425	28%
Administration costs	162,000		162,000	238,376	147%
Activity	300,000		300,000	110,200	37%
Gratuity	-		-	-	0%
SMASSE	40,000		40,000	-	0%

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
Sub-Total	**3,620,000**		**3,620,000**	**1,656,526**	**46%**
(3) Fees Charged on Parents					
Personnel emoluments	735,000	-	735,000	1,192,209	162%
Repairs and maintenance	300,000	-	300,000	486,616	162%
Local transport / travelling	450,000	-	450,000	729,924	162%
Electricity and water	300,000	-	300,000	486,616	162%
Medical	-	-	-	-	0%
Administration costs	450,000	-	450,000	729,924	162%
Activity	712,500	-	712,500	60,827	9%
SMASSE	-	-	-	-	0%
Fee on Boarding Equipment and Stores	6,755,250	-	6,755,250	6,176,371	91%
Sub-Total	**9,702,750**	-	**9,702,750**	**9,862,485**	**102%**
4) Miscellaneous Income					
Rent income	49,200		49,200	-	0%
Income from farming activities	585,100		585,100	40,623	7%
Interest Income	-	-	-	19,695	>100%
Sub-Total	**634,300**	-	**634,300**	**60,318**	**10%**
Total Income	**14,785,850**	-	**14,785,850**	**11,920,553**	**81%**
(5) Expenditure For Tuition					
Textbooks and reference materials	-	-	-	-	0%
Exercise books	-	-	-	-	0%
Laboratory equipment	-	-	-	50,000	>100%

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
Internal exams	-	-	-	-	0%
Teaching / learning materials	828,800	-	828,800	144,000	17%
Chalks	-	-	-	-	0%
Exams and assessment	-	-	-	-	0%
Teachers guides	-	-	-	-	0%
Administration costs	-	-	-	-	0%
Bank Charges	-	-	-	1,074	>100%
Sub-total	**828,800**	-	**828,800**	**195,074**	**24%**
(6) Expenditure For Operations					
Personnel emoluments	1,156,000		1,156,000	513,728	44%
Repairs and maintenance	1,000,000		1,000,000	21,600	2%
Local transport / travelling	162,000		162,000	20000	12%
Electricity and water	400,000		400,000	9300	2%
Medical	400,000		400,000	-	0%
Administration costs	162,000		162,000	465,661	287%
Activity	300,000		300,000	97,310	32%
Gratuity	-		-	-	0%
SMASSE	40,000		40,000	-	0%
Sub-total	**3,620,000**	-	**3,620,000**	**1,127,599**	**31%**
(7) Expenditure For school fund/lunch/boarding					
Personnel emoluments	735,000	-	735,000	1,692,589	230%

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 and maintenance	300,000	-	300,000	271,118	90%
Local transport / travelling	450,000	-	450,000	834,910	186%
Electricity and water	300,000	-	300,000	909,850	303%
Medical	-	-	-		0%
Administration costs	450,000	-	450,000	1,006,346	224%
Activity	712,500	-	712,500	673,899	95%
Bank Charges	-	-	-	-	0%
Fee on Boarding Equipment and Stores	6,755,250	-	6,755,250	4,682,917	69%
Rent income	49,200	-	49,200	-	0%
Income from farming activities	585,100	-	585,100	-	0%
Insurance Costs	-	-	-	132,576	>100%
Sub-total	**10,337,050**	-	**10,337,050**	**10,204,205**	**99%**
Total Payments	**14,785,850**	-	**14,785,850**	**11,526,878**	**78%**

Notes

- Statement of Comparison budget versus actual prepared on cash basis.
- The budget is based on student enrollment target of 200 students and annual capitation per student of Kshs.22,244 and parent fees of Kshs. 57,185.
- Budgeted revenue was Kshs. 14,785,850 that was financed by Kshs. 11,920,553 resulting in 83% financing.
- Budgeted payments amounted to Kshs. 14,785,850 while actual payments amounted to Kshs. 11,526,878 resulting in an absorption rate of 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. Noncurrent assets

Noncurrent 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
Library and Reference Materials	-	-
Exercise Books	-	125,000
Laboratory Equipment	-	75,000
Internal Exams	-	-
Teaching / Learning Materials	341,245	159,666
Computers	-	-
Exams and Assessments	-	-
Teachers Guides	-	-
Total	**341,245**	**359,666**

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	431,000	449,573
Local Transport / Travelling	-	47,600
Electricity And Water	225,625	213,600
Repairs and maintenance	538,900	525,000
Administration Costs	235,376	236,152
Activity	110,200	73,338
Medical	112,425	28,000
Total	**1,653,526**	**1,573,263**

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-
Administration Block	-	-
Total	-	-

4 School Fund Income Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Fee on Boarding Equipment and Stores	6,176,371	6,213,029
Repairs and maintenance	486,616	489,504
Local transport / travelling	729,924	734,256
Administration	729,924	734,256
Electricity, Water and Conservancy	486,616	489,504
Personnel emoluments	1,192,209	1,199,285
Activity	60,827	61,188
Total	**9,862,487**	**9,921,022**

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	40,623	60,724
Interest Income	19,695	13,401
Total	**60,318**	**74,125**

6 Payments For Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Textbooks	-	-
Exercise books	-	144,000
Laboratory equipments and apparatus	50,000	85,000
Teaching/learning materials	144,000	120,000
chalks	-	-
Internal exams	-	-
Creditors	-	-
Bank charges	1,074	984
Exam and Assessment	-	-
Total	**195,074**	**349,984**

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emoluments	513,728	1,045,157
Activity	97,310	186,380
Administration Cost	465,661	478,824
Repairs and maintenance & improvements	21,600	300,000
Local transport / travelling	20,000	43,500
Electricity and water	9,300	79,050
Medical/Insurance	-	1,780
Total	**1,127,599**	**2,134,691**

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Bank Charges	121	120
Total	**121**	**120**

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	1,692,589	1,511,299
Service Gratuity	-	-
Repairs and maintenance & Improvements	271,118	329,085
Local transport / travelling	834,910	641,435
Electricity and water	909,850	720,998
Medical Expenses	-	2,200
Administration costs	1,006,346	1,136,712
Lunch Programme	-	-
Bank Charges	-	1,334

Description	2023-2024	2022-2023
	Kshs	Kshs
Expenses on Income Generating Activities	-	-
Fee on Boarding Equipment and Stores	4,682,917	6,513,928
Rent Expenses	-	-
Insurance Cost (Bus)	132,576	386,308
BOM Teacher	-	376,067
Activity	673,899	526,380
Acquisition of Assets	-	65,320
Harambee	-	-
School Fund	-	-
Uniform Paid	-	671,120
Total	**10,204,205**	**12,882,186**

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1101933321	200,520	54,369
Operations Account	Active	1101935065	534,997	6,027
School Fund Account/Boarding	Active	1101922192	119,762	(79,882)
Savings Account	Active	1207784672	13,416	13,537
Income generating activities Account -Taifa Sacco	Active	1021300412	29,151	115,004
Infrastructural Account	Active	1107540364	3,962	4,083
Gratuity	Active	1109933193	114,136	394,671
Total			**1,015,944**	**507,809**

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Operation Account	-	43
School Fund account	22,195	136,733
Total	**22,195**	**136,776**

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Total	-	-

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	13,101,915	12,860,510
Rent arrears (list/schedule attached)	-	-
Total	**13,101,915**	**12,860,510**

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year	876,874	7%	802,895	6%
Between 1-2 years	802,894	6%	858,199	7%
Over 2 Years	11,422,147	87%	11,199,416	87%
Total (should tie to note 13 a)	**13,101,915**	**100%**	**12,860,510**	**100%**

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade creditors (See ageing below)	2,668,055	2,333,060
Prepaid fees	-	93,590
Gratuity	376,067	376,067
Total	**3,044,122**	**2,802,717**

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year	2,668,055	100%	2,333,060	100%
Between 1 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (should tie to note 14)	**2,668,055**	**100%**	**2,333,060**	**100%**

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	507,809	1,537,599
Cash Balances	136,776	55,655
Short Term Investments	-	-
Receivables	12,860,510	13,909,743
Payables	(2,802,717)	(1,663,713)
Total	**10,702,378**	**13,839,284**

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 nonfinancial assets and liabilities.

16 Noncurrent Liabilities Summary

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Total	-	-

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	12	-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Total		-	-

- The school had 12 cattle as at 30 June 2024 but they were not valued by a valuer and a valuation report issued.

18 Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings at beginning of the year	-	-
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	216,000	94,700
Lab consumables	15,700	18,540
Farm produce	3,600	1,540
Total	**235,300**	**114,780**

20 Progress On Follow Up of Auditor Recommendations

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

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

....

Sign and Date
Principal

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=ac		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of Goods						
KENBLEST Foods Ltd	201,376		-	201,376	105,325	
DURACOIN Investments	404,600		40,850	363,750	185,860	
DAGIKA Investment	605,250		50,000	555,250	489,000	
JALU General Suppliers	425,850		-	425,850		
CHAMKEN Bookshop	581,869		45,170	536,699	581,869	
TEBEKI Investments	82,660		50,000	32,660		
JULIES Bureau Services	62,560		-	62,560		
MOLATECHOPTIONS	145,000		100,000	45,000		
P.N. KABARA AUTOGARAGE	69,700		50,000	19,700	69,700	
ISLAND Farmers	18,350		-	18,350		
Sub-Total	**2,597,215**		**336,020**	**2,261,195**	**1,431,754**	
Supply of Services						
EMUTECH Ventures	50,600		-	50,600	-	
FEDRIC Strategic Solutions	55,000		-	55,000	-	

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid to Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Joseph Kamau Wambui	15,000		-	15,000	-	
ALL PET Services	31,200		-	31,200	-	
Daniel Muriuki Murigu	15,400		-	15,400	-	
Stephen Ndia Nguii Muchina	19,000		-	19,000	-	
CIC Insurance	63,258		-	63,258	-	
Kenya Power Lighting	36,000		-	36,000	-	
David Kiretai Murimi	18,900		-	18,900	-	
Hybrid Auto services	102,502		-	102,502	32,576	
Sub Total	**406,860**		-	**406,860**	**32,576**	
Grand Total	**3,004,075**		**336,020**	**2,668,055**	**1,464,330**	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land 1 (Approximately 17 Acres)	-	-	-	-
Buildings and structures	2,294,851	-	-	2,294,851
Motor vehicles – School Bus	2,500,000	-	-	2,500,000
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, and Other ICT Assets	-	-	-	-
Tools and apparatus	-	-	-	-
Textbooks	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets- soft ware	-	-	-	-
Total	**4,794,851**	-	-	**4,794,851**

Notes

- The school holds assets including land, buildings, office computers, furniture, and textbooks. However, their values could not be determined due to the absence of a formal asset valuation.